Act No. 53
Public Acts of 2001
Approved by the Governor*
July 20, 2001

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July 23, 2001

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*Item Vetoes

Sec. 110. FAIRS AND EXPOSITIONS

Michigan festivals .... $ 50,000 (Page 5)

Sec. 404.

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STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2001

Introduced by Senators McManus, Gast, Johnson, Stille and Goschka

ENROLLED SENATE BILL No. 230

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF AGRICULTURE			
APPROPRIATION SUMMARY:			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	647.5		
GROSS APPROPRIATION		$	100,969,600
Interdepartmental grant revenues:			
IDG from MDCH, local public health operations			8,977,500
IDG from MDCIS (LCC), liquor quality testing fees			164,000
IDG from MDCIS (LCC), nonretail liquor license fees			466,600
IDG from MDEQ, biosolids			80,000
IDG from MDEQ, right to farm			105,000
IDG from MDEQ, type II well survey			15,000
IDG from MDNR, district forestry and wildlife program			1,000,000
IDG from Michigan gaming control board			1,300,000
Total interdepartmental grants and intradepartmental transfers			12,108,100
ADJUSTED GROSS APPROPRIATION		$	88,861,500
Federal revenues:			
DAG, multiple grants			3,412,000
DAG-FS, multiple grants			100,000
DAG-NRCS			250,000
EPA, multiple grants			1,910,000
HHS-FDA			208,000

		For Fiscal Year Ending Sept. 30, 2002
Total federal revenues	$	5,880,000
Special revenue funds:		
Total local revenues		0
Private - oil company overcharge settlement		991,900
Private - slow-the-spread foundation		130,000
Total private revenues		1,121,900
Agriculture equine industry development fund		13,193,900
Agricultural preservation fund		700,000
Civil penalties		60,000
Commodity inspection fees		991,500
Gasoline inspection and testing fund		1,523,100
Groundwater and freshwater protection fund		4,668,200
Industry support funds		305,000
Licensing and inspection fees		5,025,600
Michigan state fair revenue		6,314,000
Pseudorabies and swine brucellosis fund		30,000
State services fee fund		3,555,800
Testing fees		200,700
Upper Peninsula state fair revenue		1,223,900
Weights and measures regulation fees		323,400
Total other state restricted revenues		38,115,100
State general fund/general purpose	$	43,744,500

Sec. 102. EXECUTIVE

Full-time equated unclassified positions 6.0		
Full-time equated classified positions 67.0		
Commission and boards	$	63,300
Unclassified positions—6.0 FTE positions		486,700
Executive direction—4.0 FTE positions		535,000
Management services—58.0 FTE positions		5,317,300
Statistical reporting service—5.0 FTE positions		465,100
GROSS APPROPRIATION	$	6,867,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCIS (LCC), nonretail liquor license fees		8,800
Special revenue funds:		
Gasoline inspection and testing fund		47,800
Industry support funds		5,000
Licensing and inspection fees		62,100
Michigan state fair revenue		79,000
State services fee fund		160,500
Upper Peninsula state fair revenue		9,000
State general fund/general purpose	$	6,495,200

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges	$	1,647,100
GROSS APPROPRIATION	$	1,647,100
Appropriated from:		
Special revenue funds:		
Gasoline inspection and testing fund		3,200
State services fee fund		304,600
State general fund/general purpose	$	1,339,300

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions 119.0		
Food safety and quality assurance—119.0 FTE positions	$	10,375,300
Local public health operations		8,977,500
GROSS APPROPRIATION	$	19,352,800

		For Fiscal Year Ending Sept. 30, 2002
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations	$	8,977,500
Federal revenues:		
DAG, multiple grants		22,500
HHS-FDA		183,600
Special revenue funds:		
Civil penalties		60,000
Licensing and inspection fees		2,484,000
State general fund/general purpose	$	7,625,200

