

SENATE 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
4 amounts listed in this part are appropriated for the department of
5 agriculture for the fiscal year ending September 30, 2005, from the
6 funds indicated in this part. The following is a summary of the
7 appropriations in this part:

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.....		\$ 115,956,700
6	Interdepartmental grant revenues:		
7	IDG from MDCH, local public health operations.....		8,878,700
8	IDG from MDEQ, biosolids.....		86,100
9	IDG from MDEQ, right to farm.....		113,000
10	IDG from MDEQ, type II well survey.....		16,100
11	IDG from MDLEG (LCC), liquor quality testing fees...		177,300
12	IDG from MDLEG (LCC), nonretail liquor license fees.		560,500
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.....		\$ 105,125,000
18	Federal revenues:		
19	DAG, multiple grants.....		30,688,100
20	EPA, multiple grants.....		2,368,500
21	HHS-FDA.....		349,600
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 preservation fund.....		900,000

1	Agriculture equine industry development fund.....	11,202,100
2	Agriculture pollution prevention fund.....	100
3	Civil penalties.....	43,900
4	Commodity inspection fees.....	709,400
5	Environmental response fund.....	3,000,000
6	Gasoline inspection and testing fund.....	2,035,800
7	Groundwater and freshwater protection fund.....	4,812,300
8	Horticulture fund.....	74,700
9	Industry support funds.....	612,100
10	Licensing and inspection fees.....	6,232,600
11	Michigan state fair revenue.....	200
12	Pseudorabies and swine brucellosis fund.....	21,200
13	State services fee fund.....	8,188,600
14	Testing fees.....	386,100
15	Upper Peninsula state fair revenue.....	1,291,500
16	Weights and measures regulation fees.....	560,100
17	Total other state restricted revenues.....	40,070,700
18	State general fund/general purpose..... \$	31,509,400
19	Sec. 102. EXECUTIVE	
20	Full-time equated unclassified positions.....5.0	
21	Full-time equated classified positions.....52.0	
22	Commission and boards..... \$	47,300
23	Unclassified positions--5.0 FTE positions.....	354,000
24	Executive direction--10.0 FTE positions.....	1,140,100
25	Management services--35.5 FTE positions.....	2,830,400
26	Statistical reporting service--4.0 FTE positions....	341,400
27	Emergency management--2.5 FTE positions.....	220,500

1	Human resource optimization user charges.....	<u>29,500</u>
2	GROSS APPROPRIATION..... \$	4,963,200
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from MDLEG (LCC), nonretail liquor license fees.	8,800
6	Special revenue funds:	
7	Gasoline inspection and testing fund.....	52,500
8	Industry support funds.....	30,000
9	State services fee fund.....	352,000
10	Upper Peninsula state fair revenue.....	9,000
11	State general fund/general purpose..... \$	4,510,900
12	Sec. 103. DEPARTMENTWIDE	
13	Rent and building occupancy charges..... \$	1,486,300
14	Employee turnover savings.....	(99,900)
15	Agriculture equine industry development fund	
16	reimbursement.....	<u>0</u>
17	GROSS APPROPRIATION..... \$	1,386,400
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from MDLEG (LCC), nonretail liquor license fees.	5,800
21	Federal revenues:	
22	DAG, multiple grants.....	100,500
23	EPA, multiple grants.....	61,200
24	HHS-FDA.....	13,100
25	Special revenue funds:	
26	Agricultural preservation fund.....	23,900
27	Agriculture equine industry development fund.....	2,025,000

