

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
4 amounts listed in this part are appropriated for the department of
5 agriculture for the fiscal year ending September 30, 2008, from the

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

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 673.0

GROSS APPROPRIATION..... \$ <<109,164,700>>

Interdepartmental grant revenues:

IDG from MDCH, local public health operations 8,878,700

IDG from MDEQ, aquifer protection and dispute resolution 50,000

IDG from MDEQ, biosolids 92,900

IDG from MDEQ, MAEAP 159,700

IDG from MDEQ, type II well survey 17,200

IDG from MDLEG (LCC), liquor quality testing fees 191,900

IDG from MDNR, cervid fees 100

IDG from MDNR, district forestry and wildlife program 100

Total interdepartmental grants and intradepartmental transfers 9,390,600

ADJUSTED GROSS APPROPRIATION..... \$ <<99,774,100>>

Federal revenues:

DAG, multiple grants <<17,277,100>>

EPA, multiple grants 2,356,200

HHS-FDA 1,079,100

United States department of labor 150,000

Corporation for national and community services 253,200

Total federal revenues <<21,115,600>>

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| | | |
|----|---|-------------------|
| 1 | Special revenue funds: | |
| 2 | Total local revenues..... | 0 |
| 3 | Private - commodity group..... | 40,800 |
| 4 | Private - slow-the-spread foundation..... | 147,700 |
| 5 | Total private revenues..... | 188,500 |
| 6 | Agricultural preservation fund..... | 900,000 |
| 7 | Agriculture equine industry development fund..... | 16,552,000 |
| 8 | Agriculture pollution prevention fund..... | 100 |
| 9 | Civil penalties..... | 73,000 |
| 10 | Commodity inspection fees..... | 1,084,700 |
| 11 | Gasoline inspection and testing fund..... | 2,617,400 |
| 12 | Freshwater protection fund..... | 5,111,400 |
| 13 | Horticulture fund..... | 79,500 |
| 14 | Industry support funds..... | 695,900 |
| 15 | Intercounty drain fund..... | 100 |
| 16 | Licensing and inspection fees..... | 6,319,700 |
| 17 | Migratory labor housing..... | 25,000 |
| 18 | Nonretail liquor fees..... | 678,400 |
| 19 | Refined petroleum fund..... | 3,520,400 |
| 20 | State services fee fund..... | 9,264,800 |
| 21 | Testing fees..... | 434,500 |
| 22 | Upper Peninsula state fair revenue..... | 1,380,600 |
| 23 | Consumer and industry food safety education fund..... | 260,300 |
| 24 | Weights and measures regulation fees..... | 674,000 |
| 25 | Total other state restricted revenues..... | 49,671,800 |
| 26 | State general fund/general purpose..... | \$ <<28,798,200>> |
| 27 | Sec. 102. EXECUTIVE | |

| | | | |
|----|--|------|---------------------|
| 1 | Full-time equated unclassified positions..... | 6.0 | |
| 2 | Full-time equated classified positions..... | 43.0 | |
| 3 | Commission and boards..... | | \$ 17,800 |
| 4 | Unclassified positions..... | | 354,000 |
| 5 | Executive direction--10.0 FTE positions..... | | 1,157,900 |
| 6 | Management services--29.5 FTE positions..... | | 2,230,800 |
| 7 | Agricultural statistics--1.0 FTE position..... | | 51,100 |
| 8 | Emergency management--2.5 FTE positions..... | | 242,300 |
| 9 | Human resources optimization user charges..... | | <u>41,200</u> |
| 10 | GROSS APPROPRIATION..... | | \$ 4,095,100 |
| 11 | Appropriated from: | | |
| 12 | Special revenue funds: | | |
| 13 | Gasoline inspection and testing fund..... | | 59,700 |
| 14 | Industry support funds..... | | 33,500 |
| 15 | Nonretail liquor fees..... | | 8,800 |
| 16 | Refined petroleum fund..... | | 239,800 |
| 17 | State services fee fund..... | | 593,800 |
| 18 | Upper Peninsula state fair revenue..... | | 9,000 |
| 19 | State general fund/general purpose..... | | \$ 3,150,500 |
| 20 | Sec. 103. DEPARTMENTWIDE | | |
| 21 | Rent and building occupancy charges..... | | \$ <u>1,570,100</u> |
| 22 | GROSS APPROPRIATION..... | | \$ 1,570,100 |
| 23 | Appropriated from: | | |
| 24 | Federal revenues: | | |
| 25 | DAG, multiple grants..... | | 113,600 |
| 26 | EPA, multiple grants..... | | 69,300 |
| 27 | HHS-FDA..... | | 14,900 |

