

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 222

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for the department of

1 agriculture for the fiscal year ending September 30, 2008, from the
 2 funds indicated in this part. The following is a summary of the
 3 appropriations in this part:

4 **DEPARTMENT OF AGRICULTURE**

5 APPROPRIATION SUMMARY:

6	Full-time equated unclassified positions	\$	0
7	Full-time equated classified positions		0
8	GROSS APPROPRIATION		0
9	Interdepartmental grant revenues:		
10	IDG from MDCH, local public health operations		0
11	IDG from MDLEG (LCC), liquor quality testing fees		0
12	IDG from MDEQ, aquifer protection and dispute		
13	resolution		0
14	IDG from MDEQ, biosolids		0
15	IDG from MDEQ, MAEAP		0
16	IDG from MDEQ, type II well survey		0
17	IDG from MDNR, cervid fees		0
18	IDG from MDNR, district forestry and wildlife program		0
19	Total interdepartmental grants and intradepartmental		
20	transfers		0
21	ADJUSTED GROSS APPROPRIATION		0
22	Federal revenues:		
23	Unspecified federal revenues		0
24	Corporation for national and community services		0
25	DAG, multiple grants		0
26	EPA, multiple grants		0
27	HHS-FDA		0

1	United States department of labor.....	0
2	Total federal revenues.....	0
3	Special revenue funds:	
4	Total local revenues.....	0
5	Private - slow-the-spread foundation.....	0
6	Private - commodity group revenue.....	0
7	Total private revenues.....	0
8	Agricultural preservation fund.....	0
9	Agriculture equine industry development fund.....	0
10	Agriculture pollution prevention fund.....	0
11	Civil penalties.....	0
12	Commodity inspection fees.....	0
13	Consumer and industry food safety education fund.....	0
14	Freshwater protection fund.....	0
15	Gasoline inspection and testing fund.....	0
16	Horticulture fund.....	0
17	Industry support funds.....	0
18	Intercounty drain fund.....	0
19	Licensing and inspection fees.....	0
20	Migratory labor housing fund.....	0
21	Nonretail liquor fees.....	0
22	Refined petroleum fund.....	0
23	State services fee fund.....	0
24	Testing fees.....	0
25	Upper Peninsula state fair revenue.....	0
26	Weights and measures regulation fees.....	0
27	Total other state restricted revenues.....	0

1	State general fund/general purpose	0
2	Sec. 102. EXECUTIVE	
3	Full-time equated unclassified positions \$	0
4	Full-time equated classified positions	0
5	Commissions and boards	0
6	Unclassified positions--* FTE positions	0
7	Executive direction--* FTE positions	0
8	Management services--* FTE positions	0
9	Statistical reporting service--* FTE positions	0
10	Emergency management--* FTE positions	0
11	Human resource optimization user charges	0
12	GROSS APPROPRIATION	0
13	Appropriated from:	
14	Special revenue funds:	
15	Gasoline inspection and testing fund	0
16	Industry support funds	0
17	Nonretail liquor fees	0
18	Refined petroleum fund	0
19	State services fee fund	0
20	Upper Peninsula state fair revenue	0
21	State general fund/general purpose	0
22	Sec. 103. DEPARTMENTWIDE	
23	Rent and building occupancy charges \$	0
24	GROSS APPROPRIATION	0
25	Appropriated from:	
26	Federal revenues:	
27	DAG, multiple grants	0

1	EPA, multiple grants.....	0
2	HHS-FDA.....	0
3	Special revenue funds:	
4	Agricultural preservation fund.....	0
5	Freshwater protection fund.....	0
6	Licensing and inspection fees.....	0
7	Nonretail liquor fees.....	0
8	Refined petroleum fund.....	0
9	State services fee fund.....	0
10	State general fund/general purpose.....	0
11	Sec. 104. FOOD AND DAIRY	
12	Full-time equated classified positions..... \$	0
13	Food safety and quality assurance--* FTE positions...	0
14	Local public health operations.....	0
15	GROSS APPROPRIATION.....	0
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from MDCH, local public health operations.....	0
19	Federal revenues:	
20	DAG, multiple grants.....	0
21	HHS-FDA.....	0
22	Special revenue funds:	
23	Civil penalties.....	0
24	Consumer and industry food safety education fund.....	0
25	Licensing and inspection fees.....	0
26	State general fund/general purpose.....	0
27	Sec. 105. ANIMAL INDUSTRY	

