

SUBSTITUTE FOR
SENATE BILL NO. 1080

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2007; 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, 2007, from the

1 funds indicated in this part. The following is a summary of the
 2 appropriations in this part:

3 **DEPARTMENT OF AGRICULTURE**

4 APPROPRIATION SUMMARY:

5	Full-time equated unclassified positions.....	6.0	
6	Full-time equated classified positions.....	690.0	
7	GROSS APPROPRIATION.....		\$ 113,153,800
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers		10,382,700
11	ADJUSTED GROSS APPROPRIATION.....		\$ 102,771,100
12	Federal revenues:		
13	Total federal revenues.....		23,700,000
14	Special revenue funds:		
15	Total local revenues.....		0
16	Total private revenues.....		183,800
17	Total other state restricted revenues.....		48,449,000
18	State general fund/general purpose.....		\$ 30,438,300
19	Sec. 102. EXECUTIVE		
20	Full-time equated unclassified positions.....	6.0	
21	Full-time equated classified positions.....	51.0	
22	Commission and boards.....		\$ 47,300
23	Unclassified positions.....		354,000
24	Executive direction--10.0 FTE positions.....		1,119,600
25	Management services--34.5 FTE positions.....		2,647,700
26	Statistical reporting service--4.0 FTE positions.....		376,000
27	Emergency management--2.5 FTE positions.....		232,900

1	Human resources optimization user charges		<u>40,100</u>
2	GROSS APPROPRIATION.....	\$	4,817,600
3	Appropriated from:		
4	Special revenue funds:		
5	Agricultural equine industry development fund.....		50,000
6	Gasoline inspection and testing fund.....		57,200
7	Industry support funds.....		32,300
8	Nonretail liquor fees.....		8,800
9	Refined petroleum fund.....		229,900
10	State services fee fund.....		577,000
11	Upper Peninsula state fair revenue.....		9,000
12	State general fund/general purpose.....	\$	3,853,400
13	Sec. 103. DEPARTMENTWIDE		
14	Rent and building occupancy charges.....	\$	<u>1,469,000</u>
15	GROSS APPROPRIATION.....	\$	1,469,000
16	Appropriated from:		
17	Federal revenues:		
18	DAG, multiple grants.....		106,300
19	EPA, multiple grants.....		64,800
20	HHS-FDA.....		13,900
21	Special revenue funds:		
22	Agricultural preservation fund.....		23,900
23	Groundwater and freshwater protection fund.....		10,100
24	Licensing and inspection fees.....		63,200
25	Nonretail liquor fees.....		8,400
26	Refined petroleum fund.....		114,000
27	State services fee fund.....		312,600

1	State general fund/general purpose	\$	751,800
2	Sec. 104. FOOD AND DAIRY		
3	Full-time equated classified positions.....	107.0	
4	Food safety and quality assurance--107.0 FTE positions	\$	11,457,100
5	Local public health operations		<u>8,878,700</u>
6	GROSS APPROPRIATION.....	\$	20,335,800
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		25,900
12	HHS-FDA		362,200
13	Special revenue funds:		
14	Civil penalties		47,700
15	Licensing and inspection fees		2,687,900
16	State general fund/general purpose	\$	8,333,400
17	Sec. 105. ANIMAL INDUSTRY		
18	Full-time equated classified positions.....	49.0	
19	Animal health and welfare--22.5 FTE positions	\$	2,428,400
20	Bovine tuberculosis program--26.5 FTE positions		<u>5,577,400</u>
21	GROSS APPROPRIATION.....	\$	8,005,800
22	Appropriated from:		
23	Federal revenues:		
24	DAG, multiple grants		1,099,400
25	HHS-FDA		70,800
26	Special revenue funds:		
27	Agriculture equine industry development fund		2,399,100

