

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1168

A bill to amend 2000 PA 322, entitled
"Julian-Stille value-added act,"
by amending the title and section 2 (MCL 285.302).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to create certain **COMMITTEES; TO CREATE CERTAIN** funds
from certain sources and to provide for the disposition of money
from the funds; to provide for the creation of certain funds by
certain private entities; to create incentives and to locate and
maintain value-added agricultural processing, **COMMERCIALIZATION OF**
AGRICULTURE, and production ventures within this state; to provide
for grants, ~~and~~ loans, **AND LOAN GUARANTEES** to certain private and
governmental entities for ~~environmental~~ **CERTAIN** purposes; to
provide for certain powers and duties for certain private entities,

1 state agencies, commissions, and departments; to authorize loans,
2 **LOAN GUARANTEES**, expenditures, and grants from the funds; and to
3 finance the development of certain programs.

4 Sec. 2. (1) As used in this section **AND SECTIONS 2A AND 2B**:

5 (a) "Agricultural processing" means 1 or more of the
6 operations that transform, package, sort, or grade livestock or
7 livestock products, agricultural commodities, or plant or plant
8 products into goods that are used for the intermediate or final
9 consumption including goods for nonfood use.

10 (B) **"COMMERCIALIZATION" MEANS THE TRANSITION FROM RESEARCH TO**
11 **THE ACTIONS NECESSARY TO ACHIEVE MARKET ENTRY AND GENERAL MARKET**
12 **COMPETITIVENESS OF NEW INNOVATIVE TECHNOLOGIES, PROCESSES, AND**
13 **PRODUCTS AND THE SERVICES THAT SUPPORT, ASSIST, EQUIP, FINANCE, OR**
14 **PROMOTE A PERSON OR AN ENTITY WITH THAT TRANSITION.**

15 (C) ~~(b)~~ "Department" means the Michigan department of
16 agriculture.

17 (D) **"ELIGIBLE GRANTEE" MEANS A PERSON ABLE TO RECEIVE A GRANT**
18 **UNDER THIS SECTION AND INCLUDES, BUT IS NOT LIMITED TO,**
19 **INDIVIDUALS, FARMER OWNED COOPERATIVES, PARTNERSHIPS, LIMITED**
20 **LIABILITY COMPANIES, PRIVATE OR PUBLIC CORPORATIONS, AND LOCAL**
21 **UNITS OF GOVERNMENT.**

22 (E) ~~(e)~~ "Fund" means the agricultural development fund
23 created in ~~this~~ section 2A.

24 (F) **"JOINT EVALUATION COMMITTEE" MEANS A COMMITTEE SELECTED BY**
25 **THE COMMISSION OF AGRICULTURE WITH APPROPRIATE EXPERTISE TO CONDUCT**
26 **AN INDEPENDENT, UNBIASED, OBJECTIVE, AND COMPETITIVE EVALUATION OF**
27 **GRANT PROPOSALS. THE COMMITTEE SHALL INCLUDE AT LEAST 3 PRODUCERS,**

1 INCLUDING 1 PLANT AGRICULTURAL PRODUCER, 1 ANIMAL AGRICULTURAL
 2 PRODUCER, AND ANOTHER PRODUCER AT LARGE, AN INDIVIDUAL WITH A
 3 SCIENTIFIC AGRICULTURE EDUCATION, AND AN AGRICULTURAL FINANCIAL
 4 LENDER.

5 (G) "QUALIFIED AGRICULTURAL LOAN" MEANS A LOAN FOR PROJECTS
 6 DESIGNED TO ESTABLISH, RETAIN, ATTRACT, OR DEVELOP VALUE-ADDED
 7 AGRICULTURAL PROCESSING AND RELATED AGRICULTURAL PRODUCTION
 8 OPERATIONS IN THIS STATE.

9 (H) "SPECIALTY CROPS" MEANS ANY AGRICULTURAL COMMODITY EXCEPT
 10 WHEAT, FEED GRAINS, OIL SEEDS, COTTON, RICE, PEANUTS, AND TOBACCO,
 11 AS WELL AS PRODUCTS DERIVED FROM THESE AGRICULTURAL COMMODITIES.