| | | | |
|----|--|-------|------------------|
| 1 | Special revenue funds: | | |
| 2 | Agricultural preservation fund..... | | 23,900 |
| 3 | Freshwater protection fund..... | | 10,800 |
| 4 | Licensing and inspection fees..... | | 67,500 |
| 5 | Nonretail liquor fees..... | | 9,000 |
| 6 | Refined petroleum fund..... | | 114,000 |
| 7 | State services fee fund..... | | 335,800 |
| 8 | State general fund/general purpose..... | \$ | 811,300 |
| 9 | Sec. 104. FOOD AND DAIRY | | |
| 10 | Full-time equated classified positions..... | 107.0 | |
| 11 | Food safety and quality assurance--107.0 FTE positions | \$ | 12,427,600 |
| 12 | Local public health operations..... | | <u>8,878,700</u> |
| 13 | GROSS APPROPRIATION..... | \$ | 21,306,300 |
| 14 | Appropriated from: | | |
| 15 | Interdepartmental grant revenues: | | |
| 16 | IDG from MDCH, local public health operations..... | | 8,878,700 |
| 17 | Federal revenues: | | |
| 18 | DAG, multiple grants..... | | 27,000 |
| 19 | HHS-FDA..... | | 380,300 |
| 20 | Special revenue funds: | | |
| 21 | Civil penalties..... | | 73,000 |
| 22 | Consumer and industry food safety education fund..... | | 260,300 |
| 23 | Licensing and inspection fees..... | | 2,479,900 |
| 24 | State general fund/general purpose..... | \$ | 9,207,100 |
| 25 | Sec. 105. ANIMAL INDUSTRY | | |
| 26 | Full-time equated classified positions..... | 48.0 | |
| 27 | Animal health and welfare--21.5 FTE positions..... | \$ | 2,407,500 |

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|----|--|-------------------|
| 1 | Bovine tuberculosis program--26.5 FTE positions | 5,707,700 |
| 2 | <<Viral hemorrhagic septicemia surveillance | 125,000>> |
| 2 | GROSS APPROPRIATION..... | \$ 8,115,200 |
| 3 | Appropriated from: | |
| 4 | Interdepartmental grant revenues: | |
| 5 | IDG from DNR, cervid fees..... | 100 |
| 6 | Federal revenues: | |
| 7 | DAG, multiple grants..... | <<1,252,300>> |
| 8 | HHS-FDA..... | 72,800 |
| 9 | Special revenue funds: | |
| 10 | Agriculture equine industry development fund..... | 2,399,100 |
| 11 | Licensing and inspection fees..... | 107,900 |
| 12 | State general fund/general purpose..... | \$ 4,408,000 |
| 13 | Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT | |
| 14 | Full-time equated classified positions..... 229.8 | |
| 15 | Pesticide and plant pest management--117.8 FTE | |
| 16 | positions | \$ 13,589,000 |
| 17 | Emerald ash borer control program--112.0 FTE positions | <u>10,176,300</u> |
| 18 | GROSS APPROPRIATION..... | \$ 23,765,300 |
| 19 | Appropriated from: | |
| 20 | Federal revenues: | |
| 21 | DAG, multiple grants..... | 12,460,900 |
| 22 | EPA, multiple grants..... | 1,489,500 |
| 23 | HHS-FDA..... | 68,100 |
| 24 | Special revenue funds: | |
| 25 | Private - slow-the-spread foundation..... | 147,700 |
| 26 | Commodity inspection fees..... | 1,084,700 |
| 27 | Horticulture fund..... | 79,500 |

