

SENATE BILL No. 1108

February 13, 2002, Introduced by Senators McManus and Gast and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill,

1 the amounts listed in this part are appropriated for the
 2 department of agriculture for the fiscal year ending September 30,
 3 2003, from the funds indicated in this part. The following is a
 4 summary of the appropriations in this part:

5 **DEPARTMENT OF AGRICULTURE**

6 APPROPRIATION SUMMARY:

7	Full-time equated unclassified positions .	6.0	
8	Full-time equated classified positions .	629.5	
9	GROSS APPROPRIATION	\$	97,454,300
10	Interdepartmental grant revenues:		
11	IDG from MDCH, local public health operations .		8,977,500
12	IDG from MDCIS (LCC), liquor quality testing		
13	fees		164,000
14	IDG from MDCIS (LCC), nonretail liquor license		
15	fees		612,300
16	IDG from MDEQ, biosolids		80,000
17	IDG from MDEQ, right to farm		105,000
18	IDG from MDEQ, type II well survey		15,000
19	IDG from MDNR, district forestry and wildlife		
20	program		1,000,000
21	Total interdepartmental grants and		
22	intradepartmental transfers		10,953,800
23	ADJUSTED GROSS APPROPRIATION	\$	86,500,500
24	Federal revenues:		
25	DAG, multiple grants		3,923,800
26	DAG-NRCS		250,000
27	EPA, multiple grants		2,210,000
28	HHS-FDA		255,700

1	Total federal revenues	6,639,500
2	Special revenue funds:	
3	Total local revenues	0
4	Private - oil company overcharge settlement . .	997,600
5	Private - slow-the-spread foundation	130,000
6	Total private revenues	1,127,600
7	Agriculture equine industry development fund .	12,417,000
8	Agricultural preservation fund	700,000
9	Agriculture pollution prevention fund	100
10	Civil penalties	40,300
11	Commodity inspection fees	991,500
12	Gasoline inspection and testing fund	1,565,800
13	Groundwater and freshwater protection fund . .	4,674,100
14	Industry support funds	300,000
15	Licensing and inspection fees	5,207,000
16	Michigan state fair revenue	5,372,400
17	Pseudorabies and swine brucellosis fund	20,000
18	State services fee fund	4,864,000
19	Testing fees	232,500
20	Upper Peninsula state fair revenue	1,224,300
21	Weights and measures regulation fees	323,400
22	Total other state restricted revenues	37,932,400
23	State general fund/general purpose \$	40,801,000
24	Sec. 102. EXECUTIVE	
25	Full-time equated unclassified positions . 6.0	
26	Full-time equated classified positions . . 57.0	
27	Commission and boards \$	63,300
28	Unclassified positions--6.0 FTE positions . . .	488,200

1	Executive direction--4.0 FTE positions	525,700
2	Management services--48.0 FTE positions	3,697,200
3	Statistical reporting service--5.0 FTE positions	<u>435,100</u>
4	GROSS APPROPRIATION	\$ 5,209,500
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from MDCIS (LCC) nonretail liquor revenue	
8	fees	8,800
9	Special revenue funds:	
10	Gasoline inspection and testing fund	47,800
11	Licensing and inspection fees	62,100
12	Michigan state fair revenue	80,500
13	State services fee fund	160,500
14	Upper Peninsula state fair revenue	9,000
15	State general fund/general purpose	\$ 4,840,800
16	Sec. 103. DEPARTMENTWIDE	
17	Rent and building occupancy charges	<u>\$ 1,856,200</u>
18	GROSS APPROPRIATION	\$ 1,856,200
19	Appropriated from:	
20	Special revenue funds:	
21	State services fee fund	304,600
22	State general fund/general purpose	\$ 1,551,600
23	Sec. 104. FOOD AND DAIRY	
24	Full-time equated classified positions	116.0
25	Food safety and quality assurance--116.0 FTE	
26	positions	\$ 10,242,700
27	Local public health	<u>8,977,500</u>
28	GROSS APPROPRIATION	\$ 19,220,200

