

**SUBSTITUTE FOR
SENATE BILL NO. 230**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the department of agri-
5 culture for the fiscal year ending September 30, 2002, from the funds
6 indicated in this part. The following is a summary of the appropriations
7 in this part:

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For Fiscal Year Ending
September 30, 2002

1 DEPARTMENT OF AGRICULTURE

2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	652.0	
5	GROSS APPROPRIATION.....	\$	102,001,400
6	Interdepartmental grant revenues:		
7	IDG from MDCH, local public health operations.....		9,157,100
8	IDG from MDCIS (LCC), liquor quality testing fees....		164,000
9	IDG from MDCIS (LCC), nonretail liquor license fees..		466,600
10	IDG from MDEQ, biosolids.....		80,000
11	IDG from MDEQ, right to farm.....		105,000
12	IDG from MDEQ, type II well survey.....		15,000
13	IDG from MDNR, district forestry and wildlife program		1,000,000
14	IDG from Michigan gaming control board.....		1,300,000
15	Total interdepartmental grants and intradepartmental		
16	transfers.....		12,287,700
17	ADJUSTED GROSS APPROPRIATION.....	\$	89,713,700
18	Federal revenues:		
19	DAG, multiple grants.....		3,338,100
20	DAG-FS, multiple grants.....		100,000
21	DAG-NRCS.....		250,000
22	EPA, multiple grants.....		1,910,000
23	HHS-FDA.....		208,000
24	Total federal revenues.....		5,806,100
25	Special revenue funds:		
26	Total local revenues.....		0

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1	Private - oil company overcharge settlement.....	991,900
2	Private - slow-the-spread foundation.....	130,000
3	Total private revenues.....	1,121,900
4	Agriculture equine industry development fund.....	13,193,900
5	Agricultural preservation fund.....	700,000
6	Civil penalties.....	60,000
7	Commodity inspection fees.....	991,500
8	Gasoline inspection and testing fund.....	1,523,100
9	Groundwater and freshwater protection fund.....	4,668,200
10	Industry support funds.....	305,000
11	Licensing and inspection fees.....	5,025,600
12	Michigan state fair revenue.....	6,264,000
13	Pseudorabies and swine brucellosis fund.....	30,000
14	Testing fees.....	200,700
15	Upper Peninsula state fair revenue.....	1,223,900
16	Weights and measures regulation fees.....	323,400
17	Total other state restricted revenues.....	34,509,300
18	State general fund/general purpose..... \$	48,276,400
19	Sec. 102. EXECUTIVE	
20	Full-time equated unclassified positions.....6.0	
21	Full-time equated classified positions.....67.0	
22	Commission and boards..... \$	63,300
23	Unclassified positions--6.0 FTE positions.....	486,700
24	Executive direction--4.0 FTE positions.....	541,000
25	Management services--58.0 FTE positions.....	5,278,600
26	Statistical reporting service--5.0 FTE positions.....	461,600

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1	Environmental technology research grant.....	100
2	Value-added processing grant: ethanol.....	<u>100</u>
3	GROSS APPROPRIATION..... \$	6,831,400
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from MDCIS (LCC), nonretail liquor license fees..	8,800
7	Special revenue funds:	
8	Gasoline inspection and testing fund.....	47,800
9	Industry support funds.....	5,000
10	Licensing and inspection fees.....	62,100
11	Michigan state fair revenue.....	79,000
12	Upper Peninsula state fair revenue.....	9,000
13	State general fund/general purpose..... \$	6,619,700
14	Sec. 103. DEPARTMENTWIDE	
15	Rent and building occupancy charges..... \$	<u>1,647,100</u>
16	GROSS APPROPRIATION..... \$	1,647,100
17	Appropriated from:	
18	Special revenue funds:	
19	Gasoline inspection and testing fund.....	3,200
20	State general fund/general purpose..... \$	1,643,900
21	Sec. 104. FOOD AND DAIRY	
22	Full-time equated classified positions.....119.0	
23	Food safety and quality assurance--119.0 FTE	
24	positions..... \$	10,318,400
25	Local public health operations.....	<u>9,157,100</u>
26	GROSS APPROPRIATION..... \$	19,475,500

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1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG from MDCH, local public health operations.....	9,157,100	
4	Federal revenues:		
5	DAG, multiple grants.....	22,500	
6	HHS-FDA.....	183,600	
7	Special revenue funds:		
8	Civil penalties.....	60,000	
9	Licensing and inspection fees.....	2,484,000	
10	State general fund/general purpose..... \$	7,568,300	
11	Sec. 105. ANIMAL INDUSTRY		
12	Full-time equated classified positions.....56.5		
13	Animal health and welfare--27.5 FTE positions..... \$	2,418,000	
14	Bovine tuberculosis program--29.0 FTE positions.....	<u>3,528,100</u>	
15	GROSS APPROPRIATION..... \$	5,946,100	
16	Appropriated from:		
17	Federal revenues:		
18	HHS-FDA.....	9,000	
19	Special revenue funds:		
20	Licensing and inspection fees.....	201,500	
21	Pseudorabies and swine brucellosis fund.....	30,000	
22	State general fund/general purpose..... \$	5,705,600	
23	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
24	Full-time equated classified positions.....131.3		
25	Pesticide and plant pest management--131.3 FTE		
26	positions..... \$	12,982,400	