1	Groundwater and freshwater protection fund.....	9,500
2	Licensing and inspection fees.....	48,200
3	State services fee fund.....	304,600
4	State general fund/general purpose..... \$	(1,205,400)
5	Sec. 104. FOOD AND DAIRY	
6	Full-time equated classified positions.....107.0	
7	Food safety and quality assurance--107.0 FTE	
8	positions..... \$	11,325,700
9	Local public health operations.....	<u>8,878,700</u>
10	GROSS APPROPRIATION..... \$	20,204,400
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from MDCH, local public health operations.....	8,878,700
14	Federal revenues:	
15	DAG, multiple grants.....	24,800
16	HHS-FDA.....	203,700
17	Special revenue funds:	
18	Civil penalties.....	43,900
19	Licensing and inspection fees.....	3,030,400
20	State general fund/general purpose..... \$	8,022,900
21	Sec. 105. ANIMAL INDUSTRY	
22	Full-time equated classified positions.....49.0	
23	Animal health and welfare--22.5 FTE positions..... \$	2,402,500
24	Bovine tuberculosis program--26.5 FTE positions.....	<u>5,263,300</u>
25	GROSS APPROPRIATION..... \$	7,665,800
26	Appropriated from:	
27	Federal revenues:	

1	DAG, multiple grants.....	1,251,000
2	HHS-FDA.....	68,800
3	Special revenue funds:	
4	Agriculture equine industry development fund.....	52,800
5	Licensing and inspection fees.....	180,800
6	Pseudorabies and swine brucellosis fund.....	21,200
7	State general fund/general purpose..... \$	6,091,200
8	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
9	Full-time equated classified positions.....274.8	
10	Pesticide and plant pest management--119.8 FTE	
11	positions..... \$	12,213,400
12	Emerald ash borer control program--155.0 FTE	
13	positions.....	25,197,300
14	Michigan State University.....	<u>210,000</u>
15	GROSS APPROPRIATION..... \$	37,620,700
16	Appropriated from:	
17	Federal revenues:	
18	DAG, multiple grants.....	27,272,500
19	EPA, multiple grants.....	1,563,500
20	HHS-FDA.....	64,000
21	Special revenue funds:	
22	Private - slow-the-spread foundation.....	138,700
23	Commodity inspection fees.....	709,400
24	Horticulture fund.....	74,700
25	Industry support funds.....	319,900
26	Licensing and inspection fees.....	2,860,700
27	State general fund/general purpose..... \$	4,617,300

1	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
2	Full-time equated classified positions.....	47.0	
3	Environmental stewardship--32.7 FTE positions.....	\$	2,566,500
4	Groundwater and freshwater protection program--8.3		
5	FTE positions.....		4,931,700
6	Farmland and open space preservation--6.0 FTE		
7	positions.....		875,900
8	Cooperative resources management initiative program.		1,000,000
9	Agriculture pollution prevention program.....		100
10	Local conservation districts.....		1,579,900
11	Migrant labor housing.....		<u>255,100</u>
12	GROSS APPROPRIATION.....	\$	11,209,200
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG from MDEQ, biosolids.....		86,100
16	IDG from MDEQ, right to farm.....		113,000
17	IDG from MDEQ, type II well survey.....		16,100
18	IDG from MDNR, district forestry and wildlife		
19	program.....		1,000,000
20	Federal revenues:		
21	EPA, multiple grants.....		419,700
22	Special revenue funds:		
23	Agricultural preservation fund.....		875,900
24	Agriculture pollution prevention fund.....		100
25	Groundwater and freshwater protection fund.....		4,802,700
26	State general fund/general purpose.....	\$	3,895,600
27	Sec. 108. LABORATORY PROGRAM		

1	Full-time equated classified positions.....	148.0	
2	Laboratory services--60.5 FTE positions.....	\$	5,062,400
3	USDA monitoring--18.0 FTE positions.....		1,906,500
4	Consumer protection program--69.5 FTE positions.....		<u>4,893,100</u>
5	GROSS APPROPRIATION.....	\$	11,862,000
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from MDLEG (LCC), liquor quality testing fees...		174,500
9	Federal revenues:		
10	DAG, multiple grants.....		1,926,900
11	EPA, multiple grants.....		324,100
12	Special revenue funds:		
13	Environmental response fund.....		3,000,000
14	Gasoline inspection and testing fund.....		1,957,100
15	State services fee fund.....		479,600
16	Testing fees.....		386,100
17	Weights and measures regulation fees.....		560,100
18	State general fund/general purpose.....	\$	3,053,600
19	Sec. 109. AGRICULTURE DEVELOPMENT		
20	Full-time equated classified positions.....	8.0	
21	Agriculture development--5.0 FTE positions.....	\$	842,300
22	Export market development program.....		50,000
23	Grape and wine program--3.0 FTE positions.....		677,600
24	Food bank.....		630,500
25	Future farmers of America.....		<u>59,900</u>
26	GROSS APPROPRIATION.....	\$	2,260,300
27	Appropriated from:		