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from MDCH, local public health operations .	8,977,500
4	Federal revenues:	
5	DAG,multiple grants	22,700
6	HHS-FDA	186,700
7	Special revenue funds:	
8	Civil penalties	40,300
9	Licensing and inspection fees	2,555,400
10	State general fund/general purpose \$	7,437,600
11	Sec. 105. ANIMAL INDUSTRY	
12	Full-time equated classified positions . .	54.0
13	Animal health and welfare--25.5 FTE positions . \$	2,265,400
14	Bovine tuberculosis program--28.5 FTE positions	<u>3,469,000</u>
15	GROSS APPROPRIATION \$	5,734,400
16	Appropriated from:	
17	Federal revenues:	
18	HHS-FDA	9,000
19	Special revenue funds:	
20	Licensing and inspection fees	176,500
21	Pseudorabies and swine brucellosis fund	20,000
22	State general fund/general purpose \$	5,528,900
23	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
24	Full-time equated classified positions .	132.3
25	Pesticide and plant pest management--132.3 FTE	
26	positions \$	12,924,100
27	Michigan State University	<u>210,000</u>
28	GROSS APPROPRIATION \$	13,134,100

1	Appropriated from:	
2	Federal revenues:	
3	DAG, multiple grants	1,952,200
4	EPA, multiple grants	1,510,000
5	HHS-FDA	60,000
6	Special revenue funds:	
7	Private-slow-the-spread foundation	130,000
8	Commodity inspection fees	991,500
9	Licensing and inspection fees	2,413,000
10	State general fund/general purpose \$	6,077,400
11	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
12	Full-time equated classified positions	55.0
13	Environmental stewardship--38.0 FTE positions \$	3,281,000
14	Groundwater and freshwater protection program--	
15	10.0 FTE positions	5,174,000
16	Farmland and Open Space Preservation--7.0 FTE	
17	positions	699,800
18	Agriculture pollution prevention program	100
19	Cooperative Resource Management Program	1,000,000
20	Energy conservation program	138,000
21	Local conservation districts	1,954,400
22	Migrant labor housing	<u>550,000</u>
23	GROSS APPROPRIATION \$	12,797,300
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	IDG from MDEQ, biosolids	80,000
27	IDG from MDEQ, right to farm	105,000
28	IDG from MDEQ type II well survey	15,000

1	IDG from MDNR, district forestry and wildlife	
2	program	1,000,000
3	Federal revenues:	
4	DAG-NRCS	250,000
5	EPA, multiple grants	400,000
6	Special revenue funds:	
7	Private - oil company overcharge settlement . .	193,900
8	Agricultural preservation fund	699,800
9	Agriculture pollution prevention fund	100
10	Groundwater and freshwater protection fund . .	4,674,000
11	Industry support funds	40,000
12	State general fund/general purpose	\$ 5,339,500
13	Sec. 108. LABORATORY PROGRAM	
14	Full-time equated classified positions . 135.0	
15	Laboratory analysis program--73.5 FTE positions	\$ 6,321,500
16	Pesticide data program--19.0 FTE positions . .	1,824,000
17	Consumer protection program--42.5 FTE positions	<u>3,232,500</u>
18	GROSS APPROPRIATION	\$ 11,378,000
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	IDG from MDCIS (LCC), liquor quality testing fees	161,500
22	Federal revenues:	
23	DAG, multiple grants	1,844,400
24	DAG, EPA multiple grants	300,000
25	Special revenue funds:	
26	Private - oil company overcharge settlement . .	803,700
27	Agriculture equine industry development fund .	509,100
28	Gasoline inspection and testing fund	1,491,800

1	Testing fees	232,500
2	Weights and measures regulation fees	323,400
3	State general fund/general purpose \$	5,711,600
4	Sec. 109. MARKET DEVELOPMENT	
5	Full-time equated classified positions	21.5
6	Marketing and emergency management--15.5 FTE	
7	positions \$	2,005,600
8	Agriculture development--6.0 FTE positions	842,400
9	Food bank	645,600
10	Southwestern Michigan tourist council - taste	
11	of Michigan	60,400
12	Future farmers of America	<u>60,000</u>
13	GROSS APPROPRIATION \$	3,614,000
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from MDCIS (LCC), nonretail liquor license	
17	fees	603,000
18	Federal revenues:	
19	DAG, multiple grants	100,000
20	Special revenue funds:	
21	Industry support funds	260,000
22	State general fund/general purpose \$	2,651,000
23	Sec. 110. FAIRS AND EXPOSITIONS	
24	Full-time equated classified positions	22.0
25	Michigan state fair operations--9.0 FTE	
26	positions \$	5,110,200
27	Upper Peninsula state fair--8.0 FTE positions	1,214,400
28	Fairs and racing--5.0 FTE positions	612,500