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1	Disease and pest intervention fund.....	201,800
2	Michigan State University.....	210,000
3	Orchard or vineyard removal.....	<u>40,100</u>
4	GROSS APPROPRIATION..... \$	13,434,300
5	Appropriated from:	
6	Federal revenues:	
7	DAG, multiple grants.....	1,952,200
8	EPA, multiple grants.....	1,510,000
9	HHS-FDA.....	15,400
10	Special revenue funds:	
11	Private - slow-the-spread foundation.....	130,000
12	Commodity inspection fees.....	991,500
13	Licensing and inspection fees.....	2,278,000
14	State general fund/general purpose..... \$	6,557,200
15	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
16	Full-time equated classified positions.....55.0	
17	Environmental stewardship--38.0 FTE positions..... \$	3,328,600
18	Groundwater and freshwater protection program--10.0	
19	FTE positions.....	5,168,200
20	Farmland and open space preservation--7.0 FTE	
21	positions.....	700,000
22	Cooperative resources management initiative program..	1,000,000
23	Energy conservation program.....	138,000
24	Forest stewardship program.....	100,000
25	Local conservation districts.....	2,800,000
26	Migrant labor housing.....	<u>950,000</u>

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1	GROSS APPROPRIATION.....	\$	14,184,800
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from MDEQ, biosolids.....		80,000
5	IDG from MDEQ, right to farm.....		105,000
6	IDG from MDEQ, type II well survey.....		15,000
7	IDG from MDNR, district forestry and wildlife program		1,000,000
8	Federal revenues:		
9	DAG-FS, multiple grants.....		100,000
10	DAG-NRCS.....		250,000
11	EPA, multiple grants.....		400,000
12	Special revenue funds:		
13	Private - oil company overcharge settlement.....		193,900
14	Agricultural preservation fund.....		700,000
15	Groundwater and freshwater protection fund.....		4,668,200
16	Industry support funds.....		40,000
17	State general fund/general purpose.....	\$	6,632,700
18	Sec. 108. LABORATORY PROGRAM		
19	Full-time equated classified positions.....	136.0	
20	Laboratory analysis program--77.5 FTE positions.....	\$	6,217,400
21	Pesticide data program--14.0 FTE positions.....		1,116,900
22	Consumer protection program--44.5 FTE positions.....		<u>3,284,000</u>
23	GROSS APPROPRIATION.....	\$	10,618,300
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG from MDCIS (LCC), liquor quality testing fees....		164,000

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1	Federal revenues:	
2	DAG, multiple grants.....	1,137,300
3	Special revenue funds:	
4	Private - oil company overcharge settlement.....	798,000
5	Agriculture equine industry development fund.....	509,100
6	Gasoline inspection and testing fund.....	1,472,100
7	Testing fees.....	200,700
8	Weights and measures regulation fees.....	323,400
9	State general fund/general purpose..... \$	6,013,700
10	Sec. 109. MARKET DEVELOPMENT	
11	Full-time equated classified positions.....22.5	
12	Marketing and emergency management--14.5 FTE	
13	positions..... \$	2,024,100
14	Agriculture development--6.0 FTE positions.....	1,314,600
15	Rural development council--2.0 FTE positions.....	156,100
16	Food bank.....	1,024,200
17	Grown in Michigan.....	100,000
18	Northwest Michigan horticultural research station....	41,800
19	Southwestern Michigan tourist council - taste of	
20	Michigan.....	60,400
21	Future farmers of America.....	60,000
22	Michigan sunset coast growers cooperative.....	<u>200,000</u>
23	GROSS APPROPRIATION..... \$	4,981,200
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	IDG from MDCIS (LCC), nonretail liquor license fees..	457,800

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1	Federal revenues:	
2	DAG, multiple grants.....	226,100
3	Special revenue funds:	
4	Industry support funds.....	260,000
5	State general fund/general purpose..... \$	4,037,300
6	Sec. 110. FAIRS AND EXPOSITIONS	
7	Full-time equated classified positions.....25.0	
8	Michigan state fair operations--12.0 FTE positions... \$	6,092,100
9	Upper Peninsula state fair--8.0 FTE positions.....	1,391,500
10	Fairs and racing--5.0 FTE positions.....	611,900
11	Building and track improvement - county and state	
12	fairs.....	966,300
13	Premiums - county and state fairs.....	1,707,900
14	Purses and supplements - fairs/licensed tracks.....	2,819,900
15	Standardbred Fedele Fauri futurity.....	93,400
16	Standardbred Michigan futurity.....	93,400
17	Quarterhorse programs.....	45,800
18	Licensed tracks-light horse racing.....	88,800
19	Standardbred breeders' awards.....	1,427,600
20	Standardbred purses and supplements-licensed tracks..	319,800
21	Standardbred sire stakes.....	1,196,100
22	Thoroughbred sire stakes.....	1,196,100
23	Standardbred training and stabling.....	50,500
24	Thoroughbred program.....	2,093,100
25	Thoroughbred owners' awards.....	180,100
26	Distribution of outstanding winning tickets.....	500,000