12 (I) ~~-(d)-~~ "Value-added" means the enhancement or improvement
 13 of the overall value of an agricultural commodity or of an animal
 14 or plant product into a product of higher value. The enhancement or
 15 improvement includes, but is not limited to, marketing,
 16 agricultural processing, transforming, or packaging.

17 ~~—— (2) The agricultural development fund is created within the~~
 18 ~~department of treasury to be administered by the department. Money~~
 19 ~~in the fund at the close of the fiscal year shall remain in the~~
 20 ~~fund and shall not lapse to the general fund. The department may~~
 21 ~~utilize up to 5% of the fund for administrative purposes. The state~~
 22 ~~treasurer shall credit to the fund money from the following~~
 23 ~~sources:~~

24 ~~—— (a) Appropriations.~~

25 ~~—— (b) Money or other assets from any source for deposit into the~~
 26 ~~fund, including federal money, other state revenues, gifts,~~
 27 ~~bequests, donations, as well as money from any other source~~

1 provided by law.

2 ~~—— (3) The department of treasury shall deposit not less than~~
3 ~~\$5,000,000.00 of the revenue available within the Michigan clean~~
4 ~~air fund under section 3(2) into the agricultural development fund~~
5 ~~under section 2(2).~~

6 (2) ~~—(4)— The department shall use the fund to make grants to~~
7 ~~qualified grantees who apply for such grants and who submit~~
8 ~~proposals demonstrating feasibility for development of value added~~
9 ~~agricultural processing and agricultural production ventures~~
10 ~~consistent with the purposes described in this act. Grantees may~~
11 ~~include individuals, farmer owned cooperatives, partnerships,~~
12 ~~limited liability companies, private or public corporations, and~~
13 ~~local units of government for projects designed to establish,~~
14 ~~retain, expand, attract, or develop value added agricultural~~
15 ~~processing and related agricultural production operations in this~~
16 ~~state. Grant money shall be used only for land, buildings,~~
17 ~~equipment, and property acquisition and assembly, demolition, site~~
18 ~~development, utility modifications and improvements, transportation~~
19 ~~improvements, infrastructure improvements, telecommunications~~
20 ~~infrastructure, technical assistance, marketing research, business~~
21 ~~plan development, and utilization of technology designed to~~
22 ~~establish, retain, expand, attract, or develop value added~~
23 ~~agricultural processing and related agricultural production~~
24 ~~operations in this state. ESTABLISH AND ADMINISTER AN AGRICULTURAL~~
25 ~~VALUE-ADDED GRANT PROGRAM. THE COMMISSION OF AGRICULTURE SHALL~~
26 ~~AWARD GRANTS FROM THE FUND CREATED IN SECTION 2A ONLY FOR PROJECTS~~
27 ~~DESIGNED TO ESTABLISH, RETAIN, EXPAND, ATTRACT, OR DEVELOP VALUE-~~

1 ADDED AGRICULTURAL PROCESSING AND RELATED AGRICULTURAL PRODUCTION
2 OPERATIONS IN THIS STATE. IN APPROVING A GRANT UNDER THIS
3 SUBSECTION, THE COMMISSION OF AGRICULTURE SHALL STATE THE SPECIFIC
4 OBJECTIVE REASONS SUPPORTING THE SELECTION OF THE APPLICANT OVER
5 COMPETING APPLICANTS. THE JOINT EVALUATION COMMITTEE SHALL ASSIST
6 AND PROVIDE RECOMMENDATIONS TO THE COMMISSION OF AGRICULTURE IN
7 IDENTIFYING HIGH-QUALITY PROJECTS FOR FUNDING BASED UPON THE
8 SELECTION CRITERIA AND SCORING SYSTEM APPROVED BY THE COMMISSION OF
9 AGRICULTURE. THE RECOMMENDATIONS SHALL INCLUDE ALL MATERIALS AND
10 DECISION DOCUMENTS USED BY THE JOINT EVALUATION COMMITTEE IN MAKING
11 THE RECOMMENDATIONS.