1	Building and track improvement-county and	
2	state fairs	963,200
3	Premiums--county and state fairs	1,614,000
4	Purses and supplements--fairs and licensed	
5	tracks	2,620,000
6	Standardbred Fedele Fauri futurity	86,800
7	Standardbred Michigan futurity	86,800
8	Quarterhorse programs	42,600
9	Licensed tracks--light horse racing	82,500
10	Standardbred breeders' awards	1,326,400
11	Standardbred purses and supplements--licensed	
12	tracks	297,100
13	Standard sire stakes	1,111,300
14	Standardbred training and stabling	46,900
15	Thoroughbred program	1,944,800
16	Thoroughbred sire stakes	1,111,300
17	Thoroughbred owners' awards	167,300
18	Distribution of outstanding winning tickets . .	500,000
19	Horse shows	<u>23,300</u>
20	GROSS APPROPRIATION	\$ 18,961,400
21	Appropriated from:	
22	Special revenue funds:	
23	Agriculture equine industry development fund .	9,423,800
24	Michigan state fair revenue	5,203,100
25	State services fee fund	3,096,800
26	Upper Peninsula state fair revenue	1,214,400
27	State general fund/general purpose	\$ 23,300
28	Sec. 111. OFFICE OF RACING COMMISSIONER	

1	Full-time equated classified positions . . .	36.7	
2	Office of racing commissioner--36.7 FTE		
3	positions		\$ 3,641,900
4	GROSS APPROPRIATION		\$ 3,641,900
5	Appropriated from:		
6	Special revenue funds:		
7	Agriculture equine industry development fund .		2,341,900
8	State service fee		1,300,000
9	State general fund/general purpose		\$ 0
10	Sec. 112. INFORMATION TECHNOLOGY		
11	Information technology services and projects .		\$ 1,907,300
12	GROSS APPROPRIATION		\$ 1,907,300
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG-from MDIC (LCC)-non retail liquor license		
16	fees		\$ 500
17	IDG-from MDIC (LCC)-liquor quality testing		
18	fees		2,500
19	Federal revenues:		
20	DAG multiple grants		4,500
21	Special revenue funds:		
22	Groundwater and freshwater protection		100
23	Agriculture equine industry development funds .		142,200
24	Agriculture preservation fund		200
25	State service fee		2,100
26	Upper Peninsula state fair revenue		900
27	Michigan State Fair revenue		88,800
28	Gasoline inspection testing fees		26,200

1 State general fund/general purpose \$ 1,639,300

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state
6 constitution of 1963, total state spending from state resources
7 under part 1 for fiscal year 2002-2003 is \$78,733,400.00 and state
8 spending from state resources to be paid to local units of
9 government for fiscal year 2002-2003 is \$3,854,400.00. The
10 itemized statement below identifies appropriations from which
11 spending to units of local government will occur:

12 DEPARTMENT OF AGRICULTURE

13 Groundwater and freshwater protection program . \$ 1,900,000
14 Local conservation districts 1,954,400
15 TOTAL \$ 3,854,400

16 Sec. 202. The appropriations authorized under this bill are
17 subject to the management and budget act, 1984 PA 431, MCL 18.1101
18 to 18.1594.

19 Sec. 203. As used in this bill:

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

21 (b) "DAG-NRCS" means the United States department of
22 agriculture - natural resources conservation service.

23 (c) "Department" means the department of agriculture.

24 (d) "Director" means the director of the department.

25 (e) "EPA" means the United States environmental protection
26 agency.

27 (f) "FTE" means full-time equated.

28 (g) "HHS-FDA" means the United States department of health and

1 human services - food and drug administration.

2 (h) "IDG" means interdepartmental grant.

3 (i) "MDCH" means the Michigan department of community health.

4 (j) "MDCIS (LCC)" means the Michigan department of consumer
5 and industry services - liquor control commission.

6 (k) "MDEQ" means the Michigan department of environmental
7 quality.

8 (l) "MDNR" means the Michigan department of natural resources.