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1	Michigan festivals.....	50,000
2	Draft horse shows.....	<u>78,200</u>
3	GROSS APPROPRIATION..... \$	21,002,500
4	Appropriated from:	
5	Special revenue funds:	
6	Agriculture equine industry development fund.....	10,104,600
7	Michigan state fair revenue.....	6,185,000
8	Upper Peninsula state fair revenue.....	1,214,900
9	State general fund/general purpose..... \$	3,498,000
10	Sec. 111. OFFICE OF RACING COMMISSIONER	
11	Full-time equated classified positions.....39.7	
12	Office of racing commissioner--39.7 FTE positions.... \$	<u>3,880,200</u>
13	GROSS APPROPRIATION..... \$	3,880,200
14	Appropriated from:	
15	Interdepartment grant revenues:	
16	IDG from Michigan gaming control board.....	1,300,000
17	Special revenue funds:	
18	Agriculture equine industry development fund.....	2,580,200
19	State general fund/general purpose..... \$	0

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PART 2

23

PROVISIONS CONCERNING APPROPRIATIONS

24 GENERAL SECTIONS

25

26

27

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2001-2002 is \$82,785,700.00 and state spending

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1 from state resources to be paid to local units of government for fiscal
2 year 2001-2002 is \$4,600,000.00. The itemized statement below identifies
3 appropriations from which spending to units of local government will
4 occur:

5 DEPARTMENT OF AGRICULTURE

6	Groundwater and freshwater protection program.....	\$	1,800,000
7	Local conservation districts.....		<u>2,800,000</u>
8	TOTAL.....	\$	4,600,000

9 Sec. 202. The appropriations authorized under this act are subject
10 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

11 Sec. 203. As used in this act:

12 (a) "DAG" means the United States department of agriculture.

13 (b) "DAG-FS" means the United States department of agriculture -
14 forest service.

15 (c) "DAG-NRCS" means the United States department of agriculture -
16 natural resources conservation service.

17 (d) "Department" means the department of agriculture.

18 (e) "Director" means the director of the department.

19 (f) "EPA" means the United States environmental protection agency.

20 (g) "FTE" means full-time equated.

21 (h) "HHS-FDA" means the United States department of health and
22 human services - food and drug administration.

23 (i) "IDG" means interdepartmental grant.

24 (j) "MDCH" means the Michigan department of community health.

25 (k) "MDCIS (LCC)" means the Michigan department of consumer and
26 industry services - liquor control commission.

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1 (l) "MDEQ" means the Michigan department of environmental quality.

2 (m) "MDNR" means the Michigan department of natural resources.

3 Sec. 204. The department of civil service shall bill departments
4 and agencies at the end of the first fiscal quarter for the 1% charge
5 authorized by section 5 of article XI of the state constitution of 1963.
6 Payments shall be made for the total amount of the billing by the end of
7 the second fiscal quarter.

8 Sec. 205. (1) A hiring freeze is imposed on the state classified
9 civil service. State departments and agencies are prohibited from hiring
10 any new full-time state classified civil service employees and prohibited
11 from filling any vacant state classified civil service positions. This
12 hiring freeze does not apply to internal transfers of classified employ-
13 ees from 1 position to another within a department.

14 (2) The state budget director shall grant exceptions to this hiring
15 freeze when the state budget director believes the hiring freeze will
16 result in rendering a state department or agency unable to deliver basic
17 services, cause a loss of revenue to the state, result in the inability
18 of the state to receive federal funds, or would necessitate additional
19 expenditures that exceed any savings from maintaining a vacancy. The
20 state budget director shall report by the thirtieth of each month to the
21 chairpersons of the senate and house of representatives standing commit-
22 tees on appropriations the number of exceptions to the hiring freeze
23 approved during the previous month and the reasons to justify the
24 exception.

25 Sec. 206. (1) In addition to the funds appropriated in part 1,
26 there is appropriated an amount not to exceed \$5,000,000.00 for federal
27 contingency funds. These funds are not available for expenditure until

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1 they have been transferred to another line item in this act under
2 section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

4 (2) In addition to the funds appropriated in part 1, there is appro-
5 priated an amount not to exceed \$6,000,000.00 for state restricted con-
6 tingency funds. These funds are not available for expenditure until they
7 have been transferred to another line item in this act under
8 section 393(2) of the management and budget act, 1984 PA 431,
9 MCL 18.1393.

10 (3) In addition to the funds appropriated in part 1, there is appro-
11 priated an amount not to exceed \$100,000.00 for local contingency funds.
12 These funds are not available for expenditure until they have been trans-
13 ferred to another line item in this act under section 393(2) of the man-
14 agement and budget act, 1984 PA 431, MCL 18.1393.

15 (4) In addition to the funds appropriated in part 1, there is appro-
16 priated an amount not to exceed \$100,000.00 for private contingency
17 funds. These funds are not available for expenditure until they have
18 been transferred to another line item in this act under section 393(2) of
19 the management and budget act, 1984 PA 431, MCL 18.1393.

