

Act No. 128
Public Acts of 2007
Approved by the Governor*
October 31, 2007
Filed with the Secretary of State
October 31, 2007
EFFECTIVE DATE: October 31, 2007

*Item Vetoes

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Cooperative resources management initiative program \$ 1,000,000 (Page 4)

Sec. 703.

Entire Section. (Page 12)

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2007**

Introduced by Senator Brown

ENROLLED SENATE BILL No. 222

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2008, from the 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	686.5	
GROSS APPROPRIATION		\$ 109,399,300
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 DHS, food bank		150,000
IDG from MDLEG (LCC), liquor quality testing fees		191,900
IDG from MDNR, cervid fees		75,000
IDG from MDNR, district forestry and wildlife program		1,000,000
Total interdepartmental grants and intradepartmental transfers		10,615,400
ADJUSTED GROSS APPROPRIATION		\$ 98,783,900
Federal revenues:		
DAG, multiple grants		17,152,100
EPA, multiple grants		2,356,200
HHS-FDA		1,079,100

	For Fiscal Year Ending Sept. 30, 2008
United States department of labor	\$ 400,000
Corporation for national and community services.....	253,200
Total federal revenues	21,240,600
Special revenue funds:	
Total local revenues	0
Private - commodity group	115,800
Private - slow-the-spread foundation.....	147,700
Total private revenues.....	263,500
Agricultural preservation fund	900,000
Agriculture equine industry development fund.....	12,552,000
Agriculture pollution prevention fund	100
Civil penalties.....	273,000
Commodity inspection fees	1,081,700
Gasoline inspection and testing fund	2,617,400
Freshwater protection fund.....	5,161,400
Horticulture fund.....	79,500
Industry support funds.....	695,900
Licensing and inspection fees.....	6,522,700
Migratory labor housing.....	25,000
Nonretail liquor fees	678,400
Refined petroleum fund.....	3,520,400
State services fee fund	9,264,800
Testing fees.....	434,500
Upper Peninsula state fair revenue	1,380,600
Consumer and industry food safety education fund.....	260,300
Weights and measures regulation fees.....	674,000
Total other state restricted revenues	46,121,700
State general fund/general purpose	\$ 31,158,100

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0
Full-time equated classified positions	46.0
Commission and boards	\$ 17,800
Unclassified positions.....	354,000
Executive direction—10.0 FTE positions	1,157,900
Management services—31.5 FTE positions.....	2,430,800
Agricultural statistics—2.0 FTE positions	137,600
Emergency management—2.5 FTE positions.....	242,300
Human resources optimization user charges.....	41,200
GROSS APPROPRIATION.....	\$ 4,381,600
Appropriated from:	
Private funds:	
Private - commodity group	75,000
Special revenue funds:	
Gasoline inspection and testing fund	59,700
Industry support funds.....	33,500
Nonretail liquor fees	8,800
Refined petroleum fund.....	239,800
State services fee fund	593,800
Upper Peninsula state fair revenue	9,000
State general fund/general purpose	\$ 3,362,000

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges.....	\$ 1,570,100
GROSS APPROPRIATION.....	\$ 1,570,100
Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	113,600

		For Fiscal Year Ending Sept. 30, 2008
EPA, multiple grants	\$	69,300
HHS-FDA		14,900
Special revenue funds:		
Agricultural preservation fund		23,900
Freshwater protection fund.....		10,800
Licensing and inspection fees.....		67,500
Nonretail liquor fees		9,000
Refined petroleum fund.....		114,000
State services fee fund		335,800
State general fund/general purpose	\$	811,300

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions	107.0	
Food safety and quality assurance—107.0 FTE positions	\$	12,627,600
Local public health operations.....		8,878,700
GROSS APPROPRIATION	\$	21,506,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations		8,878,700
Federal revenues:		
DAG, multiple grants.....		27,000
HHS-FDA		380,300
Special revenue funds:		
Civil penalties.....		273,000
Consumer and industry food safety education fund.....		260,300
Licensing and inspection fees.....		2,479,900
State general fund/general purpose	\$	9,207,100

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions	58.0	
Animal health and welfare—21.5 FTE positions	\$	2,407,400
Bovine tuberculosis program—36.5 FTE positions.....		7,092,200
GROSS APPROPRIATION	\$	9,499,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DNR, cervid fees.....		75,000
Federal revenues:		
DAG, multiple grants.....		1,127,300
HHS-FDA		72,800
Special revenue funds:		
Agriculture equine industry development fund.....		2,183,600
Licensing and inspection fees.....		107,900
State general fund/general purpose	\$	5,933,000