1	Interdepartmental grant revenues:	
2	IDG from MDLEG (LCC), nonretail liquor license fees.	545,400
3	Federal revenues:	
4	DAG, multiple grants.....	112,400
5	Special revenue funds:	
6	Industry support funds.....	232,200
7	State services fee fund.....	263,700
8	State general fund/general purpose..... \$	1,106,600
9	Sec. 110. FAIRS AND EXPOSITIONS	
10	Full-time equated classified positions.....16.5	
11	Michigan state fair operations..... \$	200
12	Upper Peninsula state fair--7.0 FTE positions.....	1,281,600
13	Fairs, racing and producer security--9.5 FTE	
14	positions.....	992,400
15	Building and track improvement - county and state	
16	fairs.....	963,100
17	Premiums - county and state fairs.....	1,614,100
18	Purses and supplements - fairs/licensed tracks.....	2,431,600
19	Standardbred Fedele Fauri futurity.....	80,600
20	Standardbred Michigan futurity.....	80,600
21	Quarterhorse programs.....	39,500
22	Licensed tracks-light horse racing.....	76,400
23	Standardbred breeders' awards.....	1,231,000
24	Standardbred purses and supplements-licensed tracks.	275,600
25	Standardbred sire stakes.....	1,031,400
26	Thoroughbred sire stakes.....	1,031,400
27	Standardbred training and stabling.....	43,500

1	Thoroughbred program.....	1,804,700
2	Thoroughbred owners' awards.....	155,300
3	Distribution of outstanding winning tickets.....	699,900
4	Michigan festivals, fairs, and events.....	<u>100</u>
5	GROSS APPROPRIATION..... \$	13,833,000
6	Appropriated from:	
7	Special revenue funds:	
8	Agriculture equine industry development fund.....	8,981,500
9	Industry support funds.....	30,000
10	Licensing and inspection fees.....	112,500
11	Michigan state fair revenue.....	200
12	State services fee fund.....	3,177,500
13	Upper Peninsula state fair revenue.....	1,281,600
14	State general fund/general purpose..... \$	249,700
15	Sec. 111. OFFICE OF RACING COMMISSIONER	
16	Full-time equated classified positions.....31.7	
17	Office of racing commissioner--31.7 FTE positions... \$	<u>3,609,100</u>
18	GROSS APPROPRIATION..... \$	3,609,100
19	Appropriated from:	
20	Special revenue funds:	
21	State services fee fund.....	3,609,100
22	State general fund/general purpose..... \$	0
23	Sec. 112. INFORMATION TECHNOLOGY	
24	Information technology services and projects..... \$	<u>1,342,600</u>
25	GROSS APPROPRIATION..... \$	1,342,600
26	Appropriated from:	
27	Interdepartmental grant revenues:	

1	IDG from MDLEG (LCC), liquor quality testing fees...	2,800
2	IDG from MDLEG (LCC), nonretail liquor license fees.	500
3	Special revenue funds:	
4	Agricultural preservation fund.....	200
5	Agriculture equine industry development fund.....	142,800
6	Gasoline inspection and testing fund.....	26,200
7	Groundwater and freshwater protection fund.....	100
8	State services fee fund.....	2,100
9	Upper Peninsula state fair revenue.....	900
10	State general fund/general purpose..... \$	1,167,000