20 Sec. 207. At least 60 days before beginning any effort to privati-
21 ze, the department shall submit a complete project plan to the appropri-
22 ate senate and house of representatives appropriations subcommittees and
23 the senate and house fiscal agencies. The plan shall include the cri-
24 teria under which the privatization initiative will be evaluated. The
25 evaluation shall be completed and submitted to the appropriate senate and
26 house of representatives appropriations subcommittees and the senate and
27 house fiscal agencies within 30 months.

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1 Sec. 208. Unless otherwise specified, the department shall use the
2 Internet to fulfill the reporting requirements of this act. This may
3 include transmission of reports via electronic mail to the recipients
4 identified for each reporting requirement, or it may include placement of
5 reports on the Internet or Intranet site. Quarterly, the department
6 shall provide to the appropriations subcommittees members, fiscal agen-
7 cies, and state budget office an electronic and paper copy listing of the
8 reports submitted during the most recent 3-month period along with the
9 Internet or Intranet site of each report, if any.

10 Sec. 209. Funds appropriated in part 1 shall not be used for the
11 purchase of foreign goods or services, or both, if competitively priced
12 and of comparable quality American goods or services, or both, are
13 available.

14 Sec. 210. The director of each department receiving appropriations
15 in part 1 shall take all reasonable steps to ensure businesses in
16 deprived and depressed communities compete for and perform contracts to
17 provide services or supplies, or both. Each director shall strongly
18 encourage firms with which the department contracts to subcontract with
19 certified businesses in depressed and deprived communities for services,
20 supplies, or both.

21 Sec. 211. (1) The unexpended and unobligated balance of any state
22 restricted fund or account remaining at the end of the fiscal year shall
23 revert back to the state restricted fund or account from which appropri-
24 ated and be available for appropriation for the next fiscal year.
25 Appropriations that revert to a state restricted fund or account pursuant
26 to this section shall not revert to the general fund of this state.

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1 (2) A state restricted revenue fund or account that receives
2 revenues in excess of expenditures made from that state restricted
3 revenue fund or account shall not have the excess revenue revert to the
4 general fund of this state.

5 (3) The revenues collected in the agriculture equine industry devel-
6 opment fund in fiscal year 2000-2001 shall not lapse but shall be carried
7 forward to fund appropriations made pursuant to this act and subsequent
8 acts.

9 Sec. 212. (1) Of the funds appropriated in part 1, the department
10 may provide for indemnity as provided for pursuant to the animal industry
11 act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed
12 \$100,000.00 per order from any line item for the fiscal year ending
13 September 30, 2002. Before the department provides for an indemnifica-
14 tion under this section, the department shall report the reason for the
15 indemnification, the amount of the indemnification, and to whom the
16 indemnification is to be paid. The report shall be given to each member
17 of the house and senate appropriations subcommittees on agriculture and
18 to the senate and house fiscal agencies and the state budget office.

19 (2) The department of agriculture shall make an indemnification pay-
20 ment for the fair market value of livestock that is killed by a wolf, if
21 the kill is verified by the department of natural resources. The fair
22 market value of the livestock shall be determined pursuant to the indem-
23 nification procedures prescribed in the animal industry act of 1987, 1988
24 PA 466, MCL 287.701 to 287.747. In addition to the funds appropriated in
25 part 1, the department of agriculture is authorized to expend the funds
26 received from the department of natural resources to reimburse the

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1 department of agriculture for all indemnification payments made pursuant
2 to this subsection.

3 Sec. 213. When the department applies to the department of manage-
4 ment and budget with a request for a transfer of appropriations or for a
5 supplemental appropriation, the department shall provide the senate and
6 house fiscal agencies with the same information that the department pro-
7 vides the department of management and budget relative to the request for
8 transfer or supplemental.

9 Sec. 214. Of the funds appropriated in part 1 that are other than
10 line-item grants, the department shall not provide grants to local gov-
11 ernment agencies, institutions of higher education, or nonprofit organi-
12 zations unless the department provides notice of the grant to the house
13 and senate appropriations subcommittees on agriculture at least 10 days
14 before the grant is issued. The grants shall be used to support research
15 or other related activities for the purpose of enhancing the agricultural
16 industries in this state.

17 Sec. 215. The legislature will not fund nonfair or nonhorse racing
18 grants or projects from revenues from simulcasting in fiscal year
19 2002-2003.

20 Sec. 216. The unexpended and unencumbered balance of revenue depos-
21 ited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279,
22 MCL 431.320, for the fiscal year ending September 30, 2002 shall be
23 appropriated to the Michigan agriculture equine industry development fund
24 for distribution as set forth in section 20 of the horse racing law of
25 1995, 1995 PA 279, MCL 431.320.

26 Sec. 217. The departments and state agencies receiving
27 appropriations under this act shall receive and retain copies of all

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1 reports funded from appropriations in part 1. These departments and
2 state agencies shall follow federal and state guidelines for short-term
3 and long-term retention of these reports and records.