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	228.8	
Pesticide and plant pest management—116.8 FTE positions	\$	13,573,200
Emerald ash borer control program—112.0 FTE positions		10,176,300
GROSS APPROPRIATION	\$	23,749,500
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....		12,460,900
EPA, multiple grants		1,489,500
HHS-FDA		68,100
Special revenue funds:		
Private - slow-the-spread foundation.....		147,700
Commodity inspection fees		1,081,700
Horticulture fund.....		79,500

		For Fiscal Year Ending Sept. 30, 2008
Industry support funds.....	\$	340,300
Licensing and inspection fees.....		3,660,500
State general fund/general purpose	\$	4,421,300

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions.....	44.5	
Environmental stewardship—30.2 FTE positions.....	\$	2,857,300
Groundwater and freshwater protection program—8.3 FTE positions		5,461,700
Farmland and open space preservation—6.0 FTE positions.....		981,600
Technical assistance match		300,000
Cooperative resources management initiative program		1,000,000
Agriculture pollution prevention program.....		1,000,100
Local conservation districts.....		916,800
Migrant labor housing.....		425,100
Aquifer protection program.....		50,000
GROSS APPROPRIATION.....	\$	12,992,600
Appropriated from:		
Interdepartmental grant revenues:		
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 MDNR, district forestry and wildlife program		1,000,000
Federal revenues:		
DAG, multiple grants.....		1,000,000
EPA, multiple grants		446,200
Corporation for national and community services.....		253,200
United States department of labor		400,000
Special revenue funds:		
Agricultural preservation fund		875,900
Agriculture pollution prevention fund		100
Freshwater protection fund.....		5,150,500
Migratory labor housing.....		25,000
State general fund/general purpose	\$	3,521,900

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions.....	146.0	
Laboratory services—60.5 FTE positions	\$	6,336,400
USDA monitoring program—18.0 FTE positions		2,126,900
Consumer protection program—67.5 FTE positions		5,128,700
GROSS APPROPRIATION.....	\$	13,592,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees		189,100
Federal revenues:		
DAG, multiple grants.....		2,148,900
EPA, multiple grants		351,200
HHS-FDA		543,000
Special revenue funds:		
Gasoline inspection and testing fund		2,530,700
Licensing and inspection fees.....		75,000
Refined petroleum fund.....		3,166,600
State services fee fund		519,700
Testing fees.....		434,500
Weights and measures regulation fees.....		674,000
State general fund/general purpose	\$	2,959,300

Sec. 109. AGRICULTURE DEVELOPMENT

Full-time equated classified positions.....	8.0	
Agriculture development—5.0 FTE positions.....		\$ 1,100,200
Grape and wine program—3.0 FTE positions.....		716,200
Export market development program.....		50,000
Michigan agricultural surplus system.....		630,500
GROSS APPROPRIATION.....		\$ 2,496,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DHS, food bank.....		150,000
Federal revenues:		
DAG, multiple grants.....		274,400
Special revenue funds:		
Private - commodity group.....		40,800
Industry support funds.....		311,100
Nonretail liquor fees.....		660,100
State services fee fund.....		350,700
State general fund/general purpose.....		\$ 709,800

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions.....	16.5	
Upper Peninsula state fair—7.0 FTE positions.....		\$ 1,370,700
Fairs, racing and producer security—9.5 FTE positions.....		1,148,500
Premiums - county and state fairs.....		1,614,000
Purses and supplements - fairs/licensed tracks.....		2,370,000
Licensed tracks - light horse racing.....		132,000
Standardbred breeders' awards.....		969,000
Standardbred purses and supplements - licensed tracks.....		1,789,300
Standardbred sire stakes.....		810,000
Thoroughbred sire stakes.....		830,000
Standardbred training and stabling.....		36,000
Thoroughbred program.....		2,400,000
Thoroughbred owners' awards.....		124,000
Distribution of outstanding winning tickets.....		700,000
GROSS APPROPRIATION.....		\$ 14,293,500
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		10,160,300
Industry support funds.....		11,000
Licensing and inspection fees.....		131,900
State services fee fund.....		2,619,600
Upper Peninsula state fair revenue.....		1,370,700
State general fund/general purpose.....		\$ 0

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions.....	31.7	
Office of racing commissioner—31.7 FTE positions.....		\$ 3,785,700
GROSS APPROPRIATION.....		\$ 3,785,700
Appropriated from:		
Special revenue funds:		
State services fee fund.....		3,785,700
State general fund/general purpose.....		\$ 0

Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects.....		\$ 1,531,500
GROSS APPROPRIATION.....		\$ 1,531,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees.....		2,800