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions 56.0		
Animal health and welfare—27.0 FTE positions	$	2,418,000
Bovine tuberculosis program—29.0 FTE positions		3,528,100
GROSS APPROPRIATION	$	5,946,100
Appropriated from:		
Federal revenues:		
HHS-FDA		9,000
Special revenue funds:		
Licensing and inspection fees		201,500
Pseudorabies and swine brucellosis fund		30,000
State general fund/general purpose	$	5,705,600

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions 131.3		
Pesticide and plant pest management—131.3 FTE positions	$	13,029,900
Disease and pest intervention fund		135,600
Michigan State University		210,000
Orchard or vineyard removal		37,800
GROSS APPROPRIATION	$	13,413,300
Appropriated from:		
Federal revenues:		
DAG, multiple grants		1,952,200
EPA, multiple grants		1,510,000
HHS-FDA		15,400
Special revenue funds:		
Private - slow-the-spread foundation		130,000
Commodity inspection fees		991,500
Licensing and inspection fees		2,278,000
State general fund/general purpose	$	6,536,200

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions 55.0		
Environmental stewardship—38.0 FTE positions	$	3,350,300
Groundwater and freshwater protection program—10.0 FTE positions		5,168,200
Farmland and open space preservation—7.0 FTE positions		700,000
Cooperative resources management initiative program		1,000,000
Energy conservation program		138,000
Forest stewardship program		100,000
Local conservation districts		2,734,400
Migrant labor housing		895,400
GROSS APPROPRIATION	$	14,086,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDEQ, biosolids		80,000
IDG from MDEQ, right to farm		105,000
IDG from MDEQ, type II well survey		15,000

		For Fiscal Year Ending Sept. 30, 2002
IDG from MDNR, district forestry and wildlife program	$	1,000,000
Federal revenues:		
DAG-FS, multiple grants		100,000
DAG-NRCS		250,000
EPA, multiple grants		400,000
Special revenue funds:		
Private - oil company overcharge settlement		193,900
Agricultural preservation fund		700,000
Groundwater and freshwater protection fund		4,668,200
Industry support funds		40,000
State general fund/general purpose	$	6,534,200

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions 136.0		
Laboratory analysis program—77.5 FTE positions	$	6,251,900
Pesticide data program—14.0 FTE positions		1,116,900
Consumer protection program—44.5 FTE positions		3,294,700
GROSS APPROPRIATION	$	10,663,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCIS (LCC), liquor quality testing fees		164,000
Federal revenues:		
DAG, multiple grants		1,137,300
Special revenue funds:		
Private - oil company overcharge settlement		798,000
Agriculture equine industry development fund		509,100
Gasoline inspection and testing fund		1,472,100
Testing fees		200,700
Weights and measures regulation fees		323,400
State general fund/general purpose	$	6,058,900

Sec. 109. MARKET DEVELOPMENT

Full-time equated classified positions 20.5		
Marketing and emergency management—14.5 FTE positions	$	2,035,100
Agriculture development—6.0 FTE positions		1,322,500
Food bank		964,600
Grown in Michigan		94,500
Northwest Michigan horticultural research station		41,800
Southwestern Michigan tourist council - taste of Michigan		60,400
Future farmers of America		60,000
Michigan sunset coast growers cooperative		200,000
GROSS APPROPRIATION	$	4,778,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCIS (LCC), nonretail liquor license fees		457,800
Federal revenues:		
DAG, multiple grants		300,000
Special revenue funds:		
Industry support funds		260,000
State general fund/general purpose	$	3,761,100

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions 23.0		
Michigan state fair operations—10.0 FTE positions	$	6,092,100
Upper Peninsula state fair—8.0 FTE positions		1,392,800
Fairs and racing—5.0 FTE positions		615,800
Building and track improvement - county and state fairs		963,200
Premiums - county and state fairs		1,614,000