4 EXECUTIVE

5 Sec. 301. The appropriations in section 102 may be used for per
6 diem payments to members of boards, committees, and commissions for a
7 full day's board, committee, or commission work at which a quorum is
8 present; for attending a hearing as authorized by the respective board,
9 committee, or commission; or for performing official business as autho-
10 rized by the respective board, committee, or commission. The per diem
11 payments shall be at a rate as follows:

12	(a) Commission of agriculture.....	\$ 75.00 per day
13	(b) Upper Peninsula state fair board.....	\$ 50.00 per day
14	(c) Agricultural marketing and bargaining board.....	\$ 35.00 per day
15	(d) Michigan state fair council.....	\$ 50.00 per day
16	(e) Grape and wine industry council.....	\$ 50.00 per day

17 Sec. 302. The department may receive and expend revenue and use
18 that revenue to cover necessary expenses related to publications, audit
19 and licensing functions, livestock sales, certification of nursery stock,
20 bean inspection services, and laboratory analyses as specified in the
21 following:

22 (a) Management services publications.
23 (b) Management services audit and licensing functions.
24 (c) Upper Peninsula state fair livestock sales.

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1 (d) Pesticide and plant pest management propagation and
2 certification of virus free foundation stock.

3 (e) Pesticide and plant pest management bean inspection and grading
4 services.

5 (f) Laboratory support testing for testing horses in draft horse
6 pulling contests at county fairs when local jurisdictions request state
7 assistance.

8 (g) Laboratory support analyses to determine foreign substances in
9 horses engaged in racing or pulling contests at tracks.

10 (h) Laboratory support analysis of food, livestock, and agricultural
11 products for disease, foreign products for disease, toxic materials, for-
12 eign substances, and quality standards.

13 (i) Laboratory support test samples for other agencies and
14 organizations.

15 (j) Fruit and vegetable inspection at shipping and termination
16 points and processing plants.

17 Sec. 303. Of the funds appropriated in section 102 for statistical
18 reporting service, \$120,000.00 shall be used for ongoing rotational crop
19 surveys of fruit, vegetables, and nursery stock, including Christmas
20 trees and ornamental plants. The survey shall begin with fruit in the
21 first year, vegetables in the second year, and nursery stock in the third
22 year. The rotational cycle of the survey shall continue in the fourth
23 and subsequent years. The survey shall include existing
24 plantings/acreage, new plantings/acreage, production, and number of
25 growers.

26 Sec. 304. (1) The appropriation in section 102 for an environmental
27 technology research grant is allocated to the Michigan biotechnology

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1 institute, pending receipt of matching federal funds, for the development
2 and implementation of innovative technologies to be used for environmen-
3 tally safe products, biodegradable chemicals, environmental cleanup, and
4 waste stream minimization projects in Michigan.

5 (2) Not later than February 15, 2002, the grantee under
6 subsection (1) shall submit to the department and the house and senate
7 appropriations subcommittees on agriculture a report for the immediately
8 preceding calendar year regarding projects funded from state and federal
9 sources. The report shall include, but is not limited to, a description
10 of each project, the amount of state and federal funding of each project,
11 and the major accomplishments of each project. The grantee under
12 subsection (1) shall also submit a copy of its most recent single audit
13 report, as required by chapter 75 of title 31 of the United States Code,
14 31 U.S.C. 7501 to 7507.

15 **FOOD AND DAIRY**

16 Sec. 401. (1) The department shall monitor restaurant inspection
17 and licensing functions carried out by local health departments to ensure
18 uniform application and enforcement of minimum program requirements. On
19 or before April 1, 2002, the department shall report to the senate and
20 house appropriations subcommittees on agriculture, the senate and house
21 fiscal agencies, and the state budget director on local health department
22 conformance with minimum program requirements.

23 (2) If a local unit of government incurs additional costs resulting
24 from its efforts to control a significant food-borne outbreak, the
25 director shall seek additional resources to reimburse the local unit of

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1 government for these additional costs. The director shall involve the
2 local health officer of the jurisdiction affected in all aspects of the
3 control of any food-borne outbreak.

4 Sec. 402. Not later than February 1, 2002, the department shall
5 provide a report to the house and senate appropriations subcommittees on
6 agriculture and the house and senate fiscal agencies describing signifi-
7 cant food-borne outbreaks and emergencies including any enforcement
8 actions taken related to food safety during the 2000-2001 fiscal year.

9 Sec. 403. Not later than February 1, 2002, the department shall
10 provide a report to the house and senate appropriations subcommittees on
11 agriculture and the house and senate fiscal agencies on the status of
12 hazard analysis critical control points implementation efforts.

13 **ANIMAL INDUSTRY**

14 Sec. 450. From the funds appropriated in section 105 for the bovine
15 tuberculosis program, the department of agriculture shall reimburse the
16 department of natural resources for those costs associated with monitor-
17 ing and testing wildlife for bovine tuberculosis that are necessary to
18 support the department of agriculture goals and are jointly agreed to by
19 the department of agriculture and the department of natural resources to
20 be in excess of efforts necessary to effectively plan and execute the
21 eradication of bovine tuberculosis from Michigan's wild free-ranging deer
22 herd.

23 Sec. 451. From the funds appropriated in section 105, at least
24 \$35,700.00, representing the budgetary savings not applied to the animal

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1 industry program, shall be used to respond to Johne's disease and scrapie
2 in Michigan livestock.