12 (3) ALL SCORING SHEETS, MEETINGS, AND OTHER DECISIONS MADE BY
13 THE JOINT EVALUATION COMMITTEE SHALL BE OPEN TO THE PUBLIC AND
14 CONSIDERED PUBLIC DOCUMENTS. A RECORD OR PORTION OF A RECORD,
15 MATERIAL, OR OTHER DATA RECEIVED, PREPARED, USED, OR RETAINED BY
16 THE DEPARTMENT IN CONNECTION WITH AN APPLICATION TO OR WITH A
17 PROJECT OR PRODUCT ASSISTED BY THE DEPARTMENT OR WITH AN AWARD,
18 GRANT, LOAN, OR INVESTMENT RELATING TO FINANCIAL OR PROPRIETARY
19 INFORMATION SUBMITTED BY THE APPLICANT THAT IS CONSIDERED BY THE
20 APPLICANT AND ACKNOWLEDGED BY THE DEPARTMENT AS CONFIDENTIAL SHALL
21 NOT BE SUBJECT TO THE DISCLOSURE REQUIREMENTS OF THE FREEDOM OF
22 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

23 (4) SUBJECT TO SUBSECTION (2), THE DEPARTMENT SHALL DO ALL OF
24 THE FOLLOWING:

25 (A) ESTABLISH A COMPETITIVE PROCESS TO AWARD GRANTS. THE
26 COMPETITIVE PROCESS SHALL INCLUDE, BUT IS NOT LIMITED TO, THE
27 FOLLOWING:

1 (i) A PROVISION THAT THE APPLICATIONS MUST BE REVIEWED BY THE
2 JOINT EVALUATION COMMITTEE. SCIENTIFIC AND TECHNICAL MERIT,
3 COMMERCIAL MERIT, AND THE ABILITY TO LEVERAGE ADDITIONAL FUNDING
4 SHALL BE GIVEN EQUAL WEIGHT IN THE REVIEW AND SCORING PROCESS.

5 (ii) A PREFERENCE FOR PROPOSALS THAT DEMONSTRATE A HIGH LEVEL
6 OF INNOVATION FOR VALUE-ADDED AGRICULTURAL PROCESSING AND RELATED
7 AGRICULTURAL PRODUCTION VENTURES TO BENEFIT PRODUCERS IN THIS
8 STATE.

9 (iii) A PREFERENCE FOR PROPOSALS THAT ARE ATTEMPTING TO SECURE A
10 LICENSE FOR AGRICULTURAL-RELATED INTELLECTUAL PROPERTY TO BE
11 PRODUCED IN MICHIGAN.

12 (iv) A PROVISION THAT THE PROGRAM WILL UTILIZE CONTRACTS WITH
13 MEASURABLE MILESTONES, CLEAR OBJECTIVES, AND PROVISIONS TO REVOKE
14 AWARDS FOR BREACH OF CONTRACT.

15 (v) PROVIDE FOR A CASH MATCH OF AT LEAST 10% OF THE GRANT BY
16 THE APPLICANT.

17 (vi) LIMIT OVERHEAD RATES FOR RECIPIENTS OF GRANTS TO REFLECT
18 ACTUAL OVERHEAD BUT NOT GREATER THAN 15% OF THE GRANT.

19 (vii) A PREFERENCE FOR PROPOSALS WHOSE BUSINESS PLAN FORECASTS
20 REVENUES WITHIN 2 YEARS OR THAT HAVE OUTSIDE INVESTMENTS FROM
21 INVESTORS WITH EXPERIENCE AND MANAGEMENT TEAMS WITH EXPERIENCE IN
22 THE AREA TARGETED BY THE PROPOSAL, OR BOTH.

23 (B) ~~—(5) The director of the department shall have final~~
24 ~~approval of grants made under this act. The department shall~~
25 ~~prepare~~ **PREPARE** a request for proposals on at least an annual
26 basis for grants **FOR ELIGIBLE GRANTEEES** from the fund. Grants are
27 contingent upon the availability of funds.