1	Licensing and inspection fees.....		105,000
2	State general fund/general purpose.....	\$	4,331,500
3	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
4	Full-time equated classified positions.....		231.8
5	Pesticide and plant pest management--119.8 FTE		
6	positions	\$	13,426,000
7	Emerald ash borer control program--112.0 FTE positions		<u>13,782,000</u>
8	GROSS APPROPRIATION.....	\$	27,208,000
9	Appropriated from:		
10	Federal revenues:		
11	DAG, multiple grants.....		16,008,700
12	EPA, multiple grants.....		1,451,600
13	HHS-FDA.....		66,300
14	Special revenue funds:		
15	Private - slow-the-spread foundation.....		143,800
16	Commodity inspection fees.....		920,700
17	Horticulture fund.....		77,500
18	Industry support funds.....		331,500
19	Licensing and inspection fees.....		3,337,600
20	State general fund/general purpose.....	\$	4,870,300
21	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
22	Full-time equated classified positions.....		47.0
23	Environmental stewardship--32.7 FTE positions	\$	3,155,300
24	Groundwater and freshwater protection		
25	program--8.3 FTE positions		5,391,000
26	Farmland and open space preservation--		
27	6.0 FTE positions		946,300

1	Cooperative resources management initiative program..	1,000,000
2	Agriculture pollution prevention program.....	400,100
3	Local conservation districts.....	1,516,800
4	Migrant labor housing.....	150,100
5	Aquifer protection program.....	<u>50,000</u>
6	GROSS APPROPRIATION.....	\$ 12,609,600
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from MDEQ, aquifer protection and dispute	
10	resolution	50,000
11	IDG from MDEQ, biosolids.....	90,200
12	IDG from MDEQ, MAEAP.....	155,100
13	IDG from MDEQ, type II well survey.....	16,800
14	IDG from MDNR, district forestry and wildlife program	1,000,000
15	Federal revenues:	
16	DAG, multiple grants.....	550,000
17	EPA, multiple grants.....	436,700
18	Corporation for national and community services	250,000
19	Special revenue funds:	
20	Agricultural preservation fund.....	875,900
21	Agriculture pollution prevention fund.....	100
22	Groundwater and freshwater protection fund.....	5,083,300
23	State general fund/general purpose	\$ 4,101,500
24	Sec. 108. LABORATORY PROGRAM	
25	Full-time equated classified positions.....	148.0
26	Laboratory services--62.5 FTE positions	\$ 6,239,900
27	USDA monitoring program--18.0 FTE positions	2,070,700

1	Consumer protection program--67.5 FTE positions		<u>4,948,600</u>
2	GROSS APPROPRIATION.....	\$	13,259,200
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	IDG from MDLEG (LCC), liquor quality testing fees		189,100
6	Federal revenues:		
7	DAG, multiple grants.....		2,092,700
8	EPA, multiple grants.....		351,200
9	HHS-FDA.....		543,000
10	Special revenue funds:		
11	Gasoline inspection and testing fund.....		2,477,700
12	Refined petroleum fund.....		2,973,800
13	State services fee fund.....		519,700
14	Testing fees.....		434,500
15	Weights and measures regulation fees.....		650,300
16	State general fund/general purpose.....	\$	3,027,200
17	Sec. 109. AGRICULTURE DEVELOPMENT		
18	Full-time equated classified positions..... 8.0		
19	Agriculture development--5.0 FTE positions	\$	901,800
20	Grape and wine program--3.0 FTE positions		670,000
21	Export market development program.....		50,000
22	Michigan agricultural surplus system.....		630,500
23	Michigan FFA association.....		80,000
24	Michigan 4-H foundation.....		<u>20,000</u>
25	GROSS APPROPRIATION.....	\$	2,352,300
26	Appropriated from:		
27	Federal revenues:		