1	Full-time equated classified positions	\$	0
2	Animal health and welfare--* FTE positions		0
3	Bovine tuberculosis program--* FTE positions		0
4	Viral hemorrhagic septicemia surveillance		0
5	GROSS APPROPRIATION		0
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	Federal revenues:		
9	DAG, multiple grants		0
10	HHS-FDA		0
11	Special revenue funds:		
12	Agriculture equine industry development fund		0
13	Licensing and inspection fees		0
14	State general fund/general purpose		0
15	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
16	Full-time equated classified positions	\$	0
17	Pesticide and plant pest management--* FTE positions .		0
18	Emerald ash borer control program--* FTE positions ...		0
19	GROSS APPROPRIATION		0
20	Appropriated from:		
21	Federal revenues:		
22	DAG, multiple grants		0
23	EPA, multiple grants		0
24	HHS-FDA		0
25	Special revenue funds:		
26	Private - slow-the-spread foundation		0
27	Commodity inspection fees		0

1	Horticulture fund.....	0
2	Industry support funds.....	0
3	Licensing and inspection fees.....	0
4	State general fund/general purpose.....	0
5	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
6	Full-time equated classified positions..... \$	0
7	Environmental stewardship--* FTE positions.....	0
8	Groundwater and freshwater protection program--* FTE	
9	positions	0
10	Farmland and open space preservation--* FTE positions	0
11	Agriculture pollution prevention program.....	0
12	Cooperative resources management initiative program..	0
13	Local conservation districts.....	0
14	Migrant labor housing.....	0
15	Aquifer protection program.....	0
16	GROSS APPROPRIATION.....	0
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	IDG from MDEQ, aquifer protection and dispute	
20	resolution	0
21	IDG from MDEQ, biosolids.....	0
22	IDG from MDEQ, type II well survey.....	0
23	IDG from MDEQ, MAEAP.....	0
24	IDG from MDNR, district forestry and wildlife program	0
25	Federal revenues:	
26	Corporation for national and community services	0
27	DAG, multiple grants.....	0

1	United States department of labor.....	0
2	EPA, multiple grants.....	0
3	Special revenue funds:	
4	Agricultural preservation fund.....	0
5	Agriculture pollution prevention fund.....	0
6	Freshwater protection fund.....	0
7	Migratory labor housing fund.....	0
8	State general fund/general purpose.....	0
9	Sec. 108. LABORATORY PROGRAM	
10	Full-time equated classified positions..... \$	0
11	Laboratory services--* FTE positions.....	0
12	USDA monitoring--* FTE positions.....	0
13	Consumer protection program--* FTE positions.....	0
14	GROSS APPROPRIATION.....	0
15	Interdepartmental grant revenues	
16	IDG from MDLEG (LCC), liquor quality testing fees....	0
17	Federal revenues:	
18	DAG, multiple programs.....	0
19	EPA, multiple programs.....	0
20	HHS-FDA.....	0
21	Special revenue funds:	
22	Gasoline inspection and testing fund.....	0
23	Licensing and inspection fees	
24	Refined petroleum fund.....	0
25	State services fee fund.....	0
26	Testing fees.....	0
27	Weights and measures regulation fees.....	0

1	State general fund/general purpose	0
2	Sec. 109. AGRICULTURE DEVELOPMENT	
3	Full-time equated classified positions \$	0
4	Agriculture development--* FTE positions	0
5	Grape and wine program--* FTE positions	0
6	Export market development program	0
7	Michigan agricultural surplus system	0
8	Michigan FFA association	0
9	Michigan 4-H foundation	0
10	GROSS APPROPRIATION	0
11	Appropriated from:	
12	Interdepartmental grant revenues	
13	Federal revenues:	
14	DAG, multiple grants	0
15	Special revenue funds:	
16	Private - commodity group revenue	0
17	Agriculture equine industry development fund	0
18	Industry support funds	0
19	Nonretail liquor fees	0
20	State services fee fund	0
21	State general fund/general purpose	0
22	Sec. 110. FAIRS AND EXPOSITIONS	
23	Full-time equated classified positions \$	0
24	Upper Peninsula state fair--* FTE positions	0
25	Fairs, racing and producer security--* FTE positions .	0
26	Building and track improvement - county and state	
27	fairs	0