		For Fiscal Year Ending Sept. 30, 2002
Purses and supplements - fairs/licensed tracks	$	2,819,900
Standardbred Fedele Fauri futurity		93,400
Standardbred Michigan futurity		93,400
Quarterhorse programs		45,800
Licensed tracks - light horse racing		88,800
Standardbred breeders' awards		1,427,600
Standardbred purses and supplements - licensed tracks		319,800
Standardbred sire stakes		1,196,100
Thoroughbred sire stakes		1,196,100
Standardbred training and stabling		50,500
Thoroughbred program		2,093,100
Thoroughbred owners' awards		180,100
Distribution of outstanding winning tickets		500,000
Michigan festivals		50,000
Horse shows		38,300
GROSS APPROPRIATION	$	20,870,800
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		10,104,600
Michigan state fair revenue		6,235,000
State services fee fund		3,090,700
Upper Peninsula state fair revenue		1,214,900
State general fund/general purpose	$	225,600

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions 39.7		
Office of racing commissioner—39.7 FTE positions	$	3,880,200
GROSS APPROPRIATION	$	3,880,200
Appropriated from:		
Interdepartment grant revenues:		
IDG from Michigan gaming control board		1,300,000
Special revenue funds:		
Agriculture equine industry development fund		2,580,200
State general fund/general purpose	$	0

Sec. 112. BUDGETARY SAVINGS

Budgetary savings	$	(536,800)
GROSS APPROPRIATION	$	(536,800)
Appropriated from:		
State general fund/general purpose	$	(536,800)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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 $81,859,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2001-2002 is $4,534,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF AGRICULTURE		
Groundwater and freshwater protection program	$	1,800,000
Local conservation districts		2,734,400
TOTAL	$	4,534,400

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

Sec. 203. As used in this act:

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

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

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

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

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

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

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

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

(i) "IDG" means interdepartmental grant.

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

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

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

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

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

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

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

(3) The hiring freeze does not apply to the animal industry program.

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

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

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

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

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

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

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

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

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

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock that is killed by a wolf, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

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

(4) For those payments made from January 1, 1998, through October 31, 2000, the department shall calculate the difference between what was paid for every herd, flock, or school and the rate paid subsequent to October 31, 2000.

(5) The department shall use bovine TB work project revenue to implement this section.

Sec. 213. When the department applies to the department of management and budget with a request for a transfer of appropriations or for a supplemental appropriation, the department shall provide the senate and house fiscal agencies with the same information that the department provides the department of management and budget relative to the request for transfer or supplemental.

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

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

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

Sec. 217. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 218. By December 1, 2001, the department shall provide the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies a report that outlines programs funded under this act. The report shall provide explanation of the activities and personnel funded with each line item, consistent with the format of this act.

Sec. 219. (1) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed in section 205 and, if necessary, by other savings identified by the department director and approved by the state budget director.

(2) Appropriation authorizations shall be adjusted after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 220. The department shall perform a job audit for the position of state fair manager. The audit shall look at duties and the job description to determine a competitive market based salary for the work performed. It is the intent of the legislature to have the state fair manager's salary proportional to the amount of responsibility in conducting the operations of the state fair. If the responsibility increases or decreases, the salary shall be adjusted accordingly.

Sec. 221. From the unexpended balance of the food safety and quality assurance appropriation contained in section 102 of 2000 PA 291, a grant up to $750,000.00 may be utilized for value-added opportunities in support of Michigan turkey growers.

Sec. 222. The department, in conjunction with the Michigan department of economic development, shall perform a thorough cost and programmatic analysis on the effectiveness and efficiency of rural development programs and activities prior to moving the program from the department to the Michigan department of economic development.

EXECUTIVE

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

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

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

(a) Management services publications.

(b) Management services audit and licensing functions.

(c) Upper Peninsula state fair livestock sales.