11 PART 2

12 PROVISIONS CONCERNING APPROPRIATIONS

13 GENERAL SECTIONS

14 Sec. 201. Pursuant to section 30 of article IX of the state
 15 constitution of 1963, total state spending from state resources under
 16 part 1 for fiscal year 2004-2005 is \$71,580,100.00 and state spending
 17 from state resources to be paid to local units of government for
 18 fiscal year 2004-2005 is \$3,379,900.00. The itemized statement below
 19 identifies appropriations from which spending to local units of
 20 government will occur:

21 DEPARTMENT OF AGRICULTURE

22	Groundwater and freshwater protection program..... \$	1,800,000
23	Local conservation districts.....	<u>1,579,900</u>
24	TOTAL..... \$	3,379,900

25 Sec. 202. The appropriations authorized under this act are

1 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
2 18.1594.

3 Sec. 203. As used in this act:

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

5 (b) "Department" means the department of agriculture.

6 (c) "Director" means the director of the department.

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

8 (e) "FTE" means full-time equated.

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

11 (g) "IDG" means interdepartmental grant.

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

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

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

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

17 Sec. 204. The department of civil service shall bill departments
18 and agencies at the end of the first fiscal quarter for the 1% charge
19 authorized by section 5 of article XI of the state constitution of
20 1963. Payments shall be made for the total amount of the billing by
21 the end of the second fiscal quarter.

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

1 (2) The hiring freeze described in subsection (1) does not apply
2 to any classified state civil service position that meets any of the
3 following criteria:

4 (a) Filling the vacant position will directly prevent the loss of
5 federal funding.

6 (b) The vacant position deals directly with the direct provision
7 of public safety services including prison officers, law enforcement
8 officers, and child services enforcement workers.

9 (c) The vacant position provides direct health care services
10 including physicians, nurses, and other direct health care providers.

11 (3) The state budget director shall report quarterly to the
12 chairpersons of the senate and house of representatives standing
13 committees on appropriations the number of new state classified civil
14 service employees hired during the previous quarter and the reasons to
15 justify the hiring.

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

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

25 (2) In addition to the requirements in subsection (1), the
26 purchase of goods or services, or both, if competitively priced and of
27 comparable quality shall be Michigan goods or services, or both, if

1 available. The department shall also encourage the use of Michigan
2 produced agricultural products by all state agencies and departments
3 if competitively priced and of comparable quality, if available.

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

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

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

22 Sec. 212. (1) Of the funds appropriated in part 1, the
23 department may provide for indemnity as provided for pursuant to the
24 animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745, not
25 to exceed \$100,000.00 per order from any line item for the fiscal year
26 ending September 30, 2005. Before the department provides for an
27 indemnification under this section, the department shall report the

1 reason for the indemnification, the amount of the indemnification, and
2 to whom the indemnification is to be paid. The report shall be given
3 to each member of the house and senate appropriations subcommittees on
4 agriculture and to the senate and house fiscal agencies and the state
5 budget director.

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

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

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

1 development fund for distribution as set forth in section 20 of the
2 horse racing law of 1995, 1995 PA 279, MCL 431.320.

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

14 Sec. 220. Amounts appropriated in part 1 for information
15 technology may be designated as work projects and carried forward to
16 support technology projects under the direction of the department of
17 information technology. Funds designated in this manner are not
18 available for expenditure until approved as work projects under
19 section 451a of the management and budget act, 1984 PA 431, MCL
20 18.1451a.

21 Sec. 222. The negative appropriation for employee turnover
22 savings in part 1 shall be satisfied by employee cost savings realized
23 from the natural delay associated with position posting, recruitment,
24 and hiring of employees to fill approved vacancies for existing
25 positions within the department. Appropriation authorization
26 adjustments required to implement the negative appropriation shall be
27 made after the approval of transfers by the legislature under section

1 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

2 **EXECUTIVE**

3 Sec. 301. Per diem rates for commodity committees established in
4 the agriculture commodities marketing act, 1965 PA 232, MCL 290.651 to
5 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1964 PA 114, MCL 290.551
6 to 290.568, and the beef industry commission act, 1972 PA 291, MCL
7 287.601 to 287.610, will be set based upon levels established in
8 section 301 of 2002 PA 516.