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|----|---|------------------|
| 1 | Industry support funds..... | 340,300 |
| 2 | Licensing and inspection fees..... | 3,457,500 |
| 3 | State general fund/general purpose..... | \$ 4,637,100 |
| 4 | Sec. 107. ENVIRONMENTAL STEWARDSHIP | |
| 5 | Full-time equated classified positions..... | 42.0 |
| 6 | Environmental stewardship--27.7 FTE positions..... | \$ <<2,667,300>> |
| 7 | <<Livestock facility construction certification | 100>> |
| 7 | Technical assistance match | 100 |
| 8 | Groundwater and freshwater protection program--8.3 | |
| 9 | FTE positions | 5,461,700 |
| 10 | Farmland and open space preservation--6.0 FTE | |
| 11 | positions | 981,600 |
| 12 | Cooperative resources management initiative program.. | 100 |
| 13 | Agriculture pollution prevention program..... | 1,000,100 |
| 14 | Local conservation districts..... | 916,800 |
| 15 | Migrant labor housing..... | 175,100 |
| 16 | Aquifer protection program..... | <u>50,000</u> |
| 17 | GROSS APPROPRIATION..... | \$ 11,252,900 |
| 18 | Appropriated from: | |
| 19 | Interdepartmental grant revenues: | |
| 20 | IDG from MDEQ, aquifer protection and dispute | |
| 21 | resolution | 50,000 |
| 22 | IDG from MDEQ, biosolids..... | 92,900 |
| 23 | IDG from MDEQ, MAEAP..... | 159,700 |
| 24 | IDG from MDEQ, type II well survey..... | 17,200 |
| 25 | IDG from MDNR, district forestry and wildlife program | 100 |
| 26 | Federal revenues: | |
| 27 | DAG, multiple grants..... | 1,000,000 |

| | | | |
|----|--|-------|------------------|
| 1 | EPA, multiple grants..... | | 446,200 |
| 2 | Corporation for national and community services | | 253,200 |
| 3 | United States department of labor..... | | 150,000 |
| 4 | Special revenue funds: | | |
| 5 | Agricultural preservation fund..... | | 875,900 |
| 6 | Agriculture pollution prevention fund..... | | 100 |
| 7 | Freshwater protection fund..... | | 5,100,500 |
| 8 | Intercounty drain fund..... | | 100 |
| 9 | Migratory labor housing..... | | 25,000 |
| 10 | State general fund/general purpose..... | \$ | 3,082,000 |
| 11 | Sec. 108. LABORATORY PROGRAM | | |
| 12 | Full-time equated classified positions..... | 147.0 | |
| 13 | Laboratory services--61.5 FTE positions..... | \$ | 6,336,400 |
| 14 | USDA monitoring program--18.0 FTE positions | | 2,126,900 |
| 15 | Consumer protection program--67.5 FTE positions | | <u>5,128,700</u> |
| 16 | GROSS APPROPRIATION..... | \$ | 13,592,000 |
| 17 | Appropriated from: | | |
| 18 | Interdepartmental grant revenues: | | |
| 19 | IDG from MDLEG (LCC), liquor quality testing fees | | 189,100 |
| 20 | Federal revenues: | | |
| 21 | DAG, multiple grants..... | | 2,148,900 |
| 22 | EPA, multiple grants..... | | 351,200 |
| 23 | HHS-FDA..... | | 543,000 |
| 24 | Special revenue funds: | | |
| 25 | Gasoline inspection and testing fund..... | | 2,530,700 |
| 26 | Licensing and inspection fees..... | | 75,000 |
| 27 | Refined petroleum fund..... | | 3,166,600 |

| | | |
|----|--|---------------|
| 1 | State services fee fund..... | 519,700 |
| 2 | Testing fees..... | 434,500 |
| 3 | Weights and measures regulation fees..... | 674,000 |
| 4 | State general fund/general purpose..... | \$ 2,959,300 |
| 5 | Sec. 109. AGRICULTURE DEVELOPMENT | |
| 6 | Full-time equated classified positions..... | 8.0 |
| 7 | Agriculture development--5.0 FTE positions..... | \$ 1,100,200 |
| 8 | Grape and wine program--3.0 FTE positions..... | 716,200 |
| 9 | Michigan agricultural surplus system..... | 630,500 |
| 10 | Michigan FFA association..... | 80,000 |
| 11 | Michigan 4-H foundation..... | <u>20,000</u> |
| 12 | GROSS APPROPRIATION..... | \$ 2,546,900 |
| 13 | Appropriated from: | |
| 14 | Federal revenues: | |
| 15 | DAG, multiple grants..... | 274,400 |
| 16 | Special revenue funds: | |
| 17 | Private - commodity group..... | 40,800 |
| 18 | Agriculture equine industry development fund..... | 100,000 |
| 19 | Industry support funds..... | 311,100 |
| 20 | Nonretail liquor fees..... | 660,100 |
| 21 | State services fee fund..... | 350,700 |
| 22 | State general fund/general purpose..... | \$ 809,800 |
| 23 | Sec. 110. FAIRS AND EXPOSITIONS | |
| 24 | Full-time equated classified positions..... | 16.5 |
| 25 | Upper Peninsula state fair--7.0 FTE positions..... | \$ 1,370,700 |
| 26 | Fairs, racing and producer security--9.5 FTE positions | 1,148,500 |
| 27 | Building and track improvement - county and state | |