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

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

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

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

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

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

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

Sec. 303. Of the funds appropriated in part 1 for statistical reporting service, $120,000.00 shall be used for surveys which include, but are not limited to, fruit, vegetables, and nursery stock, which encompasses Christmas trees and ornamental plants. The director of the Michigan department of agriculture is given authority to include other agricultural surveys such as turfgrass in the 3- to 5-year rotation. The survey shall include information such as existing plantings/acreage, new plantings/acreage, production, and number of growers.

FOOD AND DAIRY

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

(2) If a local unit of government incurs additional costs resulting from its efforts to control a significant food-borne outbreak, the director shall seek additional resources to reimburse the local unit of government for these additional costs. The director shall involve the local health officer of the jurisdiction affected in all aspects of the control of any food-borne outbreak.

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

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

Sec. 404. (1) From the funds appropriated in section 104, up to $25,000.00 shall be expended to locate milk vending machines in the concessions areas of the Clare welcome center on US-27 near Clare and the US-131 rest area in Montcalm County. The department shall work with the department of transportation in the placement and servicing of these machines.

(2) Funds appropriated in subsection (1) shall also be expended to locate milk vending machines in the Chippewa Hills school district, McBain Rural Agricultural school district, Pine River area schools, and Cadillac area schools. The department shall work with administrators at the schools to facilitate the location of the milk vending machines in their respective school buildings.

Sec. 405. The department, in conjunction with the department of community health, shall assure that a process is in place that requires a local unit of government to obtain prior approval from the department before any reallocation or redistribution of program funds appropriated in section 104.

ANIMAL INDUSTRY

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

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. Of the funds appropriated in section 106 to the pesticide and plant pest management division, up to $100,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

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

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

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

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

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

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

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

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

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

ENVIRONMENTAL STEWARDSHIP

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

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

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

Sec. 603. The department shall apply for all federal funds for which it is eligible that can be used to support the migrant labor housing program.

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

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

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

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

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

MARKET DEVELOPMENT

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

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

Sec. 703. (1) The $94,500.00 appropriated in section 109 for the grown in Michigan program is to provide competitive grants to Michigan nonprofit organizations to raise in-state consumer awareness of Michigan grown commodities.

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

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

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

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

(d) The amount of the match.

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

(4) Each grant shall be matched equally with grantees' funds. In-kind contributions shall not be considered as matching funds.

(5) The department shall report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies 10 days prior to making a grant under this section.

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

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

Sec. 706. The department shall designate an account executive liaison position to work with the Michigan economic development corporation for the promotion of agriculture in Michigan.

Sec. 707. The department is authorized to receive and expend up to $5,000,000.00 of utility company uncollectible allowance recovery fund resources which may be deposited into the agricultural development fund for the support of grants for value-added agricultural processing and agricultural production ventures in accordance with the Julian-Stille value-added act, 2000 PA 322, MCL 285.301 to 285.304. The agriculture development fund resources when certified as available by the department of treasury shall remain unallotted until such time as the state budget director has reviewed and approved a department submitted allotment schedule. Expenditures for support of agricultural processing and production ventures shall not exceed revenues received. Unexpended resources remaining in the fund at the end of the fiscal year shall remain in the fund and not lapse to the general fund.

Sec. 708. The department shall actively assist the agriculture industry in obtaining federal funding for value-added initiatives, including the Michigan sunset coast growers cooperative.

FAIRS AND EXPOSITIONS

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

Sec. 802. (1) The appropriation of $319,800.00 in section 110 for standardbred purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

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

Arabian and Appaloosa horse racing	$	22,200
Quarter horse racing		66,600

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

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

Sec. 805. The department shall notify the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies of any planned reductions in appropriations, allocations, or expenditures from the agriculture equine industry development fund no less than 10 days before such reductions are implemented.