9 Sec. 302. (1) The department may receive and expend revenue and
10 use that revenue to cover necessary expenses related to publications,
11 audit and licensing functions, livestock sales, certification of
12 nursery stock, bean inspection services, and laboratory analyses as
13 specified in the following:

14 (a) Management services publications.

15 (b) Management services audit and licensing functions.

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

18 (d) Pesticide and plant pest management bean inspection and
19 grading services.

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

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

25 (g) Laboratory support analysis of food, livestock, and
26 agricultural products for disease, foreign products for disease, toxic

1 materials, foreign substances, and quality standards.

2 (h) Laboratory support test samples for other agencies and
3 organizations.

4 (i) Fruit and vegetable inspection at shipping and termination
5 points and processing plants.

6 (2) The department shall notify the senate and house of
7 representatives appropriations subcommittees on agriculture and the
8 senate and house fiscal agencies 60 days prior to the effective date
9 of any proposed changes to the fees authorized under this section.

10 (3) Annually, before February 1, the department shall provide a
11 report to the senate and house of representatives appropriations
12 subcommittees on agriculture and the senate and house fiscal agencies
13 detailing all the fees charged by the department under the
14 authorization provided in this section, including, but not limited to,
15 rates, number of individuals paying each fee, and the revenue
16 generated by each fee in the previous fiscal year.

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

26 **FOOD AND DAIRY**

1 Sec. 401. (1) The department shall monitor restaurant inspection
2 and licensing functions carried out by local health departments to
3 ensure uniform application and enforcement of minimum program
4 requirements. On or before April 1, 2005, the department shall report
5 to the senate and house appropriations subcommittees on agriculture,
6 the senate and house fiscal agencies, and the state budget director on
7 local health department conformance with minimum program
8 requirements.

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

15 Sec. 402. Not later than April 1, 2005, the department shall
16 provide a report to the house and senate appropriations subcommittees
17 on agriculture and the house and senate fiscal agencies describing
18 significant food-borne outbreaks and emergencies including any
19 enforcement actions taken related to food safety during the 2003-2004
20 fiscal year.

21 Sec. 403. The department, in conjunction with the department of
22 community health, shall assure that a process is in place that
23 requires a local unit of government to obtain prior approval from the
24 department before any reallocation or redistribution of program funds
25 appropriated in section 104.

26 **ANIMAL INDUSTRY**

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

10 Sec. 451. From the funds appropriated in section 105 for bovine
11 tuberculosis, the department shall pay for all whole herd testing
12 costs and individual animal testing costs in the modified accredited
13 zone to achieve and maintain split-state status requirements. These
14 costs include producer assistance, indemnity, and compensation for
15 injury causing death or downer to animals.

16 Sec. 452. In the event of a significant animal or plant health
17 outbreak, the director shall seek additional state and federal
18 resources to cover the additional costs associated with addressing the
19 outbreak.

20 **PESTICIDE AND PLANT PEST MANAGEMENT**

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

1 ENVIRONMENTAL STEWARDSHIP

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

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

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

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

20 (b) Any amount remaining from the appropriation after
21 distributions under subdivision (a) shall be allocated for local
22 conservation district training.

23 LABORATORY PROGRAM

24 Sec. 650. The appropriation in section 108 from the
25 environmental response fund represents a portion of the revenue
26 transferred to the fund from the Michigan underground storage tank

House Bill No. 5509 as amended June 2, 2004

1 financial assurance fund pursuant to section 21550 of the natural
2 resources and environmental protection act, 1994 PA 451, MCL
3 324.21550.

4 AGRICULTURE DEVELOPMENT

5 Sec. 701. Within the appropriations in part 1 for agriculture
6 development, \$677,600.00 is for the grape and wine industry council,
7 from which the department may provide grants for the purposes as
8 described in section 303 of the Michigan liquor control code of 1998,
9 1998 PA 58, MCL 436.1303.

