

SUBSTITUTE FOR
HOUSE BILL NO. 5509

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2005; 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

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amounts listed in this part are appropriated for the department of

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agriculture for the fiscal year ending September 30, 2005, from the

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funds indicated in this part. The following is a summary of the

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appropriations in this part:

House Bill No. 5509 (H-1) as amended March 30, 2004

1 DEPARTMENT OF AGRICULTURE

2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	5.0	
4	Full-time equated classified positions.....	734.0	
5	GROSS APPROPRIATION.....	\$	[115,956,800]
6	Interdepartmental grant revenues:		
7	IDG from MDCH, local public health operations.....		8,878,700
8	IDG from MDCIS (LCC), liquor quality testing fees...		[117,300]
9	IDG from MDCIS (LCC), nonretail liquor license fees.		[560,500]
10	IDG from MDEQ, biosolids.....		86,100
11	IDG from MDEQ, right to farm.....		113,000
12	IDG from MDEQ, type II well survey.....		16,100
13	IDG from MDNR, district forestry and wildlife		
14	program.....		1,000,000
15	Total interdepartmental grants and intradepartmental		
16	transfers.....		10,831,700
17	ADJUSTED GROSS APPROPRIATION.....	\$	[105,125,100]
18	Federal revenues:		
19	HHS-FDA.....		[349,600]
20	DAG, multiple grants.....		[30,688,100]
21	EPA, multiple grants.....		[2,368,500]
22	Total federal revenues.....		33,406,200
23	Special revenue funds:		
24	Total local revenues.....		0
25	Private - slow-the-spread foundation.....		138,700
26	Total private revenues.....		138,700
27	Agricultural pollution prevention fund.....		100

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1	Agricultural preservation fund.....	900,000
2	Agriculture equine industry development fund.....	11,202,200
3	Civil penalties.....	43,900
4	Commodity inspection fees.....	709,400
5	Gasoline inspection and testing fund.....	2,035,800
6	Groundwater and freshwater protection fund.....	4,812,300
7	Horticulture fund.....	74,700
8	Industry support funds.....	612,100
9	Licensing and inspection fees.....	6,232,600
	[Michigan state fair revenue.....	100]
10	Michigan underground storage tank financial	
11	assurance fund.....	3,000,000
12	State services fee fund.....	8,209,900
13	Testing fees.....	386,100
14	Upper Peninsula state fair revenue.....	1,291,500
15	Weights and measures regulation fees.....	560,100
16	Total other state restricted revenues.....	[40,070,800]
17	State general fund/general purpose..... \$	[31,509,400]
18	Sec. 102. EXECUTIVE	
19	Full-time equated unclassified positions.....5.0	
20	Full-time equated classified positions.....52.0	
21	Commissions and boards..... \$	47,300
22	Unclassified positions--5.0 FTE positions.....	354,000
23	Executive direction--10.0 FTE positions.....	1,128,500
24	Management services--35.5 FTE positions.....	2,864,100
25	Statistical reporting service--4.0 FTE positions....	342,200
26	Emergency management--2.5 FTE positions.....	206,900
27	GROSS APPROPRIATION..... \$	4,943,000

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from MDCIS (LCC), nonretail liquor license fees.	8,800
4	Special revenue funds:	
5	Gasoline inspection and testing fund.....	52,500
6	Industry support funds.....	30,000
7	State services fee fund.....	352,000
8	Upper Peninsula state fair revenue.....	9,000
9	State general fund/general purpose..... \$	4,490,700
10	Sec. 103. DEPARTMENTWIDE	
11	Employee turnover savings..... \$	(100,000)
12	Rent and building occupancy charges.....	<u>1,486,400</u>
13	GROSS APPROPRIATION..... \$	1,386,400
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from MDLEG (LCC), nonretail liquor license fees.	5,800
17	Federal revenues:	
18	DAG, multiple grants.....	100,500
19	EPA, multiple grants.....	61,200
20	HHS-FDA.....	13,100
21	Special revenue funds:	
22	Agriculture equine industry development fund.....	2,025,000
23	Agricultural preservation fund.....	23,900
24	Groundwater and freshwater protection fund.....	9,500
25	Licensing and inspection fees.....	48,200
26	State services fee fund.....	304,600
27	State general fund/general purpose..... \$	(1,205,400)