| | | |
|----|--|---------------------|
| 1 | fairs | 963,200 |
| 2 | Premiums - county and state fairs | 1,614,000 |
| 3 | Purses and supplements - fairs/licensed tracks | 3,031,700 |
| 4 | Licensed tracks - light horse racing | 170,900 |
| 5 | Standardbred breeders' awards | 1,273,000 |
| 6 | Standardbred purses and supplements - licensed tracks | 2,305,700 |
| 7 | Standardbred sire stakes | 1,040,000 |
| 8 | Thoroughbred sire stakes | 1,063,100 |
| 9 | Standardbred training and stabling | 44,900 |
| 10 | Thoroughbred program | 3,092,400 |
| 11 | Thoroughbred owners' awards | 159,900 |
| 12 | Distribution of outstanding winning tickets | <u>700,000</u> |
| 13 | GROSS APPROPRIATION | \$ 17,978,000 |
| 14 | Appropriated from: | |
| 15 | Special revenue funds: | |
| 16 | Agriculture equine industry development fund | 13,844,800 |
| 17 | Industry support funds | 11,000 |
| 18 | Licensing and inspection fees | 131,900 |
| 19 | State services fee fund | 2,619,600 |
| 20 | Upper Peninsula state fair revenue | 1,370,700 |
| 21 | State general fund/general purpose | \$ 0 |
| 22 | Sec. 111. OFFICE OF RACING COMMISSIONER | |
| 23 | Full-time equated classified positions | 31.7 |
| 24 | Office of racing commissioner--31.7 FTE positions | \$ <u>3,785,700</u> |
| 25 | GROSS APPROPRIATION | \$ 3,785,700 |
| 26 | Appropriated from: | |
| 27 | Special revenue funds: | |

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| | | |
|----|--|---------------------|
| 1 | State services fee fund..... | 3,785,700 |
| 2 | State general fund/general purpose..... | \$ 0 |
| 3 | Sec. 112. INFORMATION TECHNOLOGY | |
| 4 | Information technology services and projects | \$ <u>1,571,500</u> |
| 5 | GROSS APPROPRIATION..... | \$ 1,571,500 |
| 6 | Appropriated from: | |
| 7 | Interdepartmental grant revenues: | |
| 8 | IDG from MDLEG (LCC), liquor quality testing fees | 2,800 |
| 9 | Special revenue funds: | |
| 10 | Agricultural preservation fund..... | 200 |
| 11 | Agriculture equine industry development fund..... | 208,100 |
| 12 | Gasoline inspection and testing fund..... | 27,000 |
| 13 | Freshwater protection fund..... | 100 |
| 14 | Nonretail liquor fees..... | 500 |
| 15 | State services fee fund..... | 1,059,500 |
| 16 | Upper Peninsula state fair revenue..... | 900 |
| 17 | State general fund/general purpose..... | \$ 272,400 |
| | << Sec. 113. BUDGETARY SAVINGS | |
| | Budgetary savings..... | \$ (539,300) |
| | GROSS APPROPRIATION..... | \$ <u>(539,300)</u> |
| | Appropriated from: | |
| | State general fund/general purpose..... | \$ (539,300) >> |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

21 Sec. 201. Pursuant to section 30 of article IX of the state
 22 constitution of 1963, total state spending from state resources
 23 under part 1 for fiscal year 2007-2008 is \$79,009,300.00 and state
 24 spending from state resources to be paid to local units of
 25 government for fiscal year 2007-2008 is \$2,616,800.00. The itemized

1 statement below identifies appropriations from which spending to
 2 local units of government will occur:

3 DEPARTMENT OF AGRICULTURE

| | | | |
|---|--|----|----------------|
| 4 | Groundwater and freshwater protection program..... | \$ | 1,700,000 |
| 5 | Local conservation districts..... | | <u>916,800</u> |
| 6 | TOTAL..... | \$ | 2,616,800 |

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

10 Sec. 203. As used in this act:

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

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

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

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

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

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

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

20 (h) "IDG" means interdepartmental grant.