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

14 Sec. 205. (1) A hiring freeze is imposed on the state
15 classified civil service. State departments and agencies are
16 prohibited from hiring any new full-time state classified civil
17 service employees and prohibited from filling any vacant state
18 classified civil service positions. This hiring freeze does not
19 apply to internal transfers of classified employees from one
20 position to another within a department.

21 (2) The state budget director shall grant exceptions to this
22 hiring freeze when the state budget director believes that the
23 hiring freeze will result in rendering a state department or
24 agency unable to deliver basic services, cause loss of revenue to
25 the state, result in the inability of the state to receive federal
26 funds, or would necessitate additional expenditures that exceed
27 any savings from maintaining a vacancy. The state budget director
28 shall report quarterly to the chairpersons of the senate and house

1 standing committees on appropriations the number of exceptions to
2 the hiring freeze approved during the previous quarter and the
3 reasons to justify the exception.

4 Sec. 206. (1) In addition to the funds appropriated in part 1,
5 there is appropriated an amount not to exceed \$5,000,000.00 for
6 federal contingency funds. These funds are not available for
7 expenditure until they have been transferred to another line item
8 in this bill under section 393(2) of the management and budget
9 act, 1984 PA 431, MCL 18.1393.

10 (2) In addition to the funds appropriated in part 1, there is
11 appropriated an amount not to exceed \$6,000,000.00 for state
12 restricted contingency funds. These funds are not available for
13 expenditure until they have been transferred to another line item
14 in this bill under section 393(2) of the management and budget
15 act, 1984 PA 431, MCL 18.1393.

16 (3) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$100,000.00 for local
18 contingency funds. These funds are not available for expenditure
19 until they have been transferred to another line item in this bill
20 under section 393(2) of the management and budget act, 1984 PA
21 431, MCL 18.1393.

22 (4) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$100,000.00 for private
24 contingency funds. These funds are not available for expenditure
25 until they have been transferred to another line item in this bill
26 under section 393(2) of the management and budget act, 1984 PA
27 431, MCL 18.1393.

28 Sec. 208. Unless otherwise specified, the department shall use

1 the Internet to fulfill the reporting requirements of this bill.
2 This may include transmission of reports via electronic mail to
3 the recipients identified for each reporting requirement or it may
4 include placement of reports on an Internet or Intranet site.

5 Sec. 212. Of the funds appropriated in part 1, the department
6 may provide for indemnity as provided for pursuant to the animal
7 industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to
8 exceed \$10,000.00 per order from any line item for the fiscal year
9 ending September 30, 2003. Before the department provides for an
10 indemnification under this section, the department shall report
11 the reason for the indemnification, the amount of the
12 indemnification, and to whom the indemnification is to be paid.
13 The report shall be given to each member of the house and senate
14 appropriations subcommittees on agriculture, the senate and house
15 fiscal agencies, and the state budget director.

16 (2) All indemnification payments for individual livestock or
17 domestic animals within the heard, flock, or school shall be made
18 pursuant to section 14 of the animal industry act, 1988 PA 466,
19 MCL 287.714, based on 100% of the fair market value of that type
20 of livestock or domestic animal, not to exceed \$4,000.00.

21 Sec. 259. From the funds appropriated in part 1 for
22 information technology, the department shall pay user fees to the
23 department of information technology for technology related
24 services and projects. Such user fees shall be subject to
25 provisions of an interagency agreement between the department and
26 the department of information technology.

27 Sec. 260. Amounts appropriated in part 1 for information
28 technology may be designated as work projects and carried forward

1 to support technology projects under the direction of the
 2 department of information technology. Funds designated in this
 3 manner are not available for expenditure until approved as work
 4 projects under section 451a of the management and budget act, 1984
 5 PA 431, MCL 18.1451a.

6 **EXECUTIVE**

7 Sec. 301. The appropriations in part 1 may be used for per
 8 diem payments to members of boards, committees, and commissions
 9 for a full day's board, committee, or commission work at which a
 10 quorum is present; for attending a hearing as authorized by the
 11 respective board, committee, or commission; or for performing
 12 official business as authorized by the respective board,
 13 committee, or commission. The per diem payments shall be at a
 14 rate as follows:

- | | | |
|----|--|------------------|
| 15 | (a) Commission of agriculture | \$ 75.00 per day |
| 16 | (b) Upper Peninsula state fair board | \$ 50.00 per day |
| 17 | (c) Agricultural marketing and bargaining | |
| 18 | board | \$ 35.00 per day |
| 19 | (d) Michigan state fair council | \$ 50.00 per day |
| 20 | (e) Grape and wine industry council | \$ 50.00 per day |

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

- | | |
|----|--|
| 26 | (a) Management services publications. |
| 27 | (b) Management services audit and licensing functions. |
| 28 | (c) Upper Peninsula state fair livestock sales. |

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
4 grading services.