1	DAG, multiple grants.....		206,500
2	Special revenue funds:		
3	Private - commodity group.....		40,000
4	Agriculture equine industry development fund.....		100,000
5	Industry support funds.....		159,000
6	Nonretail liquor fees.....		614,800
7	State services fee fund.....		350,700
8	State general fund/general purpose.....	\$	881,300
9	Sec. 110. FAIRS AND EXPOSITIONS		
10	Full-time equated classified positions.....	16.5	
11	Upper Peninsula state fair--7.0 FTE positions.....	\$	1,351,500
12	Fairs, racing and producer security--9.5 FTE positions		1,104,300
13	Building and track improvement - county and state		
14	fairs		963,200
15	Premiums - county and state fairs.....		1,614,000
16	Purses and supplements - fairs/licensed tracks.....		3,031,700
17	Licensed tracks - light horse racing.....		170,900
18	Standardbred breeders' awards.....		1,273,000
19	Standardbred purses and supplements - licensed tracks		2,305,700
20	Standardbred sire stakes.....		1,040,000
21	Thoroughbred sire stakes.....		1,063,100
22	Standardbred training and stabling.....		44,900
23	Thoroughbred program.....		3,092,400
24	Thoroughbred owners' awards.....		159,900
25	Distribution of outstanding winning tickets.....		<u>700,000</u>
26	GROSS APPROPRIATION.....	\$	17,914,600
27	Appropriated from:		

1	Special revenue funds:		
2	Agriculture equine industry development fund.....		13,844,800
3	Industry support funds.....		10,600
4	Licensing and inspection fees.....		127,000
5	State services fee fund.....		2,580,700
6	Upper Peninsula state fair revenue.....		1,351,500
7	State general fund/general purpose.....	\$	0
8	Sec. 111. OFFICE OF RACING COMMISSIONER		
9	Full-time equated classified positions.....	31.7	
10	Office of racing commissioner--31.7 FTE positions....	\$	<u>3,644,100</u>
11	GROSS APPROPRIATION.....	\$	3,644,100
12	Appropriated from:		
13	Special revenue funds:		
14	State services fee fund.....		3,644,100
15	State general fund/general purpose.....	\$	0
16	Sec. 112. INFORMATION TECHNOLOGY		
17	Information technology services and projects.....	\$	<u>1,537,800</u>
18	GROSS APPROPRIATION.....	\$	1,537,800
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	IDG from MDLEG (LCC), liquor quality testing fees....		2,800
22	Special revenue funds:		
23	Agricultural preservation fund.....		200
24	Agriculture equine industry development fund.....		221,100
25	Gasoline inspection and testing fund.....		27,000
26	Groundwater and freshwater protection fund.....		100
27	Nonretail liquor fees.....		500

1	State services fee fund.....	997,300
2	Upper Peninsula state fair revenue.....	900
3	State general fund/general purpose.....	\$ 287,900

4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS

6 GENERAL SECTIONS

7 Sec. 201. Pursuant to section 30 of article IX of the state
8 constitution of 1963, total state spending from state resources
9 under part 1 for fiscal year 2006-2007 is \$78,887,300.00 and state
10 spending from state resources to be paid to local units of
11 government for fiscal year 2006-2007 is \$3,216,800.00. The itemized
12 statement below identifies appropriations from which spending to
13 local units of government will occur:

14 DEPARTMENT OF AGRICULTURE

15	Groundwater and freshwater protection program.....	\$ 1,700,000
16	Local conservation districts.....	<u>1,516,800</u>
17	TOTAL.....	\$ 3,216,800

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

21 Sec. 203. As used in this act:

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

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

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

25 (d) "EPA" means the United States environmental protection

1 agency.

2 (e) "FFA" means future farmers of America.

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

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

6 (h) "IDG" means interdepartmental grant.

7 (i) "MAEAP" means the Michigan agriculture environmental
8 assurance program.

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

10 (k) "MDLEG (LCC)" means the Michigan department of labor and
11 economic growth - liquor control commission.

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

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

15 (n) "USDA" means the United States department of agriculture.

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

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

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

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

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

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

1 departments if competitively priced and of comparable quality and
2 if available.