For Fiscal Year
Ending Sept. 30,
2008

Special revenue funds:	
Agricultural preservation fund	\$ 200
Agriculture equine industry development fund.....	208,100
Gasoline inspection and testing fund	27,000
Freshwater protection fund.....	100
Nonretail liquor fees	500
State services fee fund	1,059,500
Upper Peninsula state fair revenue	900
State general fund/general purpose	\$ 232,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is \$77,279,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$2,616,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program	\$ 1,700,000
Local conservation districts	916,800
TOTAL	\$ 2,616,800

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "Department" means the department of agriculture.
- (c) "Director" means the director of the department.
- (d) "EPA" means the United States environmental protection agency.
- (e) "FFA" means future farmers of America.
- (f) "FTE" means full-time equated.
- (g) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (h) "IDG" means interdepartmental grant.
- (i) "MAEAP" means the Michigan agriculture environmental assurance program.
- (j) "MDCH" means the Michigan department of community health.
- (k) "MDEQ" means the Michigan department of environmental quality.
- (l) "MDLEG (LCC)" means the Michigan department of labor and economic growth - liquor control commission.
- (m) "MDNR" means the Michigan department of natural resources.
- (n) "USDA" means the United States department of agriculture.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant

state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

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

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

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

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2008. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

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

Sec. 228. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal 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.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$6,000,000.00 for state restricted 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.

(3) In addition to the funds appropriated in part 1, there is 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. (1) The department shall report no later than April 1, 2008 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 230. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 231. From the funds appropriated in part 1 for salaries and benefits, the department shall provide funding in the pesticide and plant pest management, food and dairy, animal industry, environmental stewardship and laboratory divisions for not less than 315 employees who provide direct service to the public or substantially support the work of those who provide direct service. Expenditures shall be made so that these divisions continue to provide service to protect the public health, safety, and welfare and environment.

Sec. 232. From the funds appropriated in part 1, the director shall implement continuous improvement efficiency mechanisms in the programs administered by the department. 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 director 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 departmental 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.
- (b) Management services audit and licensing functions.
- (c) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (d) Pesticide and plant pest management bean inspection and grading services.
- (e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (g) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (h) Laboratory support test samples for other agencies and organizations.
- (i) Fruit and vegetable inspection at shipping and termination points and processing plants.

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

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

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

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

Sec. 306. From the funds appropriated in section 102, private funds for agricultural statistics shall be used to match state funds at not less than 50% of study costs.

FOOD AND DAIRY

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

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

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

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

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

Sec. 406. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the food and dairy inspection program.

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

ANIMAL INDUSTRY

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

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

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

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

Sec. 455. The department shall prepare a plan to provide for cattle without official identification that may arrive at a saleyard. If an animal arrives untagged at a saleyard without official identification, the saleyard may charge a fee for the tag and for application. The tag may be purchased by and identified to the saleyard. The saleyard shall maintain records for all animals tagged on its premises. The department plan shall be in compliance with the "Michigan Bovine TB Eradication Program - Application for TB Free/Modified Accredited Status", April 2007.

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

Sec. 458. From the funds appropriated in section 105 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

Sec. 459. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the bovine tuberculosis program.

LABORATORY SERVICES

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

PESTICIDE AND PLANT PEST MANAGEMENT

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

ENVIRONMENTAL STEWARDSHIP

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

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

(a) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of \$11,605.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a \$11,605.00 grant shall be divided equally among the districts in that county. The amount of money

allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

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

Sec. 605. From the appropriation in part 1 for technical assistance match, not less than \$300,000.00 shall be used to fund local conservation district technical assistance for individuals with contracts under the 2002 farm bill administered by USDA's natural resources conservation service. Increasing the level of technical assistance will ensure producers can access the federal money available under their individual contracts and quickly put that money to work in Michigan.

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

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

AGRICULTURE DEVELOPMENT

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

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

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

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

Sec. 707. In awarding grants from the agricultural development fund created under the Julian-Stille value-added act, 2000 PA 322, MCL 285.301 to 285.304, the department shall give due consideration to the diversity of Michigan agriculture and its economic importance.

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

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

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

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

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

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

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

Sec. 712. In making applications for grants under the United States department of agriculture specialty crop block grant program, the department shall seek to obtain 20% of federal funds received through the specialty crop block grant program for the support of specialty crop sales at farm markets and for agricultural tourism activities.

FAIRS AND EXPOSITIONS

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

Sec. 802. From the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, \$220,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

Sec. 803. Included in the appropriation made in section 110 for the thoroughbred program is \$23,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

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

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

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

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

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

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

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

Sec. 813. It is the intent of the legislature that the appropriation line item, building and track improvement, county and state fairs, which had been authorized at \$963,200.00 in the 2006-2007 fiscal year agriculture budget, article 1 of 2006 PA 345, be restored to the \$963,200.00 level in the fiscal year beginning October 1, 2008.

OFFICE OF RACING COMMISSIONER

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

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved

.....
Governor