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

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

24 (k) "MDEQ" means the Michigan department of environmental
 25 quality.

26 (l) "MDLEG (LCC)" means the Michigan department of labor and
 27 economic growth - liquor control commission.

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

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

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

8 <<Sec. 205. (1) A hiring freeze is imposed on the state
9 classified civil service. State departments and agencies are
10 prohibited from hiring employees into the classified state civil
11 service or unclassified positions within the executive branch of
12 state government; creating new positions within the classified
13 state civil service or new unclassified positions; and filling new
14 or existing vacant positions by external hire from outside of state
15 government, transfer or promotion between state departments or
16 agencies, or internal promotions within a department or agency. The
17 hiring freeze described in this section applies regardless of the
18 fund source financing the position but does not apply to
19 appointments required by law.

20 (2) The state budget director may grant exceptions to the
21 hiring freeze if 1 or more of the following apply:

22 (a) The creation of a position or filling a vacant position by
23 any method is required by legal mandate, federal mandate, or court
24 order.

25 (b) The creation of a position or filling a vacant position by
26 any method is necessary to protect the health or safety of Michigan
citizens.

(c) The creation of a position or filling a vacant position by any
method is necessary to produce budgetary savings or to protect existing
state revenue or secure additional state revenue.

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(d) The creation of a position or filling a vacant position by any method is necessary to provide for the basic daily living requirements of residents of a state institution or facility.

(3) The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations and the respective fiscal agencies the number of exceptions to the hiring freeze approved for each state department or agency during the immediately preceding quarter and the reasons to justify the exception.

(4) The attorney general and secretary of state may grant exceptions to the hiring freeze for their respective departments under the same criteria that the state budget director is able to grant exceptions.>>

27

Sec. 208. Unless otherwise specified, the department shall use

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

6 <<Sec. 209. Funds appropriated in part 1 shall not be used
7 for the purchase of foreign goods or services, or both, if
8 competitively priced and of comparable quality American goods or
9 services, or both, are available. Preference should be given to
10 goods or services, or both, manufactured or provided by Michigan
11 businesses, if they are competitively priced and of comparable
12 quality. In addition, preference should be given to goods or
13 services, or both, that are manufactured or provided by Michigan
14 businesses owned and operated by veterans, if they are
15 competitively priced and of comparable quality.

16 >>

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

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

1 year ending September 30, 2008. Before the department provides for
2 an indemnification under this section, the department shall report
3 the reason for the indemnification, the amount of the
4 indemnification, and to whom the indemnification is to be paid. The
5 report shall be given to each member of the house and senate
6 appropriations subcommittees on agriculture and to the senate and
7 house fiscal agencies and the state budget director.

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

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

27 Sec. 219. From the funds appropriated in part 1 for

1 information technology, the department shall pay user fees to the
2 department of information technology for technology-related
3 services and projects. The user fees shall be subject to provisions
4 of an interagency agreement between the department and the
5 department of information technology.

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

13 Sec. 223. (1) Due to the current budgetary problems in this
14 state, out-of-state travel for the fiscal year ending September 30,
15 2008 shall be limited to situations in which 1 or more of the
16 following conditions apply:

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

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

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

25 (d) The travel is necessary to comply with federal
26 requirements.

27 (e) The travel is necessary to secure specialized training for

1 staff that is not available within this state.

2 (f) The travel is financed entirely by federal or nonstate
3 funds.

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

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

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

20 (b) The destination of each travel occurrence.

21 (c) The dates of each travel occurrence.

22 (d) A brief statement of the reason for each travel
23 occurrence.

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

1 and the proportion funded with other revenues.

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

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

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

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

18 Sec. 228. Funds appropriated in part 1 shall not be used by a
19 principal executive department, state agency, or authority to hire
20 a person to provide legal services that are the responsibility of
21 the attorney general.