1	Distribution of outstanding winning tickets	0
2	Licensed tracks - light horse racing	0
3	Premiums - county and state fairs	0
4	Purses and supplements - fairs/licensed tracks	0
5	Standardbred breeders' awards	0
6	Standardbred purses and supplements - licensed tracks	0
7	Standardbred sire stakes	0
8	Standardbred training and stabling	0
9	Thoroughbred owners' awards	0
10	Thoroughbred program	0
11	Thoroughbred sire stakes	0
12	GROSS APPROPRIATION	0
13	Appropriated from:	
14	Special revenue funds:	
15	Agriculture equine industry development fund	0
16	Industry support funds	0
17	Licensing and inspection fees	0
18	State services fee fund	0
19	Upper Peninsula state fair revenue	0
20	State general fund/general purpose	0
21	Sec. 111. OFFICE OF RACING COMMISSIONER	
22	Full-time equated classified positions	\$ 0
23	Office of racing commissioner--* FTE positions	0
24	GROSS APPROPRIATION	0
25	Appropriated from:	
26	Special revenue funds:	
27	State services fee fund	0

1	State general fund/general purpose	0
2	Sec. 112. INFORMATION AND TECHNOLOGY	
3	Information technology services and projects \$	0
4	GROSS APPROPRIATION	0
5	Appropriated from:	
6	Interdepartmental grant revenues	
7	IDG from MDLEG (LCC), liquor quality testing fees	0
8	Special revenue funds:	
9	Agricultural preservation fund	0
10	Agriculture equine industry development fund	0
11	Gasoline inspection testing fund	0
12	Freshwater protection fund	0
13	Nonretail liquor fees	0
14	State services fee fund	0
15	Upper Peninsula state fair revenue	0
16	State general fund/general purpose	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

20 Sec. 201. Pursuant to section 30 of article IX of the state
 21 constitution of 1963, total state spending from state resources
 22 under part 1 for fiscal year 2007-2008 is \$0.00 and state spending
 23 from state resources to be paid to local units of government for
 24 fiscal year 2007-2008 is \$0.00. The itemized statement below
 25 identifies appropriations from which spending to local units of

1 government will occur:

2 DEPARTMENT OF AGRICULTURE

3	Groundwater and freshwater protection program.....	\$	0
4	Local conservation districts.....		<u>0</u>
5	TOTAL.....	\$	0

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

9 Sec. 203. As used in this act:

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

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

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

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

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

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

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

19 (h) "IDG" means interdepartmental grant.

20 (i) "MAEAP" means the Michigan agriculture environmental
 21 assurance program.

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

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

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

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

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

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

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

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

26 Sec. 208. Unless otherwise specified, the department shall use
27 the Internet to fulfill the reporting requirements of this act.

1 This requirement shall include transmission of reports via
2 electronic mail to the recipients identified for each reporting
3 requirement and shall include placement of reports on an Internet
4 or Intranet site.

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

9 (2) In addition to the requirements in subsection (1), the
10 purchase of goods or services, or both, if competitively priced and
11 of comparable quality shall be Michigan goods or services, or both,
12 if available. The department shall also encourage the use of
13 Michigan-produced agricultural products by all state agencies and
14 departments if competitively priced and of comparable quality and
15 if available.

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

23 Sec. 212. (1) Of the funds appropriated in part 1, the
24 department may provide for indemnity as provided for pursuant to
25 the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not
26 to exceed \$100,000.00 per order from any line item for the fiscal
27 year ending September 30, 2008. Before the department provides for

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

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

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

25 Sec. 219. From the funds appropriated in part 1 for
26 information technology, the department shall pay user fees to the
27 department of information technology for technology-related

1 services and projects. The user fees shall be subject to provisions
2 of an interagency agreement between the department and the
3 department of information technology.

4 Sec. 220. Amounts appropriated in part 1 for information
5 technology may be designated as work projects and carried forward
6 to support technology projects under the direction of the
7 department of information technology. Funds designated in this
8 manner are not available for expenditure until approved as work
9 projects under section 451a of the management and budget act, 1984
10 PA 431, MCL 18.1451a.

11 Sec. 223. (1) Due to the current budgetary problems in this
12 state, out-of-state travel shall be limited to situations in which
13 1 or more of the following conditions apply:

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

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

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

22 (d) The travel is necessary to comply with federal
23 requirements.

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

26 (f) The travel is financed entirely by federal or nonstate
27 funds.