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

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

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

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

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

18 **FOOD AND DAIRY**

19 Sec. 401. The department shall monitor restaurant inspection
20 and licensing functions carried out by local health departments to
21 ensure uniform application and enforcement of minimum program
22 requirements. On or before April 1, 2003, the department shall
23 report to the senate and house appropriations subcommittees on
24 agriculture, the senate and house fiscal agencies, and the state
25 budget director on local health department conformance with
26 minimum program requirements.

27 Sec. 450. From the funds appropriated in part 1 for the
28 bovine tuberculosis program, the department of agriculture shall

1 reimburse the department of natural resources for those costs
2 associated with monitoring and testing wildlife for bovine
3 tuberculosis that are necessary to support the department of
4 agriculture goals and are jointly agreed to by the department of
5 agriculture and the department of natural resources to be in
6 excess of efforts necessary to effectively plan and execute the
7 eradication of bovine tuberculosis from Michigan's wild free-
8 ranging deer herd.

9 **PESTICIDE AND PLANT PEST MANAGEMENT**

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

14 **ENVIRONMENTAL STEWARDSHIP**

15 Sec. 601. The funds appropriated in part 1 for the energy
16 conservation program shall be distributed on a competitive basis
17 that will be based on statewide energy conservation criteria.

18 Sec. 602. (1) The department may expend the amount
19 appropriated in part 1 for migrant labor housing grants for
20 construction of new migrant labor housing grants for construction
21 of new migrant labor housing. Beginning October 1, 2002, project
22 grants shall not exceed \$5,000.00 per unit. Beginning October 1,
23 2002, an applicant is not eligible for more than a \$20,000.00
24 grant in any fiscal year.

25 Sec. 604. The appropriation in part 1 for local conservation
26 districts shall be allocated in the following manner:

27 (a) Of the total appropriation, \$130,000.00 shall be allocated
28 for local conservation district training.

1 (b) Of the total appropriation, each local conservation
2 district meeting the minimum grant requirements shall receive a
3 grant of \$20,000.00 to support basic operations, unless the
4 district resides in a county consisting of multiple districts, in
5 which case a \$20,000.00 grant shall be divided equally among the
6 districts in that county. The amount of money allocated under
7 this subdivision shall not be used by local conservation districts
8 to replace any money received from local sources.

9 (c) Of the remaining appropriation after distributions under
10 subdivisions (a) and (b), additional grants, not to exceed
11 \$20,000.00 per local conservation district, may be provided based
12 on a formula approved by the commission of agriculture. Grants
13 under this subdivision shall require at least a 100% cash or in-
14 kind local match. Criteria used to distribute grants under this
15 subdivision shall include, but are not limited to, the natural
16 resources need, the size, and the population of the area served by
17 each local conservation district.

18 **MARKET DEVELOPMENT**

19 Sec. 701. Within the appropriations in part 1 for market
20 development, \$603,000.00 is for the grape and wine industry
21 council, from which the department may provide grants for the
22 purposes as described in section 303 of the Michigan liquor
23 control code of 1998, 1998 PA 58, MCL 436.1303.

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

1 Sec. 704. Indirect costs may not be charged against the future
2 farmers of America grant in part 1 by any administering agency.

3 Sec. 707. The department is authorized to receive and expend
4 up to \$5,000,000 of utility company uncollectible allowance
5 recovery fund resources which may be deposited into the
6 agricultural development fund for the support of grants for value-
7 added agricultural processing and agricultural production ventures
8 in accordance with the Julian-Stille Value-Added Act, P.A. 322 of
9 2000. The agriculture development fund resources when certified
10 as available by the department of treasury, shall remain
11 unallotted until such time as the state budget director has
12 reviewed and approved a department submitted allotment schedule.
13 Expenditures for support of agricultural processing and production
14 ventures shall not exceed revenues received. Unexpended resources
15 remaining in the fund at the end of the fiscal year shall remain
16 in the fund and not lapse to the general fund.