1 (5) SUBJECT TO SUBSECTION (4) (A) (i), AN APPLICATION FOR A GRANT
2 SUBMITTED UNDER THIS SECTION SHALL BE EVALUATED AND RANKED
3 ACCORDING TO SELECTION CRITERIA AND A SCORING OR POINT SYSTEM
4 APPROVED BY THE DIRECTOR OF THE DEPARTMENT. THE SELECTION CRITERIA
5 AND THE SCORING OR POINT SYSTEM SHALL BE REVIEWED AND APPROVED BY
6 THE COMMISSION OF AGRICULTURE. IN DEVELOPING SUCH A SYSTEM, THE
7 DEPARTMENT SHALL SEEK THE ASSISTANCE OF THE MICHIGAN ECONOMIC
8 DEVELOPMENT CORPORATION, ANY INSTITUTION OF HIGHER EDUCATION, THE
9 UNITED STATES DEPARTMENT OF AGRICULTURE--RURAL DEVELOPMENT AGENCY,
10 THE RURAL DEVELOPMENT COUNCIL OF MICHIGAN, AGRICULTURAL PRODUCERS,
11 AND OTHER INDUSTRY AND PROFESSIONAL ORGANIZATIONS AS DETERMINED BY
12 THE DIRECTOR OF THE DEPARTMENT.

13 (6) THE COMMISSION OF AGRICULTURE SHALL ENSURE THAT A
14 RECIPIENT OF A GRANT UNDER THIS SECTION AGREES THAT, AS A CONDITION
15 OF RECEIVING THE GRANT, THAT RECIPIENT SHALL NOT USE THE MONEY FOR
16 THE DEVELOPMENT OF A CASINO REGULATED UNDER THE MICHIGAN GAMING
17 CONTROL AND REVENUE ACT, THE INITIATED LAW OF 1996, MCL 432.201 TO
18 432.226, A CASINO REGULATED UNDER THE INDIAN GAMING REGULATORY ACT,
19 PUBLIC LAW 100-497, 102 STAT. 2467, OR ANY OTHER GAMING ENTERPRISE.

20 (7) THE DEPARTMENT, IN COOPERATION WITH THE DEPARTMENT OF
21 TREASURY AND MICHIGAN FINANCIAL INSTITUTIONS, SHALL ESTABLISH A
22 LOW-INTEREST LOAN PROGRAM IN A MANNER SIMILAR TO THE QUALIFIED
23 AGRICULTURAL LOAN PROGRAM ESTABLISHED IN SECTION 2A OF 1855 PA 105,
24 MCL 21.142A, OR A LOAN GUARANTEE PROGRAM TO PROVIDE QUALIFIED
25 AGRICULTURAL LOANS. THE DEPARTMENT OF TREASURY SHALL GIVE THE
26 DEPARTMENT ANY NECESSARY ASSISTANCE REQUIRED TO ESTABLISH A LOW-
27 INTEREST LOAN OR LOAN GUARANTEE PROGRAM. THE DEPARTMENT SHALL WORK

1 WITH MICHIGAN FINANCIAL INSTITUTIONS TO ESTABLISH A CERTIFICATION
2 SYSTEM TO VERIFY THAT LOAN APPLICANTS ARE REQUESTING QUALIFIED
3 AGRICULTURAL LOANS. AS PART OF THE LOW-INTEREST LOAN PROGRAM, THE
4 DEPARTMENT SHALL DO THE FOLLOWING:

5 (A) WORK WITH THE DEPARTMENT OF TREASURY TO ESTABLISH
6 AGREEMENTS WITH PARTICIPATING FINANCIAL INSTITUTIONS.

7 (B) ENSURE THAT AN INVESTMENT OR NEW INVESTMENT UTILIZING THE
8 21ST CENTURY JOBS FUND IN WHICH A QUALIFIED AGRICULTURAL LOAN IS
9 ATTRIBUTED IS NOT MADE PURSUANT TO THIS SECTION AFTER JUNE 1, 2008.