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

10 Sec. 212. (1) Of the funds appropriated in part 1, the
11 department may provide for indemnity as provided for pursuant to
12 the animal industry act of 1987, 1988 PA 466, MCL 287.701 to
13 287.745, not to exceed \$100,000.00 per order from any line item for
14 the fiscal year ending September 30, 2007. Before the department
15 provides for an indemnification under this section, the department
16 shall report the reason for the indemnification, the amount of the
17 indemnification, and to whom the indemnification is to be paid. The
18 report shall be given to each member of the house and senate
19 appropriations subcommittees on agriculture and to the senate and
20 house fiscal agencies and the state budget director.

21 (2) The department of agriculture shall make an
22 indemnification payment for the fair market value of livestock
23 killed by a wolf, coyote, or cougar, if the kill is verified by the
24 department of natural resources. The fair market value of the
25 livestock shall be determined pursuant to the indemnification
26 procedures prescribed in the animal industry act, 1988 PA 466, MCL
27 287.701 to 287.745. In addition to the funds appropriated in part

1 1, the department of agriculture is authorized to expend the funds
2 received from the department of natural resources to reimburse the
3 department of agriculture for all indemnification payments made
4 pursuant to this subsection.

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

13 Sec. 219. From the funds appropriated in part 1 for
14 information technology, the department shall pay user fees to the
15 department of information technology for technology-related
16 services and projects. The user fees shall be subject to provisions
17 of an interagency agreement between the department and the
18 department of information technology.

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

26 Sec. 223. (1) Due to the current budgetary problems in this
27 state, out-of-state travel for the fiscal year ending September 30,

1 2007 shall be limited to situations in which 1 or more of the
2 following conditions apply:

3 (a) The travel is required by legal mandate or court order or
4 for law enforcement purposes.

5 (b) The travel is necessary to protect the health or safety of
6 Michigan citizens or visitors or to assist other states in similar
7 circumstances.

8 (c) The travel is necessary to produce budgetary savings or to
9 increase state revenues, including protecting existing federal
10 funds or securing additional federal funds.

11 (d) The travel is necessary to comply with federal
12 requirements.

13 (e) The travel is necessary to secure specialized training for
14 staff that is not available within this state.

15 (f) The travel is financed entirely by federal or nonstate
16 funds.

17 (2) If out-of-state travel is necessary but does not meet 1 or
18 more of the conditions in subsection (1), the state budget director
19 may grant an exception to allow the travel. Any exceptions granted
20 by the state budget director shall be reported on a monthly basis
21 to the house and senate appropriations committees.

22 (3) Not later than January 1 of each year, each department
23 shall prepare a travel report listing all travel by classified and
24 unclassified employees outside this state in the immediately
25 preceding fiscal year that was funded in whole or in part with
26 funds appropriated in the department's budget. The report shall be
27 submitted to the chairs and members of the house and senate

1 appropriations committees, the fiscal agencies, and the state
2 budget director. The report shall include the following
3 information:

4 (a) The name of each person receiving reimbursement for travel
5 outside this state or whose travel costs were paid by this state.

6 (b) The destination of each travel occurrence.

7 (c) The dates of each travel occurrence.

8 (d) A brief statement of the reason for each travel
9 occurrence.

10 (e) The transportation and related costs of each travel
11 occurrence, including the proportion funded with state general
12 fund/general purpose revenues, the proportion funded with state
13 restricted revenues, the proportion funded with federal revenues,
14 and the proportion funded with other revenues.

15 (f) A total of all out-of-state travel funded for the
16 immediately preceding fiscal year.

17 Sec. 224. The department shall not take disciplinary action
18 against an employee for communicating with a member of the
19 legislature or his or her staff.

20 Sec. 225. In recognition of the important role it can play in
21 attracting large scale agricultural events, it is the intent of the
22 legislature that the department of agriculture, in conjunction with
23 interested parties, explore opportunities to expand the facilities
24 and size of the Michigan State University pavilion for agriculture
25 and livestock education.