1 **Sec. 104. FOOD AND DAIRY**

2	Full-time equated classified positions.....107.0	
3	Food safety and quality assurance--107.0 FTE	
4	positions.....	\$ 11,313,800
5	Local public health operations.....	<u>8,878,700</u>
6	GROSS APPROPRIATION.....	\$ 20,192,500
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from MDCH, local public health operations.....	8,878,700
10	Federal revenues:	
11	DAG, multiple grants.....	24,800
12	HHS-FDA.....	203,700
13	Special revenue funds:	
14	Civil penalties.....	43,900
15	Licensing and inspection fees.....	3,030,400
16	State general fund/general purpose.....	\$ 8,011,000
17	Sec. 105. ANIMAL INDUSTRY	
18	Full-time equated classified positions.....49.0	
19	Animal health and welfare--22.5 FTE positions.....	\$ 2,391,100
20	Bovine tuberculosis program--26.5 FTE positions.....	<u>5,222,400</u>
21	GROSS APPROPRIATION.....	\$ 7,613,500
22	Appropriated from:	
23	Federal revenues:	
24	DAG, multiple grants.....	1,251,000
25	HHS-FDA.....	68,800
26	Special revenue funds:	
27	Agriculture equine industry development fund.....	52,800

1	Licensing and inspection fees.....	180,800
2	Pseudorabies and swine brucellosis fund.....	21,200
3	State general fund/general purpose..... \$	6,038,900
4	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
5	Full-time equated classified positions.....274.8	
6	Pesticide and plant pest management--119.8 FTE	
7	positions..... \$	12,494,400
8	Emerald ash borer control program--155.0 FTE	
9	positions.....	<u>25,197,300</u>
10	GROSS APPROPRIATION..... \$	37,691,700
11	Appropriated from:	
12	Federal revenues:	
13	DAG, multiple grants.....	27,272,500
14	EPA, multiple grants.....	1,563,500
15	HHS-FDA.....	64,000
16	Special revenue funds:	
17	Private - slow-the-spread foundation.....	138,700
18	Commodity inspection fees.....	709,400
19	Horticulture fund.....	74,700
20	Industry support funds.....	319,900
21	Licensing and inspection fees.....	2,860,700
22	State general fund/general purpose..... \$	4,688,300
23	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
24	Full-time equated classified positions.....47.0	
25	Environmental stewardship--32.7 FTE positions..... \$	2,570,700
26	Groundwater and freshwater protection program--8.3	
27	FTE positions.....	4,931,700

1	Farmland and open space preservation--6.0 FTE	
2	positions.....	875,900
3	Agriculture pollution prevention program.....	100
4	Cooperative resources management initiative program.	1,000,000
5	Local conservation districts.....	1,580,000
6	Migrant labor housing.....	<u>255,000</u>
7	GROSS APPROPRIATION..... \$	11,213,400
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from MDEQ, biosolids.....	86,100
11	IDG from MDEQ, type II well survey.....	16,100
12	IDG from MDNR, district forestry and wildlife	
13	program.....	1,000,000
14	IDG from MDEQ, right to farm.....	113,000
15	Federal revenues:	
16	EPA, multiple grants.....	419,700
17	Special revenue funds:	
18	Agricultural pollution prevention fund.....	100
19	Agricultural preservation fund.....	875,900
20	Groundwater and freshwater protection fund.....	4,802,700
21	State general fund/general purpose..... \$	3,899,800
22	Sec. 108. LABORATORY PROGRAM	
23	Full-time equated classified positions.....148.0	
24	Laboratory services--148.0 FTE positions..... \$	<u>11,850,300</u>
25	GROSS APPROPRIATION..... \$	11,850,300
26	Appropriated from:	
27	Interdepartmental grant revenues:	