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

6 (3) Not later than January 1 of each year, each department
7 shall prepare a travel report listing all travel by classified and
8 unclassified employees outside this state in the immediately
9 preceding fiscal year that was funded in whole or in part with
10 funds appropriated in the department's budget. The report shall be
11 submitted to the chairs and members of the house and senate
12 appropriations committees, the fiscal agencies, and the state
13 budget director. The report shall include the following
14 information:

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

17 (b) The destination of each travel occurrence.

18 (c) The dates of each travel occurrence.

19 (d) A brief statement of the reason for each travel
20 occurrence.

21 (e) The transportation and related costs of each travel
22 occurrence, including the proportion funded with state general
23 fund/general purpose revenues, the proportion funded with state
24 restricted revenues, the proportion funded with federal revenues,
25 and the proportion funded with other revenues.

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

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

4 Sec. 225. In recognition of the important role it can play in
5 attracting large-scale agricultural events, it is the intent of the
6 legislature that the department of agriculture, in conjunction with
7 interested parties, explore opportunities to expand the facilities
8 and size of the Michigan State University pavilion for agriculture
9 and livestock education.

10 Sec. 227. On or before April 1, 2008, the department shall
11 provide to the senate and house appropriations subcommittees on
12 agriculture and the senate and house fiscal agencies a summary
13 report on the real and potential return on investment for each of
14 the department's programs.

15 Sec. 228. (1) In addition to the funds appropriated in part 1,
16 there is appropriated an amount not to exceed \$5,000,000.00 for
17 federal contingency funds. These funds are not available for
18 expenditure until they have been transferred to another line item
19 in this act under section 393(2) of the management and budget act,
20 1984 PA 431, MCL 18.1393.

21 (2) In addition to the funds appropriated in part 1, there is
22 appropriated an amount not to exceed \$6,000,000.00 for state
23 restricted contingency funds. These funds are not available for
24 expenditure until they have been transferred to another line item
25 in this act under section 393(2) of the management and budget act,
26 1984 PA 431, MCL 18.1393.

27 (3) In addition to the funds appropriated in part 1, there is

Senate Bill No. 222 (H-10) as amended September 6, 2007 (1 of 2)

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

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

[Sec. 229. From the funds appropriated in part 1, the chief justice shall implement continuous improvement efficiency mechanisms in the programs administered by the judicial branch. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2008 and September 30, 2008, the chief justice shall submit a report to the state budget director, the senate and house appropriation subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in judicial branch programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.]

EXECUTIVE

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

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

(a) Management services publications.

- 25 (b) Management services audit and licensing functions.
- 26 (c) Pesticide and plant pest management propagation and

1 certification of virus free foundation stock.

2 (d) Pesticide and plant pest management bean inspection and
3 grading services.

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

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

10 (g) Laboratory support analyses of food, livestock, and
11 agricultural products for disease, foreign products for disease,
12 toxic materials, foreign substances, and quality standards.

13 (h) Laboratory support test samples for other agencies and
14 organizations.

15 (i) Fruit and vegetable inspection at shipping and termination
16 points and processing plants.

17 (2) The department shall notify the senate and house of
18 representatives appropriations subcommittees on agriculture and the
19 senate and house fiscal agencies 30 days prior to proposing changes
20 in fees authorized under this section or under section 5 of the
21 market conditions act, 1915 PA 91, MCL 285.35.

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

1 generated by each fee in the previous fiscal year.

2 Sec. 304. (1) To ensure motor fuel quality and quantity, the
3 department shall maintain the motor fuel quality program and shall
4 not reduce program level of effort below that of the 2006-2007
5 fiscal year. Notwithstanding the provisions of section 205, the
6 department shall maintain field and laboratory staff for the motor
7 fuel quality program.

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

14 **FOOD AND DAIRY**

15 Sec. 401. (1) The department shall monitor restaurant
16 inspection and licensing functions carried out by local health
17 departments to ensure uniform application and enforcement of
18 minimum program requirements. On or before April 1, 2008, the
19 department shall report to the senate and house appropriations
20 subcommittees on agriculture, the senate and house fiscal agencies,
21 and the state budget director on local health department
22 conformance with minimum program requirements.

23 (2) If a local unit of government incurs additional costs
24 resulting from its efforts to control a significant food-borne
25 outbreak, the director shall seek additional resources to reimburse
26 the local unit of government for these additional costs. The

1 director shall involve the local health officer of the jurisdiction
2 affected in all aspects of the control of any food-borne outbreak.