3 PESTICIDE AND PLANT PEST MANAGEMENT

4 Sec. 501. Of the funds appropriated in section 106 to the pesticide
5 and plant pest management division, up to \$100,000.00 may be made avail-
6 able to the Michigan cooperative extension service for the purpose of
7 training of applicators. Reimbursement shall be based on actual expendi-
8 tures and revenue availability.

9 Sec. 502. From the appropriation in section 106 for the disease and
10 pest intervention fund program, the department shall utilize these funds
11 as needed to respond to exotic or regulatory pests or diseases.

12 Sec. 503. The department is authorized to enter into a cooperative
13 agreement with a nonprofit foundation or agency associated with the gypsy
14 moth slow-the-spread program in order to receive funds for managing plant
15 pests.

16 Sec. 504. The appropriation in section 106 for orchard or vineyard
17 removal shall be used by the department to assist growers with the
18 removal of abandoned orchards or vineyards in order to mitigate disease
19 and plant pest infestation. Funds shall only be expended by the depart-
20 ment if the following criteria are met:

21 (a) Another landowner, orchard operator, or other impacted person
22 has filed a complaint with the department.

23 (b) The orchard/vineyard has not been managed to effectively control
24 identified pests.

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1 (c) The unmanaged orchard/vineyard poses a risk to neighboring
2 orchards based on distance criteria developed by Michigan State
3 University extension.

4 (d) The department will work cooperatively with Michigan State
5 University extension or a commodity group representative to assure that
6 the removal is necessary and appropriate.

7 (e) A letter is sent by the department to the landowner indicating
8 the problem and the need to properly manage the orchard/vineyard or
9 remove it.

10 (f) The department will work cooperatively with the landowner and
11 may place a lien for the cost of removal against the property.

12 ENVIRONMENTAL STEWARDSHIP

13 Sec. 601. The funds appropriated in section 107 for the energy con-
14 servation program shall be distributed on a competitive basis that will
15 be based on statewide energy conservation criteria.

16 Sec. 602. (1) The department may expend the amount appropriated in
17 section 107 for migrant labor housing grants for construction of new
18 migrant labor housing. Beginning October 1, 2001, project grants shall not
19 exceed \$5,000.00 per unit. Beginning October 1, 2001, an applicant is not eligible for more
20 than a \$20,000.00 grant in any fiscal year. Units shall be equivalent in construction to units
21 approved by the DAG-rural development agency for low interest construc-
22 tion loans and shall be not less than 484 square feet in size and be
23 self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a
24 lavatory, and bathing facilities.

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1 (2) Any unexpended migrant labor housing funds from the prior year
2 shall be available for grants in the subsequent fiscal year.

3 Sec. 603. The department shall apply for all federal funds for
4 which it is eligible that can be used to support the migrant labor hous-
5 ing program.

6 Sec. 604. The appropriation in section 107 for local conservation
7 districts shall be allocated in the following manner:

8 (a) Of the total appropriation, \$690,000.00 shall be allocated for
9 district forestry and wildlife programs to assist private land
10 management. Grants to districts will be made in accordance with a plan
11 developed by the department of agriculture in cooperation with the forest
12 management division of the department of natural resources.

13 (b) Of the total appropriation, \$130,000.00 shall be allocated for
14 local conservation district training.

15 (c) Of the total appropriation, each local conservation district
16 meeting the minimum grant requirements shall receive a grant of
17 \$20,000.00 to support basic operations, unless the district resides in a
18 county consisting of multiple districts, in which case a \$20,000.00 grant
19 shall be divided equally among the districts in that county. The amount
20 of money allocated under this subdivision shall not be used by local con-
21 servation districts to replace any money received from local sources.

22 (d) Of the remaining appropriation after distributions under subdi-
23 visions (a) through (c), additional grants, not to exceed \$20,000.00 per
24 local conservation district, may be provided based on a formula approved
25 by the commission of agriculture. Grants under this subdivision shall
26 require at least a 100% cash or in-kind local match. Criteria used to
27 distribute grants under this subdivision shall include, but are not

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1 limited to, the natural resources need, the size, and the population of
2 the area served by each local conservation district.

3 MARKET DEVELOPMENT

4 Sec. 701. Within the appropriations in section 109 for market
5 development, \$457,800.00 is for the grape and wine industry council, from
6 which the department may provide grants for the purposes as described in
7 section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL
8 436.1303.

9 Sec. 702. In any given year when insufficient amounts of Michigan
10 surplus products are offered to the food bank council and accepted for
11 distribution, unused funds may be applied by the food bank council for
12 the direct purchase of foods from Michigan growers, manufacturers, or
13 wholesalers.

14 Sec. 703. (1) The \$100,000.00 appropriated in section 109 for the
15 grown in Michigan program is to provide competitive grants to Michigan
16 nonprofit organizations to raise in-state consumer awareness of Michigan
17 grown commodities.

18 (2) The grants are to be made by the director on a competitive basis
19 considering the following order of priority:

20 (a) Cooperative efforts by recognized, statewide, grower funded
21 organizations.

22 (b) The number of consumers made aware of the benefits of Michigan
23 grown commodities.

24 (c) The number of Michigan grown products encompassed in the
25 proposal.