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

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

17 Sec. 705. The appropriation in section 109 for the export market
18 development program shall be used to coordinate state participation in
19 the federal market access program and to leverage federal funds for
20 the purpose of developing new and enhancing existing export markets
21 for Michigan agricultural products.

22 Sec. 706. From the appropriation in part 1 for agriculture
23 development, \$40,100.00 shall be provided to the northwest Michigan
24 horticultural research station.

<<Sec. 707. The legislature believes that fostering partnerships
to benefit rural Michigan is important. In order to enhance current
efforts, the Michigan commission of agriculture shall allocate time on
its agenda at least twice each year during regular commission meetings to
receive reports from the Michigan rural partnership council and explore
ways to work together to advance the interests of rural Michigan. In
addition, the Michigan rural partnership council is encouraged to submit
an annual report to the senate and house of representatives
appropriations subcommittees on agriculture and the senate and house of
representatives standing committees dealing with agriculture issues.>>

25 FAIRS AND EXPOSITIONS

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

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

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

15 Arabian and Appaloosa horse racing.....	\$	19,200
16 Quarter horse racing.....		57,200

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

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

26 Sec. 805. The department shall notify the senate and house
 27 appropriations subcommittees and the fiscal agencies of any planned

1 reductions in appropriations, allocations, or expenditures from the
2 agriculture equine industry development fund no less than 10 days
3 before such reductions are implemented.

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

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

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

24 Sec. 809. From the appropriations for premiums - county and
25 state fairs in section 110, \$120,000.00 shall be awarded through a
26 competitive grant program to local, regional, or state fairs or
27 expositions to promote youth involvement and adult exhibitions in the

1 animal agriculture industry. Appropriate exhibition classes for youth
2 shall be developed that encourage a production exhibit for which
3 premium awards may be paid. The age for youth exhibitors shall be
4 determined by the standards of the association requesting the grant
5 or, if standards do not exist, the age for youth exhibitors shall be
6 ages 9 through 21. Implementation of the latest technologies into the
7 evaluation of the animals shall be encouraged in the production
8 exhibit. Adult exhibitions should focus on the performance or end
9 product, or both, with the appropriate technologies used to enhance
10 placings and the awarding of premiums.

11 Sec. 811. The funds appropriated in section 110 for distribution
12 of outstanding winning tickets are not available for expenditure until
13 they are deposited in the agriculture equine industry development fund
14 pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall
15 be expended in accordance with section 2 of 1951 PA 90, MCL 431.252,
16 and only after they have been transferred to another line item in this
17 act under section 393(2) of the management and budget act, 1984 PA
18 431, MCL 18.1393.

19 Sec. 813. (1) On or before March 29, 2005, the department,
20 together with the senate and house fiscal agencies and the department
21 of management and budget, shall estimate the unreserved and
22 unencumbered closing balance of the agriculture equine industry
23 development fund for the fiscal year ending September 30, 2004. The
24 estimate shall consider lapsed appropriations from the fund and any
25 carryforward amounts designated for appropriation in the fiscal year
26 ending September 30, 2004.

27 (2) On or before April 5, 2005, the department shall request a

1 legislative transfer in accordance with section 393 of the management
2 and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated
3 unreserved and unencumbered agriculture equine industry development
4 fund balance in excess of \$250,000.00. The appropriations included in
5 the transfer request shall be in accordance with the requirements of
6 section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.
7 At the same time the department forwards its transfer request to the
8 department of management and budget, the department shall submit
9 copies of the transfer request to the senate and house appropriations
10 subcommittees on agriculture and the senate and house fiscal
11 agencies.

12 Sec. 814. The amount appropriated in part 1 for Michigan
13 festivals, fairs, and events shall be provided to the Michigan
14 festivals and events association for the purpose of promoting
15 commodity-related festivals, fairs, and events on a statewide basis.
16 The grant shall be made available only if matched 100% by dollars or
17 in-kind contributions from the association.

18 **OFFICE OF RACING COMMISSIONER**

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