3 Sec. 402. Not later than April 1, 2008, the department shall
4 provide a report to the house and senate appropriations
5 subcommittees on agriculture and the house and senate fiscal
6 agencies describing significant food-borne outbreaks and
7 emergencies including any enforcement actions taken related to food
8 safety during the 2006-2007 fiscal year.

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

14 Sec. 404. From the funds appropriated in section 104 for food
15 safety and quality assurance, not less than \$150,000.00 from the
16 consumer and industry food safety education fund shall be expended
17 for purposes required under the food act, 2000 PA 92, MCL 289.4117,
18 including the statewide training and education to consumers on food
19 safety and the training and education on food safety to food
20 service establishment employees and department employees and agents
21 who enforce section 4117 of the food act, 2000 PA 92, MCL 289.4117.

22 Sec. 405. In addition to the appropriations in part 1, there
23 is appropriated \$600,000.00 from the state general fund to support
24 food safety and quality assurance programs, including authorization
25 for an additional 10.0 full-time equated positions. This
26 appropriation is contingent on the enactment by the legislature of
27 legislation to increase state general fund/general purpose revenue

1 for the 2007-2008 fiscal year by not less than \$1,000,000,000.00 as
2 compared to the May 2007 consensus net general fund/general purpose
3 revenue estimate for the 2007-2008 fiscal year, exclusive of
4 revenue from the Michigan business tax act, 2007 PA 36, MCL
5 208.1101 to 208.1601.

6 Sec. 407. Funds appropriated in article 1 of 2006 PA 345 for
7 food and dairy, food safety and quality assurance, shall not lapse
8 but shall continue to be available for completion of the e-
9 inspector program in accordance with the provisions under section
10 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

11 ANIMAL INDUSTRY

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

21 Sec. 451. From the funds appropriated in section 105 for
22 bovine tuberculosis, the department shall pay for all whole herd
23 testing costs and individual animal testing costs in the modified
24 accredited zone to maintain split-state status requirements. These
25 costs include indemnity and compensation for injury causing death
26 or downer to animals.

1 Sec. 452. In addition to the appropriations in part 1, there
2 is appropriated \$200,000.00 from the state general fund to support
3 bovine tuberculosis testing and containment programs. This
4 appropriation is contingent on the enactment by the legislature of
5 legislation to increase state general fund/general purpose revenue
6 for the 2007-2008 fiscal year by not less than \$1,000,000,000.00 as
7 compared to the May 2007 consensus net general fund/general purpose
8 revenue estimate for the 2007-2008 fiscal year, exclusive of
9 revenue from the Michigan business tax act, 2007 PA 36, MCL
10 208.1101 to 208.1601.

11 Sec. 456. Of the funds appropriated in part 1, no funds shall
12 be used to enforce the mandatory electronic animal identification
13 program for any domestic animals other than cattle until specific
14 procedures and guidelines for electronic animal identification are
15 outlined in statute.

16 Sec. 457. Funds appropriated in article 1 of 2006 PA 345 for
17 animal health and welfare programs shall not lapse but shall carry
18 forward and be appropriated to fund department activities under
19 section 7 of the Michigan aquaculture development act, 1996 PA 199,
20 MCL 286.877.

21 Sec. 458. From the funds appropriated in section 105 for viral
22 hemorrhagic septicemia surveillance, the department shall work with
23 aquaculture facilities and aquaculture researchers to identify,
24 contain, and eradicate viral hemorrhagic septicemia in this state.
25 The department's actions under this section shall include, but are
26 not limited to, on-site inspection and testing of aquaculture
27 facilities and aquaculture researchers as provided under the

1 Michigan aquaculture development act, 1996 PA 199, MCL 286.871 to
2 286.884.

3 **LABORATORY SERVICES**

4 Sec. 501. From the appropriation in part 1 for laboratory
5 services, a sufficient amount is appropriated from licensing and
6 inspection fee revenue to maintain the department's animal feed
7 testing programs.

8 **ENVIRONMENTAL STEWARDSHIP**

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

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

14 (a) Of the total appropriation, each local conservation
15 district meeting the minimum grant requirements shall receive a
16 grant of \$11,605.00 to support basic operations, unless the
17 district resides in a county consisting of multiple districts, in
18 which case a \$11,605.00 grant shall be divided equally among the
19 districts in that county. The amount of money allocated under this
20 subdivision shall not be used by local conservation districts to
21 replace any money received from local sources.

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

25 Sec. 606. The department shall actively search for all

1 possible funding sources to be used to match federal funds in the
2 USDA environmental quality incentives program.