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1	IDG from MDLEG (LCC), liquor quality testing fees...	174,500
2	Federal revenues:	
3	DAG, multiple programs.....	1,926,900
4	EPA, multiple programs.....	324,100
5	Special revenue funds:	
6	Gasoline inspection and testing fund.....	1,957,100
7	Michigan underground storage tank financial	
8	assurance fund.....	3,000,000
9	State services fee fund.....	479,600
10	Testing fees.....	386,100
11	Weights and measures regulation fees.....	560,100
12	State general fund/general purpose..... \$	3,041,900
13	Sec. 109. AGRICULTURE DEVELOPMENT	
14	Full-time equated classified positions.....8.0	
15	Agriculture development--5.0 FTE positions..... \$	944,400
16	Grape and wine program--3.0 FTE positions.....	677,600
17	Food bank.....	[640,500]
18	Future farmers of America.....	<u>60,000</u>
19	GROSS APPROPRIATION..... \$	[2,322,500]
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from MDLEG (LCC), nonretail liquor license fees.	545,400
23	Federal revenues:	
24	DAG, multiple grants.....	112,400
25	Special revenue funds:	
26	Industry support funds.....	232,200
27	State services fee fund.....	263,700

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1	State general fund/general purpose.....	\$	[1,168,800]
2	Sec. 110. FAIRS AND EXPOSITIONS		
3	Full-time equated classified positions.....16.5		
4	[Michigan state fair operations.....		100]
4	Upper Peninsula state fair--7.0 FTE positions.....	\$	1,281,600
5	Fairs, racing and producer security--9.5 FTE		
6	positions.....		961,100
7	Building and track improvement - county and state		
8	fairs.....		963,200
9	Distribution of outstanding winning tickets.....		700,000
10	Licensed tracks - light horse racing.....		76,500
11	Premiums - county and state fairs.....		1,614,000
12	Purses and supplements - fairs/licensed tracks.....		2,431,700
13	Quarterhorse programs.....		39,600
14	Standardbred breeders' awards.....		1,230,900
15	Standardbred Fedele Fauri futurity.....		80,500
16	Standardbred Michigan futurity.....		80,500
17	Standardbred purses and supplements - licensed		
18	tracks.....		275,700
19	Standardbred sire stakes.....		1,031,300
20	Standardbred training and stabling.....		43,600
21	Thoroughbred owners' awards.....		155,200
22	Thoroughbred program.....		1,804,800
23	Thoroughbred sire stakes.....		<u>1,031,300</u>
24	GROSS APPROPRIATION.....	\$	[13,801,600]
25	Appropriated from:		
26	Special revenue funds:		
27	Agriculture equine industry development fund.....		8,981,600

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1	Industry support funds.....	30,000
2	Licensing and inspection fees.....	112,500
	[Michigan state fair revenue.....	100]
3	State services fee fund.....	3,177,500
4	Upper Peninsula state fair revenue.....	1,281,600
5	State general fund/general purpose..... \$	218,300
6	Sec. 111. OFFICE OF RACING COMMISSIONER	
7	Full-time equated classified positions.....31.7	
8	Office of racing commissioner--31.7 FTE positions... \$	<u>3,609,200</u>
9	GROSS APPROPRIATION..... \$	3,609,200
10	Appropriated from:	
11	Special revenue funds:	
12	State services fee fund.....	3,609,200
13	State general fund/general purpose..... \$	0
14	Sec. 112. INFORMATION AND TECHNOLOGY	
15	Information technology services and projects..... \$	<u>1,332,700</u>
16	GROSS APPROPRIATION..... \$	1,332,700
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	IDG from MDLEG (LCC), liquor quality testing fees...	2,800
20	IDG from MDLEG (LCC), nonretail liquor license fees.	500
21	Special revenue funds:	
22	Groundwater and freshwater protection fund.....	100
23	Agriculture equine industry development fund.....	142,800
24	Agricultural preservation fund.....	200
25	State services fee fund.....	2,100
26	Upper Peninsula state fair revenue.....	900
27	Gasoline inspection testing fund.....	26,200

1 State general fund/general purpose..... \$ 1,157,100

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 under
7 part 1 for fiscal year 2004-2005 is [\$71,580,200.00] and state spending
8 from state resources to be paid to local units of government for
9 fiscal year 2004-2005 is \$3,380,000.00. The itemized statement below
10 identifies appropriations from which spending to local units of
11 government will occur:

12 DEPARTMENT OF AGRICULTURE

13 Groundwater and freshwater protection program..... \$ 1,800,000
14 Local conservation districts..... 1,580,000
15 TOTAL..... \$ 3,380,000

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

19 Sec. 203. As used in this act:

- 20 (a) "DAG" means the United States department of agriculture.
21 (b) "Department" means the department of agriculture.
22 (c) "Director" means the director of the department.
23 (d) "EPA" means the United States environmental protection agency.
24 (e) "FTE" means full-time equated.
25 (f) "HHS-FDA" means the United States department of health and

1 human services - food and drug administration.