Sec. 806. A county fair, district fair, 4-H fair, or state fair receiving funds in section 110 to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 807. Of the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, a sufficient amount is appropriated to provide for overnight purse supplements pursuant to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Sec. 808. Of the amount appropriated in section 110 for premiums, $11,400.00 shall be expended as a grant for the Michigan horse show association - fall youth show at the Michigan exposition and fairgrounds.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, $120,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or expositions to promote youth involvement and adult exhibitions in the animal agriculture industry. Appropriate exhibition classes for youth shall be developed that encourage a production exhibit for which premium awards may be paid. The age for youth exhibitors shall be determined by the standards of the association requesting the grant or, if standards do not exist, the age for youth exhibitors shall be ages 9 through 21. Implementation of the latest technologies into the evaluation of the animals shall be encouraged in the production exhibit. Adult exhibitions should focus on the performance or end product, or both, with the appropriate technologies used to enhance placings and the awarding of premiums.

Sec. 810. The appropriation in section 110 for Michigan festivals shall be allocated to the Michigan festivals and events association to promote commodity-related festivals on a statewide basis. The allocation to the Michigan festivals and events association is contingent upon the association providing at least a 100% cash or in-kind match.

Sec. 811. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and only after they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 812. An individual or other entity that leases land, a building, or other property under the Michigan exposition and fairgrounds act, 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state grant, loan, appropriation, or other state subsidy related to the leased land, building, or other property.

Sec. 813. (1) On or before January 29, 2002, the department, together with the senate and house fiscal agencies and the department of management and budget, shall estimate the unreserved and unencumbered closing balance of the agriculture equine industry development fund for the fiscal year ending September 30, 2001. The estimate shall consider lapsed appropriations from the fund and any carryforward amounts designated for appropriation in the fiscal year ending September 30, 2002.

(2) On or before February 5, 2002, the department shall request a legislative transfer in accordance with section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unreserved and unencumbered agriculture equine industry development fund balance in excess of $250,000.00. The appropriations included in the transfer request shall be in accordance with the requirements of section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the same time the department forwards its transfer request to the department of management and budget, the department shall submit copies of the transfer request to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies.

Sec. 814. From the appropriation in section 110 for horse shows, the department shall implement a competitive horse show grant program.

Sec. 815. From the appropriation in section 110 for building and track improvement - county and state fairs, $50,000.00 shall be awarded to licensed race meet operators for promotions, capital improvements, or operations at race meets which are conducted on facilities leased from county fairs. On or before December 31, 2001, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies on the distribution of these funds.

OFFICE OF RACING COMMISSIONER

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

Sec. 902. The department shall provide a cost analysis of moving the office of racing commissioner into the new state office building that agriculture will be occupying. The analysis shall be completed and submitted to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies by January 1, 2002.

Sec. 903. The office of racing commissioner, in cooperation with representatives of the racing industry, shall prepare a report on the competitiveness of the industry in comparison to other jurisdictions. The report shall examine all forms of wagering, including, but not limited to, site only simulcasting, telephone account wagering, slots, keno, and other forms of skilled wagering. In addition, the report shall compare all states and Canada in terms of the viability of their equine industry, purse pool revenue sources, the amount of revenue generated from the various types of wagering forms, and whether the additional sources of revenue have contributed to the short- and long-term viability of the industry. Furthermore, the report shall include information on how regulatory functions are funded in each state, and whether the state uses general fund type revenues or is self-supported with equine revenue. The office of racing commissioner shall submit the report to the house and senate fiscal agencies and the house and senate appropriations subcommittees on agriculture by October 31, 2001.

Sec. 904. The office of racing commissioner shall prepare on a quarterly basis a status report of all complaints or litigation filed by organizations, racetracks, and certified horsemen's organizations with the office of racing commissioner. The status report shall include the number of complaints filed, the type of complaint, the current status of the complaint, and what efforts were undertaken to resolve the complaint. The office of racing commissioner shall submit the report to the house and senate fiscal agencies and the house and senate appropriations subcommittees on agriculture beginning October 1, 2001.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Gary E Randall

Clerk of the House of Representatives.

Approved ____________________

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Governor.