10 (C) ENSURE THAT THE TERMS OF A QUALIFIED AGRICULTURAL LOAN
11 UNDER THIS SECTION ARE FOR A TERM OF NOT MORE THAN 5 YEARS AND THAT
12 THE FIRST PAYMENT MADE BY THE RECIPIENT OCCURS NOT LATER THAN 24
13 MONTHS AFTER THE DATE OF THE LOAN.

14 (D) ENSURE THAT THE INTEREST RATE CHARGED BY PARTICIPATING
15 FINANCIAL INSTITUTIONS DOES NOT EXCEED 50% OF PRIME IN MICHIGAN
16 PLUS 1%.

17 (E) ENSURE THAT PARTICIPATING FINANCIAL INSTITUTIONS DO NOT
18 REFINANCE PRIOR DEBT.

19 (F) REQUIRE A PARTICIPATING FINANCIAL INSTITUTION TO CERTIFY
20 COMPLIANCE WITH THE SARBANES-OXLEY ACT OF 2002, PUBLIC LAW 107-204,
21 OR PROHIBIT AN OFFICER, DIRECTOR, OR PRINCIPAL SHAREHOLDER OF A
22 PARTICIPATING FINANCIAL INSTITUTION, OR HIS OR HER IMMEDIATE FAMILY
23 MEMBERS, FROM RECEIVING AN AGRICULTURAL VALUE-ADDED LOW-INTEREST
24 LOAN FROM THE FINANCIAL INSTITUTION.

25 (G) REQUIRE THE RECIPIENT OF A QUALIFIED AGRICULTURAL LOAN
26 UNDER THIS SECTION TO AGREE THAT, AS A CONDITION OF RECEIVING THE
27 LOAN, THAT THE RECIPIENT SHALL NOT USE THE MONEY FOR THE

1 DEVELOPMENT OF A CASINO REGULATED UNDER THE MICHIGAN GAMING CONTROL
2 AND REVENUE ACT, THE INITIATED LAW OF 1996, MCL 432.201 TO 432.226,
3 A CASINO REGULATED UNDER THE INDIAN GAMING REGULATORY ACT, PUBLIC
4 LAW 100-497, 102 STAT. 2467, OR ANY OTHER GAMING ENTERPRISE.

5 (8) AS PART OF A LOAN GUARANTEE PROGRAM, THE DEPARTMENT SHALL
6 DO THE FOLLOWING:

7 (A) WORK WITH THE DEPARTMENT OF TREASURY TO ESTABLISH
8 AGREEMENTS WITH PARTICIPATING FINANCIAL INSTITUTIONS.

9 (B) ENSURE THAT PARTICIPATING FINANCIAL INSTITUTIONS REQUIRE
10 ADEQUATE COLLATERAL AND FULLY LIQUIDATE ALL COLLATERAL BEFORE
11 CALLING ON THE LOAN GUARANTEES.

12 (C) ESTABLISH A LOAN GUARANTEE OF NOT MORE THAN 90% OF THE
13 FINANCIAL INSTITUTION'S LOSS AFTER ALL ALTERNATIVES TO COLLECT HAVE
14 BEEN EXHAUSTED.

15 (D) ENSURE THAT PARTICIPATING FINANCIAL INSTITUTIONS DO NOT
16 REFINANCE PRIOR DEBT.

17 (E) REQUIRE A PARTICIPATING FINANCIAL INSTITUTION TO CERTIFY
18 COMPLIANCE WITH THE SARBANES-OXLEY ACT OF 2002, PUBLIC LAW 107-204,
19 OR PROHIBIT AN OFFICER, DIRECTOR, OR PRINCIPAL SHAREHOLDER OF A
20 PARTICIPATING FINANCIAL INSTITUTION, OR HIS OR HER IMMEDIATE FAMILY
21 MEMBERS, FROM RECEIVING AN AGRICULTURAL VALUE-ADDED LOAN GUARANTEE
22 FROM THE FINANCIAL INSTITUTION.