26 Sec. 226. By October 15, 2006, the department shall provide to
27 the senate and house appropriations subcommittees on agriculture

1 and the senate and house fiscal agencies a list of general
2 fund/general purpose budget cuts sufficient to reduce department
3 general fund/general purpose spending by 7.93% in fiscal year 2006-
4 2007 if the K-16 ballot initiative is adopted by the voters of the
5 state.

6 Sec. 227. On or before April 1, 2007, the department shall
7 provide to the senate and house appropriations subcommittees on
8 agriculture and the senate and house fiscal agencies a report on
9 the return on investment for each of the department's programs.

10 **EXECUTIVE**

11 Sec. 301. Per diem rates for commodity committees established
12 in the agriculture commodities marketing act, 1965 PA 232, MCL
13 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA
14 114, MCL 290.551 to 290.568, and the beef industry commission act,
15 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels
16 established in section 301 of 2002 PA 516.

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

22 (a) Management services publications.

23 (b) Management services audit and licensing functions.

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

26 (d) Pesticide and plant pest management bean inspection and

1 grading services.

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

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

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

11 (h) Laboratory support test samples for other agencies and
12 organizations.

13 (i) Fruit and vegetable inspection at shipping and termination
14 points and processing plants.

15 (2) The department shall notify the senate and house of
16 representatives appropriations subcommittees on agriculture and the
17 senate and house fiscal agencies 60 days prior to proposing changes
18 in fees authorized under this section or under section 5 of the
19 market conditions act, 1915 PA 91, MCL 285.35.

20 (3) Annually, before February 1, the department shall provide
21 a report to the senate and house of representatives appropriations
22 subcommittees on agriculture and the senate and house fiscal
23 agencies detailing all the fees charged by the department under the
24 authorization provided in this section, including, but not limited
25 to, rates, number of individuals paying each fee, and the revenue
26 generated by each fee in the previous fiscal year.

27 Sec. 304. (1) From the funds appropriated in section 108, not

1 less than \$3,800,000.00 shall be used for the motor fuel quality
2 program to ensure motor fuel quality and quantity. Notwithstanding
3 the provisions of section 205, the department shall maintain
4 additional field and laboratory staff for the motor fuel quality
5 program.

6 (2) On or before January 1, 2007 and every 6 months
7 thereafter, the department shall report to the senate and house
8 appropriations subcommittees on agriculture and the senate and
9 house fiscal agencies the results of both complaint-based and
10 random-based inspections, including the number of inspections
11 performed, samples collected, and compliance rates.

12 Sec. 305. From the appropriation for statistical reporting
13 service in part 1, it is the intent of the legislature that the
14 department, in consultation with representatives of the equine
15 industry, conduct a survey of the equine industry in Michigan.

16 **FOOD AND DAIRY**

17 Sec. 401. (1) The department shall monitor restaurant
18 inspection and licensing functions carried out by local health
19 departments to ensure uniform application and enforcement of
20 minimum program requirements. On or before April 1, 2007, the
21 department shall report to the senate and house appropriations
22 subcommittees on agriculture, the senate and house fiscal agencies,
23 and the state budget director on local health department
24 conformance with minimum program requirements.

25 (2) If a local unit of government incurs additional costs
26 resulting from its efforts to control a significant food-borne

1 outbreak, the director shall seek additional resources to reimburse
2 the local unit of government for these additional costs. The
3 director shall involve the local health officer of the jurisdiction
4 affected in all aspects of the control of any food-borne outbreak.

5 Sec. 402. Not later than April 1, 2007, the department shall
6 provide a report to the house and senate appropriations
7 subcommittees on agriculture and the house and senate fiscal
8 agencies describing significant food-borne outbreaks and
9 emergencies including any enforcement actions taken related to food
10 safety during the 2005-2006 fiscal year.

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

16 **ANIMAL INDUSTRY**

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

26 Sec. 451. From the funds appropriated in section 105 for

1 bovine tuberculosis, the department shall pay for all whole herd
2 testing costs and individual animal testing costs in the modified
3 accredited zone to maintain split-state status requirements. These
4 costs include indemnity and compensation for injury causing death
5 or downer to animals.