2 (g) "IDG" means interdepartmental grant.

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

4 (i) "MDLEG (LCC)" means the Michigan department of labor and
5 economic growth - liquor control commission.

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

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

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

13 Sec. 208. Unless otherwise specified, the department shall use
14 the Internet to fulfill the reporting requirements of this act. This
15 shall include transmission of reports via electronic mail to the
16 recipients identified for each reporting requirement and shall include
17 placement of reports on an Internet or Intranet site.

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

22 (2) In addition to the requirements in subsection (1), the
23 purchase of goods or services, or both, if competitively priced and of
24 comparable quality shall be Michigan goods or services, or both, if
25 available. The department shall also encourage the use of Michigan
26 produced agricultural products by all state agencies and departments
27 if competitively priced and of comparable quality, if available.

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

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

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

19 Sec. 212. (1) Of the funds appropriated in part 1, the
20 department may provide for indemnity as provided for pursuant to the
21 animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745, not
22 to exceed \$100,000.00 per order from any line item for the fiscal year
23 ending September 30, 2005. Before the department provides for an
24 indemnification under this section, the department shall report the
25 reason for the indemnification, the amount of the indemnification, and
26 to whom the indemnification is to be paid. The report shall be given
27 to each member of the house and senate appropriations subcommittees on

1 agriculture and to the senate and house fiscal agencies and the state
2 budget director.

3 (2) The department of agriculture shall make an indemnification
4 payment for the fair market value of an apiarian loss caused by a bear
5 and payment for the fair market value of livestock killed by a wolf,
6 if the kill is verified by the department of natural resources. The
7 fair market value of the livestock shall be determined pursuant to the
8 indemnification procedures prescribed in the animal industry act, 1988
9 PA 466, MCL 287.701 to 287.745. In addition to the funds appropriated
10 in part 1, the department of agriculture is authorized to expend the
11 funds received from the department of natural resources to reimburse
12 the department of agriculture for all indemnification payments made
13 pursuant to this subsection.

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

22 Sec. 216. The unexpended and unencumbered balance of revenue
23 deposited pursuant to section 20 of the horse racing law of 1995, 1995
24 PA 279, MCL 431.320, for the fiscal year ending September 30, 2004,
25 shall be appropriated to the Michigan agriculture equine industry
26 development fund for distribution as set forth in section 20 of the
27 horse racing law of 1995, 1995 PA 279, MCL 431.320.

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1 Sec. 219. The department of information technology shall
2 annually publish a schedule of rates, user fees, and charges or
3 assessments for standard services and information system support
4 requirements to be made to departments for technology related services
5 and projects. This schedule, as well as copies of related interagency
6 agreements, shall be provided to the state budget office and the house
7 and senate committees on appropriations before October 15, 2004. The
8 department of agriculture shall not process any payments or fund
9 transfers to the department of information technology until 30 days
10 after the 2004-2005 fiscal year schedule of rates, user fees, and
11 assessments is provided to the legislature, pursuant to this section.

12 Sec. 220. Amounts appropriated in part 1 for information
13 technology may be designated as work projects and carried forward to
14 support technology projects under the direction of the department of
15 information technology. Funds designated in this manner are not
16 available for expenditure until approved as work projects under
17 section 451a of the management and budget act, 1984 PA 431, MCL
18 18.1451a.

19 Sec. 224. In addition to the appropriations contained in part 1,
20 if legislation creating an agricultural enhancement fund is enacted
21 before September 30, 2005, or existing casino compacts are
22 renegotiated and revenue is available from those sources, programs,
23 services, and projects are appropriated in the following amounts and
24 order of priority:

25 (a) \$1,000,000.00 for market development [including aquaculture and
26 cervidae programs].

27 (b) \$1,000,000.00 for the control and elimination of animal
species and cross species diseases, including zoonotic and cervidae

1 diseases.