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1 (d) The amount of the match.

2 (3) A grant made under this section shall not be less than \$2,500.00
3 or more than \$25,000.00.

4 (4) Each grant shall be matched equally with grantees' funds.

5 In-kind contributions shall not be considered as matching funds.

6 (5) The department shall report to the house and senate appropria-
7 tions subcommittees on agriculture and senate and house fiscal agencies
8 10 days prior to making a grant under this section.

9 Sec. 704. Indirect costs may not be charged against the future
10 farmers of America grant in section 109 by any administering agency.

11 Sec. 705. Of the funds appropriated in section 109 for agriculture
12 development, \$200,000.00 shall be used to coordinate state participation
13 in the federal market access program and to leverage federal funds for
14 the purpose of developing new and enhancing existing export markets for
15 Michigan agricultural products.

16 Sec. 706. The department shall designate an account executive liai-
17 son position to work with the Michigan economic development corporation
18 for the promotion of agriculture in Michigan.

19 Sec. 707. The department is authorized to receive and expend up to
20 \$5,000,000.00 of utility company uncollectible allowance recovery fund
21 resources which may be deposited into the agricultural development fund
22 for the support of grants for value-added agricultural processing and
23 agricultural production ventures in accordance with the Jullian-Stille
24 value-added act, 2000 PA 322, MCL 285.301 to 285.304. The agriculture
25 development fund resources when certified as available by the department
26 of treasury shall remain unallotted until such time as the state budget
27 director has reviewed and approved a department submitted allotment

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1 schedule. Expenditures for support of agricultural processing and
2 production ventures shall not exceed revenues received. Unexpended
3 resources remaining in the fund at the end of the fiscal year shall
4 remain in the fund and not lapse to the general fund.

5 Sec. 708. The funds appropriated in section 109 for the Michigan
6 sunset coast growers cooperative shall only be used for a feasibility
7 study to determine the potential for expansion of the Benton Harbor fruit
8 market.

9 FAIRS AND EXPOSITIONS

10 Sec. 801. The department shall submit a report each month for the
11 fiscal year ending September 30, 2002 to the state budget director, the
12 senate and house standing committees on appropriations, and the senate
13 and house fiscal agencies that sets forth the simulcasting revenues gen-
14 erated in the preceding month by each licensed track and the amount
15 received from license fees.

16 Sec. 802. (1) The appropriation of \$319,800.00 in section 110 for
17 standardbred purses and supplements - licensed tracks is intended to pro-
18 vide state purse supplements for 4 races at state licensed pari-mutuel
19 horse racing tracks. The purse supplements are to be used for races com-
20 prised only of Michigan-bred horses segregated into a 4-year-old colt
21 trot division, a 4-year-old filly trot division, a 4-year-old colt pace
22 division, and a 4-year-old filly pace division.

23 (2) The appropriation in section 110 for licensed tracks - light
24 horse racing shall be allocated as follows:

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1 Arabian and Appaloosa horse racing..... \$ 22,200

2 Quarter horse racing..... \$ 66,600

3 Sec. 803. Included in the appropriation made in section 110 for the
4 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred
5 breeders and owners association to conduct a thoroughbred yearling show.
6 The Michigan united thoroughbred breeders and owners association shall
7 submit to the department an itemized list of expenses showing that the
8 expenses of the yearling show were paid.

9 Sec. 804. From the funds appropriated in section 110 for thorough-
10 bred owners' awards, the department shall develop a program to provide
11 for thoroughbred owners' awards that will be given to owners of
12 Michigan-bred horses finishing first in nonrestricted races at licensed
13 pari-mutuel tracks in Michigan.

14 Sec. 805. The \$78,200.00 appropriated in section 110 for draft
15 horse shows shall be allocated to the Great Lakes draft horse show held
16 at Michigan State University.

17 Sec. 806. The department shall notify the senate and house appro-
18 priations subcommittees on agriculture and the senate and house fiscal
19 agencies of any planned reductions in appropriations, allocations, or
20 expenditures from the agriculture equine industry development fund no
21 less than 10 days before such reductions are implemented.

22 Sec. 807. A county fair, district fair, 4-H fair, or state fair
23 receiving funds in section 110 to be used for prizes or awards, in whole
24 or in part, as a condition precedent to the receiving of the funds for
25 those purposes, shall publish the rules relative to the prizes, awards,
26 and deadlines for entries eligible for the funds in their official
27 premium books or lists relative to the prizes or awards. An aggrieved

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1 exhibitor may make a written complaint to the fair within 10 days after
2 the fair ends. If the fair has not satisfactorily settled the grievance
3 within 45 days after it is submitted to the fair, the aggrieved person
4 may file the complaint with the department and the department shall
5 investigate the complaint and make a finding of fact regarding the com-
6 plaint and take appropriate action regarding the complaint.

7 Sec. 808. Of the amount appropriated in section 110 for purses and
8 supplements - fairs/licensed tracks, a sufficient amount is appropriated
9 to provide for overnight purse supplements pursuant to the horse racing
10 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

11 Sec. 809. Of the amount appropriated in section 110 for premiums,
12 \$11,400.00 shall be expended as a grant for the Michigan horse show asso-
13 ciation - fall youth show at the Michigan exposition and fairgrounds.