3 Sec. 607. It is the intent of the legislature that the
4 department continue its activities in support of intercounty
5 drainage districts as provided in chapter 5 of the drain code of
6 1956, 1956 PA 40, MCL 280.101 to 280.106.

7 Sec. 608. In addition to the appropriations in part 1, there
8 is appropriated \$150,000.00 from the state general fund to support
9 department activities in administering the right-to-farm program as
10 provided in the right to farm act, 1981 PA 93, MCL 286.471 to
11 286.474. This appropriation is contingent on the enactment by the
12 legislature of legislation to increase state general fund/general
13 purpose revenue for the 2007-2008 fiscal year by not less than
14 \$1,000,000,000.00 as compared to the May 2007 consensus net general
15 fund/general purpose revenue estimate for the 2007-2008 fiscal
16 year, exclusive of revenue from the Michigan business tax act, 2007
17 PA 36, MCL 208.1101 to 208.1601.

18 AGRICULTURE DEVELOPMENT

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

24 Sec. 704. The grant for FFA in section 109 shall be limited to
25 an amount equal to resources provided by the organization not to
26 exceed \$80,000.00. The resources provided by the organization shall

1 not be from existing dollars in the organization's budget. Indirect
2 costs may not be charged against the FFA grant in section 109 by
3 any administering agency. The grant shall not be used by the
4 administering agency to supplant existing resources dedicated to
5 the FFA organization. The grant only shall be used, awarded, or
6 expended for additional leadership activities, awards, or training
7 programs that encourage agriculture as a career.

8 Sec. 705. The appropriation in section 109 for the export
9 market development program shall be used to coordinate state
10 participation in the federal market access program and to leverage
11 federal and private funds for the purpose of developing new and
12 enhancing existing export markets for Michigan agricultural
13 products.

14 Sec. 706. Not later than April 1, 2008, the department shall
15 provide a report to the house and senate appropriations
16 subcommittees on agriculture and the house and senate fiscal
17 agencies describing the department's agriculture development and
18 export market development activities. The report shall identify
19 grants awarded during the prior fiscal year, including a
20 description of federal or private funds made available as a result
21 of department activities.

22 Sec. 707. In awarding grants from the agricultural development
23 fund created under the Julian-Stille value-added act, 2000 PA 322,
24 MCL 285.302, the department shall give due consideration to the
25 diversity of Michigan agriculture and its economic importance.

26 Sec. 708. The department is authorized to receive and expend
27 funds appropriated from the agricultural development fund created

1 in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL
2 285.302.

3 Sec. 709. (1) Not later than April 1, 2008, the department
4 shall provide a report to the house and senate appropriations
5 subcommittees on agriculture and the house and senate fiscal
6 agencies describing the activities of the grape and wine industry
7 council established under section 303 of the Michigan liquor
8 control act of 1998, 1998 PA 58, MCL 436.1303.

9 (2) The report shall include all of the following:

10 (a) Council activities and accomplishments for the previous
11 fiscal year.

12 (b) Council expenditures for the previous fiscal year by
13 category of administration, industry support, research and
14 education grants, and promotion and consumer education.

15 (c) Grants awarded during the prior fiscal year and the
16 results of research grant projects completed during the prior
17 fiscal year.

18 Sec. 710. The department may match external funding for
19 domestic and international marketing programs for the purpose of
20 developing new and enhancing existing export markets for Michigan
21 agricultural products.

22 Sec. 711. The grant for 4-H in section 109 shall be limited to
23 an amount equal to resources provided by the organization not to
24 exceed \$20,000.00. The resources provided by the organization shall
25 not be from existing dollars in the organization's budget. The
26 grant shall not be used by the administering agency to supplant
27 existing resources dedicated to the 4-H organization.

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, \$220,000.00 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 \$23,500.00 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

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.

26 Sec. 902. In the event there is no live thoroughbred race meet

1 in 2008, all purse money and program money appropriated for the
2 thoroughbred industry in fiscal year 2007-2008 shall be held in
3 escrow for a period not to exceed 18 months or until a thoroughbred
4 race meet license is applied for and granted by the office of
5 racing commissioner. In the event there is no thoroughbred meet in
6 2008, the purse pool distribution order to be issued by the office
7 of racing commissioner in 2009 that delineates distribution between
8 the thoroughbred meet that has been held at Great Lakes Downs and
9 the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall
10 be the same distribution formula as issued in 2008, with the
11 thoroughbred portion being held in escrow.