22 Sec. 229. (1) The department shall report no later than April
23 1, 2008 on each specific policy change made to implement enacted
24 legislation to the senate and house appropriations subcommittees on
25 the department budget, the senate and house standing committees on
26 the department budget, the chairperson of the joint committee on
27 administrative rules, and the senate and house fiscal agencies and

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1 policy offices.

2 (2) Funds appropriated in part 1 shall not be used to prepare
3 regulatory plans or promulgate rules that fail to reduce the
4 disproportionate economic impact on small businesses pursuant to
5 section 40 of the administrative procedures act of 1969, 1969 PA
6 306, MCL 24.240.

<<Sec. 230. Appropriation authorization adjustments required due to
negative appropriations for budgetary savings shall be made only after
the approval of transfers by the legislature under section 393(2) of the
management and budget act, 1984 PA 431, MCL 18.1393.>>

7 **EXECUTIVE**

8 Sec. 301. Per diem rates for commodity committees established
9 in the agriculture commodities marketing act, 1965 PA 232, MCL
10 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA
11 114, MCL 290.551 to 290.568, and the beef industry commission act,
12 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels
13 established in section 301 of 2002 PA 516.

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

19 (a) Management services publications.

20 (b) Management services audit and licensing functions.

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

23 (d) Pesticide and plant pest management bean inspection and
24 grading services.

25 (e) Laboratory support testing for testing horses in draft
26 horse pulling contests at county fairs when local jurisdictions

1 request state assistance.

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

5 (g) Laboratory support analyses of food, livestock, and
6 agricultural products for disease, foreign products for disease,
7 toxic materials, foreign substances, and quality standards.

8 (h) Laboratory support test samples for other agencies and
9 organizations.

10 (i) Fruit and vegetable inspection at shipping and termination
11 points and processing plants.

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

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

24 Sec. 304. (1) From the funds appropriated in section 108, not
25 less than \$3,800,000.00 shall be used for the motor fuel quality
26 program to ensure motor fuel quality and quantity. Notwithstanding
27 the provisions of section 205, the department shall maintain

1 additional field and laboratory staff for the motor fuel quality
2 program.

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

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

13 **FOOD AND DAIRY**

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

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

1 affected in all aspects of the control of any food-borne outbreak.

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

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

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

21 **ANIMAL INDUSTRY**

22 Sec. 450. From the funds appropriated in section 105 for the
23 bovine tuberculosis program, the department shall reimburse the
24 department of natural resources for those costs associated with
25 monitoring and testing wildlife for bovine tuberculosis that are
26 necessary to support the department goals and are jointly agreed to

1 by the department and the department of natural resources to be in
2 excess of efforts necessary to effectively plan and execute the
3 eradication of bovine tuberculosis from Michigan's wild free-
4 ranging deer herd.

5 Sec. 451. From the funds appropriated in section 105 for
6 bovine tuberculosis, the department shall pay for all whole herd
7 testing costs and individual animal testing costs in the modified
8 accredited zone to maintain split-state status requirements. These
9 costs include indemnity and compensation for injury causing death
10 or downer to animals.

11 Sec. 452. The department shall apply for all federal and
12 private funds for which it is eligible that can be used to support
13 the bovine tuberculosis program.

14 Sec. 453. It is the legislature's intent that funding in
15 section 105 from the agriculture equine industry development fund
16 be consistent with revenue to the fund. Should casino revenue to
17 the fund during fiscal year 2007-2008 fall below that necessary for
18 listed appropriations, the expenditures should be decreased
19 accordingly.

20 Sec. 454. The department shall use its resources to
21 collaborate with the United States department of agriculture to
22 obtain TB-free status for the area of the Lower Peninsula that is
23 zoned as modified accredited advanced. The department shall also
24 aggressively work toward eradicating bovine TB in the modified
25 accredited zone.

26 Sec. 455. The department shall prepare a plan to provide for
27 cattle without official identification that may arrive at a

1 saleyard. If an animal arrives untagged at a saleyard without
2 official identification, the saleyard may charge a fee for the tag
3 and for application. The tag may be purchased by and identified to
4 the saleyard. The saleyard shall maintain records for all animals
5 tagged on its premises. The department plan shall be in compliance
6 with the "Michigan Bovine TB Eradication Program - Application for
7 TB Free/Modified Accredited Status", April 2007.