2 (c) \$1,000,000.00 for county fairs and agricultural societies that
3 sponsor county fairs, as defined in 1929 PA 11, MCL 46.151 to 46.153,
4 and 1855 PA 80, MCL 453.231 to 453.240.

5 (d) \$600,000.00 for migrant housing.

6 (e) \$200,000.00 for local conservation districts.

7 (f) \$50,000.00 for future farmers of America.

8 (g) \$450,000.00 for northwest horticultural research station.

9 Sec. 225. (1) In addition to the funds appropriated in part 1,
10 there is appropriated an amount not to exceed \$10,000,000.00 for
11 federal contingency funds. These funds are not available for
12 expenditure until they have been transferred to another line item in
13 this act under section 393(2) of the management and budget act, 1984
14 PA 431, MCL 18.1393.

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

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

26 (4) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$100,000.00 for private

1 contingency funds. These funds are not available for expenditure
2 until they have been transferred to another line item in this act
3 under section 393(2) of the management and budget act, 1984 PA 431,
4 MCL 18.1393.

5 **EXECUTIVE**

6 Sec. 301. Per diem rates for commodity committees established in
7 the agriculture commodities marketing act, 1965 PA 232, MCL 290.651 to
8 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1964 PA 114, MCL 290.551
9 to 290.568, and the beef industry commission act, 1972 PA 291, MCL
10 287.601 to 287.610, will be set based upon levels established in
11 section 301 of 2002 PA 516.

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

17 (a) Management services publications.

18 (b) Management services audit and licensing functions.

19 (c) Pesticide and plant pest management propagation and
20 certification of virus free foundation stock.

21 (d) Pesticide and plant pest management bean inspection and
22 grading services.

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

26 (f) Laboratory support analyses to determine foreign substances in

1 horses engaged in racing or pulling contests at tracks.

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

5 (h) Laboratory support test samples for other agencies and
6 organizations.

7 (i) Fruit and vegetable inspection at shipping and termination
8 points and processing plants.

9 Sec. 303. Of the funds appropriated in part 1 for statistical
10 reporting service, \$90,000.00 shall be used for surveys which include,
11 but are not limited to, fruit, vegetables, and nursery stock, which
12 encompasses Christmas trees and ornamental plants. The director of
13 the Michigan department of agriculture is given authority to include
14 other agricultural surveys such as turfgrass in the 3- to 5-year
15 rotation. The survey shall include information such as existing
16 plantings/acreage, new plantings/acreage, production, and number of
17 growers.

18 FOOD AND DAIRY

19 Sec. 401. (1) 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. Priority shall be given to high risk areas, consumer
23 complaints, and grade A milk inspections. On or before April 1, 2005,
24 the department shall report to the senate and house appropriations
25 subcommittees on agriculture, the senate and house fiscal agencies,
26 and the state budget director on local health department conformance
27 with minimum program requirements.

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

7 Sec. 402. Not later than April 1, 2005, the department shall
8 provide a report to the house and senate appropriations subcommittees
9 on agriculture and the house and senate fiscal agencies describing
10 significant food-borne outbreaks and emergencies including any
11 enforcement actions taken related to food safety during the 2003-2004
12 fiscal year.

13 Sec. 403. The department, in conjunction with the department of
14 community health, shall assure that a process is in place that
15 requires a local unit of government to obtain prior approval from the
16 department before any reallocation or redistribution of program funds
17 appropriated in section 104.

18 **ANIMAL INDUSTRY**

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

1 Sec. 451. From the funds appropriated in section 105 for bovine
2 tuberculosis, the department shall pay for all whole herd and
3 individual animal testing costs to achieve and maintain split-state
4 status requirements. These costs include producer assistance,
5 indemnity, and compensation for injury causing death or downer to
6 animals.

7 Sec. 452. In the event of a significant animal or plant health
8 outbreak, the director shall seek additional state and federal
9 resources to cover the additional costs associated with addressing the
10 outbreak.

11 **PESTICIDE AND PLANT PEST MANAGEMENT**

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

17 **ENVIRONMENTAL STEWARDSHIP**

18 Sec. 602. The department shall expend the amount appropriated
19 for migrant labor housing grants for construction of new migrant labor
20 housing. Project grants shall not exceed \$5,000.00 per unit. An
21 applicant is not eligible for more than a \$20,000.00 grant in any
22 fiscal year.