17 **FAIRS AND EXPOSITIONS**

18 Sec. 802. (1) The appropriation of \$297,100.00 in part 1 for
19 standardbred purses and supplements - licensed tracks is intended
20 to provide state purse supplements for 4 races at state licensed
21 pari-mutuel horse racing tracks. The purse supplements are to be
22 used for races comprised only of Michigan-bred horses segregated
23 into a 4-year-old colt trot division, a 4-year-old filly trot
24 division, a 4-year-old colt pace division, and a 4-year-old filly
25 pace division.

26 (2) The appropriation in part 1 for licensed tracks - light
27 horse racing shall be allocated as follows:

28 Arabian and Appaloosa horse racing \$ 20,600

1 Quarter horse racing \$ 61,900

2 Sec. 803. Included in the appropriation made in part 1 for the
3 thoroughbred program is \$30,500.00 for the Michigan united
4 thoroughbred breeders and owners association to conduct a
5 thoroughbred yearling show. The Michigan united thoroughbred
6 breeders and owners association shall submit to the department an
7 itemized list of expenses showing that the expenses of the
8 yearling show were paid.

9 Sec. 804. From the funds appropriated in part 1 for
10 thoroughbred owners' awards, the department shall develop a
11 program to provide for thoroughbred owners' awards that will be
12 given to owners of Michigan-bred horses finishing first in
13 nonrestricted races at licensed pari-mutuel tracks in Michigan.

14 Sec. 806. A county fair, district fair, 4-H fair, or state
15 fair receiving funds in part 1 to be used for prizes or awards, in
16 whole or in part, as a condition precedent to the receiving of the
17 funds for those purposes, shall publish the rules relative to the
18 prizes, awards, and deadlines for entries eligible for the funds
19 in their official premium books or lists relative to the prizes or
20 awards. An aggrieved exhibitor may make a written complaint to
21 the fair within 10 days after the fair ends. If the fair has not
22 satisfactorily settled the grievance within 45 days after it is
23 submitted to the fair, the aggrieved person may file the complaint
24 with the department and the department shall investigate the
25 complaint and make a finding of fact regarding the complaint and
26 take appropriate action regarding the complaint.

27 Sec. 807. Of the amount appropriated in part 1 for purses and
28 supplements - fairs/licensed tracks, a sufficient amount is

1 appropriated to provide for overnight purse supplements pursuant
2 to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to
3 431.336.

4 Sec. 809. From the appropriations for premiums - county and
5 state fairs in part 1, \$120,000.00 shall be awarded through a
6 competitive grant program to local, regional, or state fairs or
7 expositions to promote youth involvement and adult exhibitions in
8 the animal agriculture industry. Appropriate exhibition classes
9 for youth shall be developed that encourage a production exhibit
10 for which premium awards may be paid. The age for youth
11 exhibitors shall be determined by the standards of the association
12 requesting the grant or, if standards do not exist, the age for
13 youth exhibitors shall be ages 9 through 21. Implementation of
14 the latest technologies into the evaluation of the animals shall
15 be encouraged in the production exhibit. Adult exhibitions should
16 focus on the performance or end product, or both, with the
17 appropriate technologies used to enhance placings and the awarding
18 of premiums.

19 Sec. 811. The funds appropriated in part 1 for distribution of
20 outstanding wining tickets are not available for expenditure until
21 they are deposited in the agriculture equine industry development
22 fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These
23 funds shall be expended in accordance with section 2 of 1951 PA
24 90, MCL 431.252, and only after they have been transferred to
25 another line item in this bill under section 393(2) of the
26 management and budget act, 1984 PA 431, MCL 18.1393.

27 Sec. 812. An individual or other entity that leases land, a
28 building, or other property under the Michigan exposition and

1 fairgrounds act, 1978 PA 361, MCL 285.161 to 285.176, is not
2 eligible for a state grant, loan, appropriation, or other state
3 subsidy related to the leased land, building, or other property.

4 **OFFICE OF RACING COMMISSIONER**

5 Sec. 901. The racing commissioner may pay rewards of not more
6 than \$5,800.00 to a person who provides information that results
7 in the arrest and conviction on a felony or misdemeanor charge for
8 a crime that involves the horse racing industry. A reward paid
9 pursuant to this section shall be paid out of the office of racing
10 commissioner line item.