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

<<Sec. 457. On or before October 15, 2007, and on a monthly basis
thereafter, the department shall report to the senate and house
agriculture committees, the senate and house appropriations subcommittees
on agriculture, and the senate and house fiscal agencies on the
department's progress toward meeting the USDA requirements as outlined in
the March 2007 bovine TB program review. The report shall include, but is
not limited to, information and data on: wildlife risk mitigation plan
implementation in the modified accredited zone; implementation of a
movement certificate process; progress toward annual surveillance test
requirements set out in the June 2007 MOU; compliance efforts and rates
for animals crossing the Mackinac Bridge; efforts to work with slaughter
facilities in Michigan, as well as those that slaughter a significant
number of animals from Michigan; educational programs and information for
Michigan's livestock community; any other item the legislature should be
aware of that will promote or hinder efforts to achieve bovine TB-free
status for Michigan.>>

13 LABORATORY SERVICES

14 Sec. 501. From the appropriation in part 1 for laboratory
15 services, \$75,000.00 from the licensing and inspection fees fund
16 shall be used for feed testing.

17 PESTICIDE AND PLANT PEST MANAGEMENT

18 Sec. 502. It is the intent of the legislature that reductions
19 in the general fund appropriation in section 1 for pesticide and
20 plant pest management may be partially or completely offset by
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21 increases in the commodity inspection fees.

22 **ENVIRONMENTAL STEWARDSHIP**

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

1 housing program.

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

4 (a) Of the total appropriation, each local conservation
5 district meeting the minimum grant requirements shall receive a
6 grant of \$11,605.00 to support basic operations, unless the
7 district resides in a county consisting of multiple districts, in
8 which case a \$11,605.00 grant shall be divided equally among the
9 districts in that county. The amount of money allocated under this
10 subdivision shall not be used by local conservation districts to
11 replace any money received from local sources.

12 (b) Any amount remaining from the appropriation after
13 distributions under subdivision (a) shall be allocated for local
14 conservation district training.

15 Sec. 605. From the appropriation in part 1 for technical
16 assistance match, not less than \$100.00 shall be used to fund local
17 conservation district technical assistance for individuals with
18 contracts under the 2002 farm bill administered by USDA's natural
19 resources conservation service. Increasing the level of technical
20 assistance will ensure producers can access the federal money
21 available under their individual contracts and quickly put that
22 money to work in Michigan.

23 Sec. 606. The department shall actively search for all
24 possible funding sources to be used to match federal funds in the
25 USDA environmental quality incentives program.

26 **AGRICULTURE DEVELOPMENT**

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

6 Sec. 703. From the appropriation in part 1 for agriculture
7 development, a grant shall be provided to the northwest Michigan
8 horticultural research station which is limited to an amount equal
9 to resources provided by the organization not to exceed \$30,000.00.
10 The grant shall not be used by the administering agency to supplant
11 existing resources dedicated to the northwest Michigan
12 horticultural research station.

13 Sec. 704. The grant for FFA in section 109 shall be limited to
14 an amount equal to resources provided by the organization not to
15 exceed \$80,000.00. The resources provided by the organization shall
16 not be from existing dollars in the organization's budget. Indirect
17 costs may not be charged against the FFA grant in section 109 by
18 any administering agency. The grant shall not be used by the
19 administering agency to supplant existing resources dedicated to
20 the FFA organization. The grant only shall be used, awarded, or
21 expended for additional leadership activities, awards, or training
22 programs that encourage agriculture as a career.

23 Sec. 706. Not later than April 1, 2008, the department shall
24 provide a report to the house and senate appropriations
25 subcommittees on agriculture and the house and senate fiscal
26 agencies describing the department's agriculture development and
27 export market development activities. The report shall identify

1 grants awarded during the prior fiscal year, including a
2 description of federal or private funds made available as a result
3 of department activities.

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

8 Sec. 708. The department is authorized to receive and expend
9 funds appropriated from the agricultural development fund created
10 in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL
11 285.302.

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

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

19 (a) Council activities and accomplishments for the previous
20 fiscal year.

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

24 (c) Grants awarded during the prior fiscal year and the
25 results of research grant projects completed during the prior
26 fiscal year.

27 Sec. 710. The department may match external funding for

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1 domestic and international marketing programs for the purpose of
2 developing new and enhancing existing export markets for Michigan
3 agricultural products.