6 ENVIRONMENTAL STEWARDSHIP

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
13 district meeting the minimum grant requirements shall receive a
14 grant of \$19,200.00 to support basic operations, unless the
15 district resides in a county consisting of multiple districts, in
16 which case a \$19,200.00 grant shall be divided equally among the
17 districts in that county. The amount of money allocated under this
18 subdivision shall not be used by local conservation districts to
19 replace any money received from 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 AGRICULTURE DEVELOPMENT

24 Sec. 702. In any given year when insufficient amounts of
25 Michigan surplus products are offered to the food bank council and

1 accepted for distribution, unused funds may be applied by the food
2 bank council for the direct purchase of foods from Michigan
3 growers, manufacturers, or wholesalers.

4 Sec. 703. From the appropriation in part 1 for agriculture
5 development, \$30,000.00 shall be provided to the northwest Michigan
6 horticultural research station.

7 Sec. 704. Indirect costs may not be charged against the FFA
8 grant in section 109 by any administering agency. The grant shall
9 not be used by the administering agency to supplant existing
10 resources dedicated to the FFA organization. The grant only shall
11 be used, awarded, or expended for additional leadership activities,
12 awards, or training programs that encourage agriculture as a
13 career.

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

20 Sec. 706. Not later than April 1, 2007, the department shall
21 provide a report to the house and senate appropriations
22 subcommittees on agriculture and the house and senate fiscal
23 agencies describing the department's agriculture development and
24 export market development activities. The report shall identify
25 grants awarded during the prior fiscal year, including a
26 description of federal or private funds made available as a result
27 of department activities.

1 **FAIRS AND EXPOSITIONS**

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

8 Sec. 802. From the amount appropriated in section 110 for
9 purses and supplements - fairs/licensed tracks, \$280,000.00 is to
10 be used for state purse supplements at state licensed pari-mutuel
11 tracks for races comprised only of Michigan-bred horses segregated
12 into a 4-year-old colt trot division, a 4-year-old filly trot
13 division, a 4-year-old colt pace division, and a 4-year-old filly
14 pace division.

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

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

26 Sec. 805. The department shall notify the senate and house

1 appropriations subcommittees and the fiscal agencies of any planned
2 reductions in appropriations, allocations, or expenditures from the
3 agriculture equine industry development fund no less than 10 days
4 before such reductions are implemented.

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

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

22 Sec. 808. Of the amount appropriated in section 110 for
23 premiums - county and state fairs, \$91,400.00 shall be expended to
24 reimburse up to 75% premiums paid to large livestock and equine
25 exhibitors in shows or exhibitions held by statewide associations
26 as defined by the department. Livestock expositions shall be
27 limited to participation in this program and prohibited from

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1 participation in any state funded premium programs. The Michigan
2 horse show association fall youth show shall be included.

3 Sec. 809. From the appropriations for premiums - county and
4 state fairs in section 110, \$40,000.00 shall be awarded through a
5 competitive grant program to local, regional, or state fairs or
6 youth education programs to promote youth involvement and adult
7 exhibitions in the animal agriculture industry.

8 Sec. 811. The funds appropriated in section 110 for
9 distribution of outstanding winning tickets are not available for
10 expenditure until they are deposited in the Michigan agriculture
11 equine industry development fund pursuant to section 2 of 1951 PA
12 90, MCL 431.252. These funds shall be expended in accordance with
13 section 2 of 1951 PA 90, MCL 431.252. The department shall provide
14 notice to the house and senate appropriations subcommittees on
15 agriculture at least 10 days before the funds are expended. This
16 notice shall include the amount that each program receives from the
17 outstanding winning ticket revenue deposited in the Michigan
18 agriculture equine industry development fund.

19 **OFFICE OF RACING COMMISSIONER**

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

<<Sec. 902. It is the intent of the legislature that the racing
commissioner authorize not less than 378 days of standardbred racing, 118
days of thoroughbred racing, and 36 days of mixed breed racing.>>