14 Sec. 810. From the appropriations for premiums - county and state
15 fairs in section 110, \$120,000.00 shall be awarded through a competitive
16 grant program to local, regional, or state fairs or expositions to pro-
17 mote youth involvement and adult exhibitions in the animal agriculture
18 industry. Appropriate exhibition classes for youth shall be developed
19 that encourage a production exhibit for which premium awards may be
20 paid. The age for youth exhibitors shall be determined by the standards
21 of the association requesting the grant or, if standards do not exist,
22 the age for youth exhibitors shall be ages 9 through 21. Implementation
23 of the latest technologies into the evaluation of the animals shall be
24 encouraged in the production exhibit. Adult exhibitions should focus on
25 the performance or end product, or both, with the appropriate technolo-
26 gies used to enhance placings and the awarding of premiums.

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1 Sec. 811. The appropriation in section 110 for Michigan festivals
2 shall be allocated to the Michigan festivals and events association for
3 the purpose of promoting commodity related festivals on a statewide
4 basis. The allocation to the Michigan festivals and events association
5 is contingent upon the association providing at least a 100% cash or
6 in-kind match.

7 Sec. 812. The funds appropriated in section 110 for distribution of
8 outstanding winning tickets are not available for expenditure until they
9 are deposited in the agriculture equine industry development fund pursu-
10 ant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be
11 expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and
12 only after they have been transferred to another line item in this act
13 under section 393(2) of the management and budget act, 1984 PA 431, MCL
14 18.1393.

15 Sec. 813. An individual or other entity that leases land, a build-
16 ing, or other property under the Michigan exposition and fairgrounds act,
17 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state grant,
18 loan, appropriation, or other state subsidy related to the leased land,
19 building, or other property.

20 Sec. 814. (1) It is the intent of the legislature that the Michigan
21 state fair operate without any general fund/general purpose appropria-
22 tions from the state.

23 (2) The Michigan state fair shall take all steps necessary to ensure
24 that it does not authorize an expenditure or incur an obligation that
25 would result in the fair exceeding the appropriation authorized in sec-
26 tion 110, as required under section 371 of the management and budget act,
27 1984 PA 431, MCL 18.1371. The Michigan state fair shall report any

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1 violation of this subsection along with a statement to remedy any such
2 occurrence to the senate and house appropriations subcommittees on
3 agriculture.

4 Sec. 815. (1) Or or before January 29, 2002, the department,
5 together with the senate and house fiscal agencies and the department of
6 management and budget, shall estimate the unreserved and unencumbered
7 closing balance of the agriculture equine industry development fund for
8 the fiscal year ending September 30, 2001. The estimate shall consider
9 lapsed appropriations from the fund and any carryforward amounts desig-
10 nated for appropriation in the fiscal year ending September 30, 2002.

11 (2) On or before February 5, 2002, the department shall request a
12 legislative transfer in accordance with section 393 of the management and
13 budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unre-
14 served and unencumbered agriculture equine industry development fund bal-
15 ance in excess of \$250,000.00. The appropriations included in the trans-
16 fer request shall be in accordance with the requirements of section 20 of
17 the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the same time
18 the department forwards its transfer request to the department of manage-
19 ment and budget, the department shall submit copies of the transfer
20 request to the senate and house appropriations subcommittees on agricul-
21 ture and the senate and house fiscal agencies.

22 OFFICE OF RACING COMMISSIONER

23 Sec. 901. The racing commissioner may pay rewards of not more than
24 \$5,800.00 to a person who provides information that results in the arrest
25 and conviction on a felony or misdemeanor charge for a crime that

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1 involves the horse racing industry. A reward paid pursuant to this
2 section shall be paid out of the office of racing commissioner line
3 item.

4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 Sec. 903. The office of racing commissioner, in cooperation with
14 representatives of the racing industry, shall prepare a report on the
15 competitiveness of the industry in comparison to other jurisdictions.
16 The report shall examine all forms of wagering, including, but not
17 limited to, site only simulcasting, telephone account wagering, slots,
18 keno, and other forms of skilled wagering. In addition, the report shall
19 compare all states and Canada in terms of the viability of their equine
20 industry, purse pool revenue sources, the amount of revenue generated
21 from the various types of wagering forms, and whether the additional
22 sources of revenue have contributed to the short- and long-term viability
23 of the industry. Furthermore, the report shall include information on
24 how regulatory functions are funded in each state, and whether the state
25 uses general fund type revenues or is self-supported with equine
26 revenue. The office of racing commissioner shall submit the report to

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1 the house and senate fiscal agencies and the house and senate
2 appropriations subcommittee on agriculture by October 31, 2001.

3 Sec. 904. The office of racing commissioner shall prepare on a
4 quarterly basis a status report of all complaints filed with the office
5 of racing commissioner. The status report shall include the number of
6 complaints filed, the type of complaint, the current status of the com-
7 plaint, and what efforts were undertaken to resolve the complaint. The
8 office of racing commissioner shall submit the report to the house and
9 senate fiscal agencies and the house and senate appropriations subcommit-
10 tee on agriculture by October 31, 2001.