23 (F) REQUIRE THE RECIPIENT OF A QUALIFIED AGRICULTURAL LOAN
24 UNDER THIS SECTION TO AGREE THAT, AS A CONDITION OF RECEIVING THE
25 LOAN GUARANTEE, THAT THE RECIPIENT SHALL NOT USE THE MONEY FOR THE
26 DEVELOPMENT OF A CASINO REGULATED UNDER THE MICHIGAN GAMING CONTROL
27 AND REVENUE ACT, THE INITIATED LAW OF 1996, MCL 432.201 TO 432.226,

1 A CASINO REGULATED UNDER THE INDIAN GAMING REGULATORY ACT, PUBLIC
2 LAW 100-497, 102 STAT. 2467, OR ANY OTHER GAMING ENTERPRISE.

3 (G) MAINTAIN A LIST OF FINANCIAL INSTITUTIONS THAT WILL
4 PARTICIPATE IN THE LOAN GUARANTEE PROGRAM.

5 (9) ~~(6)~~ The director of the department may impose fiduciary
6 obligations upon a recipient of a grant, including performance
7 bonding, and may impose conditions upon the receipt and expenditure
8 of the grant money.

9 ~~—— (7) A cash match of at least 10% of the grant by the applicant
10 or other repayment guarantee with a dedicated funding source is
11 required before a grant can be awarded.~~

12 ~~—— (8) An application for a grant submitted under this section
13 shall be evaluated and ranked according to selection criteria and a
14 scoring or point system approved by the director of the department.
15 The selection criteria and the scoring or point system shall be
16 reviewed and approved by the commission of agriculture. In
17 developing such a system, the department shall seek the assistance
18 of the Michigan economic development corporation, Michigan state
19 university, the United States department of agriculture rural
20 development agency, the rural development council of Michigan, 3
21 producers including 1 plant agricultural producer, 1 animal
22 agricultural producer, and another producer at large, and other
23 industry and professional organizations as determined appropriate
24 by the director of the department.~~

25 ~~—— (9) The selection criteria shall give primary consideration to
26 the ability of the proposed project to provide sound agricultural
27 economic development in a given geographical area of this state~~

1 ~~with demonstrated economic and social benefits and the analysis of~~
2 ~~the proposed project in terms of and relative to risk, business and~~
3 ~~market planning, financial soundness, and credit worthiness.~~
4 ~~Special consideration shall be given to those projects meeting the~~
5 ~~considerations described in this subsection and that demonstrate a~~
6 ~~high level of innovation and initiative for value added~~
7 ~~agricultural processing and related agricultural production~~
8 ~~ventures to benefit producers in this state.~~

9 (10) NOTWITHSTANDING SECTION 3(1) OF 1968 PA 317, MCL 15.323,
10 MEMBERS OF THE COMMISSION OF AGRICULTURE AND THE JOINT EVALUATION
11 COMMITTEE ARE SUBJECT TO 1968 PA 317, MCL 15.321 TO 15.330. AS USED
12 IN THIS SUBSECTION, "SUBSTANTIAL CONFLICT OF INTEREST" MEANS THAT
13 THE PECUNIARY INTEREST IS OF SUCH IMPORTANCE AS TO EITHER
14 MATERIALLY INFLUENCE THE JUDGMENT OF THE MEMBER IN THE ACTUAL
15 PERFORMANCE OF HIS OR HER DUTY UNDER THE ACT OR TO FORESEEABLY AND
16 MATERIALLY INFLUENCE THE JUDGMENT OF A REASONABLE PERSON WITH
17 SIMILAR KNOWLEDGE AND EXPERIENCE ACTING UNDER SIMILAR CIRCUMSTANCES
18 AND IN A LIKE POSITION AS THE MEMBER. FOR PURPOSES OF THIS SECTION,
19 MEMBERS OF THE COMMISSION OF AGRICULTURE AND THE JOINT EVALUATION
20 COMMITTEE SHALL DO THE FOLLOWING:

21 (A) DISCHARGE THE DUTIES OF THE POSITION IN A NONPARTISAN
22 MANNER, IN GOOD FAITH, IN THE BEST INTERESTS OF THIS STATE, AND
23 WITH THE DEGREE OF DILIGENCE, CARE, AND SKILL THAT A FIDUCIARY
24 WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES IN A LIKE POSITION. IN
25 DISCHARGING DUTIES OF THE OFFICE, THE COMMISSION OF AGRICULTURE
26 WHEN ACTING IN GOOD FAITH MAY RELY UPON THE REPORT OF THE JOINT
27 EVALUATION COMMITTEE OR UPON FINANCIAL STATEMENTS OF THE DEPARTMENT

1 REPRESENTED TO THE COMMISSION OF AGRICULTURE BY THE OFFICER HAVING
2 CHARGE OF ITS BOOKS OR ACCOUNTS OR STATED IN A WRITTEN REPORT BY
3 THE AUDITOR GENERAL.

4 (B) NOT MAKE OR PARTICIPATE IN MAKING, OR IN ANY WAY ATTEMPT
5 TO USE HIS OR HER POSITION TO INFLUENCE A MATTER BEFORE THE
6 DEPARTMENT REGARDING, A LOAN, LOAN GUARANTEE, GRANT, OR OTHER
7 EXPENDITURE UNDER THIS ACT.

8 (C) NOT HAVE ANY FINANCIAL INTEREST IN A RECIPIENT OF PROCEEDS
9 UNDER THIS ACT AND SHALL NOT ENGAGE IN ANY CONDUCT THAT CONSTITUTES
10 A SUBSTANTIAL CONFLICT OF INTEREST.

11 (D) IMMEDIATELY ADVISE THE COMMISSION OF AGRICULTURE IN
12 WRITING OF THE DETAILS OF ANY INCIDENT OR CIRCUMSTANCES THAT MAY
13 PRESENT THE EXISTENCE OF A SUBSTANTIAL CONFLICT OF INTEREST WITH
14 RESPECT TO THE PERFORMANCE OF HIS OR HER DUTY UNDER THIS ACT.

15 (E) DISCLOSE A SUBSTANTIAL CONFLICT OF INTEREST RELATED TO ANY
16 MATTER BEFORE THE DEPARTMENT OR THE COMMISSION OF AGRICULTURE TAKES
17 ANY ACTION WITH RESPECT TO THE MATTER, WHICH DISCLOSURE SHALL
18 BECOME A PART OF THE RECORD OF THE OFFICIAL PROCEEDINGS.

19 (F) REFRAIN FROM DOING ALL OF THE FOLLOWING WITH RESPECT TO
20 THE MATTER THAT IS A BASIS OF A SUBSTANTIAL CONFLICT OF INTEREST:

21 (i) VOTING IN THE PROCEEDINGS RELATED TO THE MATTER.

22 (ii) PARTICIPATING IN THE DISCUSSION OR DELIBERATION OF THE
23 MATTER.

24 (iii) BEING PRESENT AT THE MEETING WHEN THE DISCUSSION,
25 DELIBERATION, AND VOTING ON THE MATTER TAKES PLACE.

26 (iv) DISCUSSING THE MATTER WITH ANY OTHER MEMBER OF THE
27 COMMISSION OF AGRICULTURE OR THE JOINT EVALUATION COMMITTEE.

Senate Bill No. 1168 (H-4) as amended September 13, 2006

1 (11) ~~—(10)—~~ An application for a grant from the fund shall be
2 made on a form or format prescribed by the department. The
3 department may require the applicant to provide information
4 reasonably necessary to allow the department to make a
5 determination required under this section.

6 (12) ~~—(11)—~~ The department shall promulgate rules under the
7 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
8 24.328, to implement this section.

**[(13) THE AMENDATORY ACT THAT ADDED SUBSECTION (5) SHALL NOT AFFECT
ANY GRANTS AWARDED UNDER THIS ACT PRIOR TO THE EFFECTIVE DATE OF THE
AMENDATORY ACT THAT ADDED SUBSECTION (5).]**

9 Enacting section 1. This amendatory act does not take effect
10 unless all of the following bills of the 93rd Legislature are
11 enacted into law:

12 (a) Senate Bill No. 1167.

13 (b) Senate Bill No. 1169.