4 Sec. 711. The grant for 4-H in section 109 shall be limited to
5 an amount equal to resources provided by the organization not to
6 exceed \$20,000.00. The resources provided by the organization shall
7 not be from existing dollars in the organization's budget. The
8 grant shall not be used by the administering agency to supplant
9 existing resources dedicated to the 4-H organization.

<<Sec. 712. From the appropriation in section 109 for agriculture
development, 20% of federal funds received through the specialty crop
block grant program of the United States department of agriculture shall
be used to support the sale of specialty crops at farm markets and
agricultural tourism activities.>>

10 **FAIRS AND EXPOSITIONS**

11 Sec. 801. The department shall submit a report each month to
12 the state budget director, the senate and house appropriations
13 subcommittees on agriculture, and the senate and house fiscal
14 agencies that states the simulcasting revenues generated in the
15 preceding month by each licensed track and the amount received from
16 license fees.

17 Sec. 802. From the amount appropriated in section 110 for
18 purses and supplements - fairs/licensed tracks, \$280,000.00 is to
19 be used for state purse supplements at state licensed pari-mutuel
20 tracks for races comprised only of Michigan-bred horses segregated
21 into a 4-year-old colt trot division, a 4-year-old filly trot
22 division, a 4-year-old colt pace division, and a 4-year-old filly
23 pace division.

24 Sec. 803. Included in the appropriation made in section 110
25 for the thoroughbred program is \$30,500.00 for the Michigan united
26 thoroughbred breeders and owners association to conduct a

1 thoroughbred yearling show. The Michigan united thoroughbred
2 breeders and owners association shall submit to the department an
3 itemized list of expenses showing that the expenses of the yearling
4 show were paid.

5 Sec. 804. From the funds appropriated in section 110 for
6 thoroughbred owners' awards, awards shall be distributed pursuant
7 to section 20 of the horse racing law of 1995, 1995 PA 279, MCL
8 431.320.

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

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

27 Sec. 807. Of the amount appropriated in section 110 for purses

1 and supplements - fairs/licensed tracks, a sufficient amount is
2 appropriated to provide for overnight purse supplements pursuant to
3 the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

4 Sec. 808. Of the amount appropriated in section 110 for
5 premiums - county and state fairs, \$91,400.00 shall be expended to
6 reimburse up to 75% premiums paid to large livestock and equine
7 exhibitors in shows or exhibitions held by statewide associations
8 as defined by the department. Livestock expositions shall be
9 limited to participation in this program and prohibited from
10 participation in any state-funded premium programs. The Michigan
11 horse show association fall youth show shall be included.

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

17 Sec. 811. The funds appropriated in section 110 for
18 distribution of outstanding winning tickets are not available for
19 expenditure until they are deposited in the Michigan agriculture
20 equine industry development fund pursuant to section 2 of 1951 PA
21 90, MCL 431.252. These funds shall be expended in accordance with
22 section 2 of 1951 PA 90, MCL 431.252. The department shall provide
23 notice to the house and senate appropriations subcommittees on
24 agriculture at least 10 days before the funds are expended. This
25 notice shall include the amount that each program receives from the
26 outstanding winning ticket revenue deposited in the Michigan
27 agriculture equine industry development fund.

1 Sec. 812. It is the legislature's intent that funding in
2 section 110 from the agriculture equine industry development fund
3 be consistent with revenue to the fund. Should casino revenue to
4 the fund during fiscal year 2007-2008 fall below that necessary for
5 listed appropriations, the expenditures should be decreased
6 accordingly.

7 OFFICE OF RACING COMMISSIONER

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

14 Sec. 902. In the event there is no live thoroughbred race meet
15 in 2008, all purse money and program money appropriated for the
16 thoroughbred industry in fiscal year 2007-08 shall be held in
17 escrow for a period not to exceed 18 months, or until a
18 thoroughbred race meet license is applied for and granted by the
19 office of racing commissioner. In the event there is no
20 thoroughbred meet in 2008, the purse pool distribution order to be
21 issued by the office of racing commissioner in 2009 that delineates
22 distribution between the thoroughbred meet that has been held at
23 Great Lakes Downs and the joint thoroughbred/quarterhorse meet held
24 in Mt. Pleasant shall be the same distribution formula as issued in
25 2008, with the thoroughbred portion being held in escrow.