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

1 Sec. 604. If legislation creating an agricultural enhancement
2 fund is enacted, the appropriation in section 107 and section 224 for
3 local conservation districts shall be allocated in the following
4 manner:

5 (a) Of the total appropriation, \$81,200.00 shall be allocated for
6 local conservation district training.

7 (b) Of the total appropriation, each local conservation district
8 meeting the minimum grant requirements shall receive a grant of
9 \$20,000.00 to support basic operations, unless the district resides in
10 a county consisting of multiple districts, in which case a \$20,000.00
11 grant shall be divided equally among the districts in that county.
12 The amount of money allocated under this subdivision shall not be used
13 by local conservation districts to replace any money received from
14 local sources.

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

24 MARKET DEVELOPMENT

25 Sec. 701. Within the appropriations in part 1 for agriculture
26 development, \$662,000.00 is for the grape and wine industry council,

1 from which the department may provide grants for the purposes as
2 described in section 303 of the Michigan liquor control code of 1998,
3 1998 PA 58, MCL 436.1303.

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

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. The appropriation in section 109 for agriculture
12 development shall be used to coordinate state participation in the
13 federal market access program and to leverage federal funds for the
14 purpose of developing new and enhancing existing export markets for
15 Michigan agricultural products.

16 **FAIRS AND EXPOSITIONS**

17 Sec. 801. The department shall submit a report each month to the
18 state budget director, the senate and house appropriations
19 subcommittees on agriculture, and the senate and house fiscal agencies
20 that states the simulcasting revenues generated in the preceding month
21 by each licensed track and the amount received from license fees.

22 Sec. 802. (1) The appropriation in section 110 for standardbred
23 purses and supplements - licensed tracks is intended to provide state
24 purse supplements for 4 races at state licensed pari-mutuel horse
25 racing tracks. The purse supplements are to be used for races
26 comprised only of Michigan-bred horses segregated into a 4-year-old

1 colt trot division, a 4-year-old filly trot division, a 4-year-old
 2 colt pace division, and a 4-year-old filly pace division.

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

5	Arabian and Appaloosa horse racing.....	\$	19,200
6	Quarter horse racing.....		57,300

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

13 Sec. 804. From the funds appropriated in section 110 for
 14 thoroughbred owners' awards, awards shall be distributed pursuant to
 15 section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

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

21 Sec. 806. A county fair, district fair, 4-H fair, or state fair
 22 receiving funds in section 110 to be used for prizes or awards, in
 23 whole or in part, as a condition precedent to the receiving of the
 24 funds for those purposes, shall publish the rules relative to the
 25 prizes, awards, and deadlines for entries eligible for the funds in
 26 their official premium books or lists relative to the prizes or
 27 awards. An aggrieved exhibitor may make a written complaint to the

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

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

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

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

1 Sec. 811. The funds appropriated in section 110 for distribution
2 of outstanding winning tickets are not available for expenditure until
3 they are deposited in the agriculture equine industry development fund
4 pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall
5 be expended in accordance with section 2 of 1951 PA 90, MCL 431.252,
6 and only after they have been transferred to another line item in this
7 act under section 393(2) of the management and budget act, 1984 PA
8 431, MCL 18.1393.

9 Sec. 813. (1) On or before March 29, 2005, the department,
10 together with the senate and house fiscal agencies and the department
11 of management and budget, shall estimate the unreserved and
12 unencumbered closing balance of the agriculture equine industry
13 development fund for the fiscal year ending September 30, 2004. The
14 estimate shall consider lapsed appropriations from the fund and any
15 carryforward amounts designated for appropriation in the fiscal year
16 ending September 30, 2004.

17 (2) On or before April 5, 2005, the department shall request a
18 legislative transfer in accordance with section 393 of the management
19 and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated
20 unreserved and unencumbered agriculture equine industry development
21 fund balance in excess of \$250,000.00. The appropriations included in
22 the transfer request shall be in accordance with the requirements of
23 section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.
24 At the same time the department forwards its transfer request to the
25 department of management and budget, the department shall submit
26 copies of the transfer request to the senate and house appropriations
27 subcommittees on agriculture and the senate and house fiscal

1 agencies.

2 **OFFICE OF RACING COMMISSIONER**

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