

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 5875, entitled

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2011; 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.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Secnd: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2011; 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.

John Espinoza

Cameron Brown

Gary McDowell

Ron Jelinek

Matt Lori

Martha G. Scott

Conferees for the House

Conferees for the Senate

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5875**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2011; 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:

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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, 2011, from the

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

3 **DEPARTMENT OF AGRICULTURE**

4 APPROPRIATION SUMMARY

5	Full-time equated unclassified positions.....	2.0	
6	Full-time equated classified positions.....	456.5	
7	GROSS APPROPRIATION.....	\$	76,448,300
8	Interdepartmental grant revenues:		
9	IDG from MDELEG (LCC), liquor quality testing fees ...		191,900
10	IDG from MDNRE, biosolids.....		97,200
11	Total interdepartmental grants and intradepartmental		
12	transfers		289,100
13	ADJUSTED GROSS APPROPRIATION.....	\$	76,159,200
14	Federal revenues:		
15	USDA, multiple grants.....		11,028,300
16	EPA, multiple grants.....		1,728,900
17	HHS-FDA.....		1,701,500
18	United States department of labor.....		463,900
19	Total federal revenues.....		14,922,600
20	Special revenue funds:		
21	Total local revenues.....		0
22	Private - slow-the-spread foundation.....		166,400
23	Private - commodity group revenue.....		93,700
24	Total private revenues.....		260,100
25	Agricultural preservation fund.....		3,002,700
26	Agriculture equine industry development fund.....		4,476,900
27	Agriculture pollution prevention fund.....		100

1	Animal welfare fund.....	142,400
2	Commodity inspection fees.....	1,002,000
3	Consumer and industry food safety education fund.....	278,000
4	Dairy and food safety fund.....	2,885,500
5	Freshwater protection fund.....	5,127,600
6	Gasoline inspection and testing fund.....	2,752,500
7	Grain dealer fee fund.....	163,500
8	Horticulture fund.....	89,300
9	Industry support funds.....	700,300
10	Licensing and inspection fees.....	4,117,600
11	Migrant housing inspection fees.....	112,300
12	Migratory labor housing fund.....	28,600
13	Nonretail liquor fees.....	718,800
14	Refined petroleum fund.....	3,870,900
15	State services fee fund.....	53,400
16	Testing fees.....	434,500
17	Weights and measures regulation fees.....	722,500
18	Total other state restricted revenues.....	30,679,400
19	State general fund/general purpose.....	\$ 30,297,100
20	Sec. 102. EXECUTIVE	
21	Full-time equated unclassified positions..... 2.0	
22	Full-time equated classified positions..... 27.5	
23	Commissions and boards.....	\$ 23,800
24	Unclassified positions--2.0 FTE positions.....	213,300
25	Executive direction--8.0 FTE positions.....	996,200
26	Management services--12.0 FTE positions.....	928,600
27	Statistical reporting service--1.0 FTE positions.....	148,500

1	Emergency management--6.5 FTE positions	741,800
2	Accounting service center	<u>878,300</u>
3	GROSS APPROPRIATION	\$ 3,930,500
4	Appropriated from:	
5	Federal revenues:	
6	HHS-FDA	500,000
7	Special revenue funds:	
8	Private - commodity group revenue	82,600
9	Industry support funds	38,400
10	Nonretail liquor fees	8,800
11	Refined petroleum fund	57,800
12	State general fund/general purpose	\$ 3,242,900
13	Sec. 103. DEPARTMENTWIDE	
14	Rent and building occupancy charges	\$ <u>1,042,200</u>
15	GROSS APPROPRIATION	\$ 1,042,200
16	Appropriated from:	
17	Federal revenues:	
18	USDA, multiple grants	236,000
19	EPA, multiple grants	182,900
20	HHS-FDA	45,500
21	Special revenue funds:	
22	Agricultural preservation fund	23,900
23	Freshwater protection fund	35,200
24	Licensing and inspection fees	177,800
25	Nonretail liquor fees	30,300
26	Refined petroleum fund	257,200
27	State services fee fund	53,400

1	State general fund/general purpose	\$	0
2	Sec. 104. FOOD AND DAIRY		
3	Full-time equated classified positions.....	107.0	
4	Food safety and quality assurance--81.0 FTE positions	\$	9,744,900
5	Milk safety and quality assurance--26.0 FTE positions		<u>3,259,200</u>
6	GROSS APPROPRIATION.....	\$	13,004,100
7	Appropriated from:		
8	Federal revenues:		
9	USDA, multiple grants		226,100
10	HHS-FDA.....		432,600
11	Special revenue funds:		
12	Consumer and industry food safety education fund		278,000
13	Dairy and food safety fund.....		2,885,500
14	State general fund/general purpose	\$	9,181,900
15	Sec. 105. ANIMAL INDUSTRY		
16	Full-time equated classified positions.....	68.0	
17	Animal disease prevention and response--68.0 FTE		
18	positions	\$	<u>9,474,200</u>
19	GROSS APPROPRIATION.....	\$	9,474,200
20	Appropriated from:		
21	Federal revenues:		
22	USDA, multiple grants		1,215,800
23	HHS-FDA.....		75,400
24	Special revenue funds:		
25	Animal welfare fund.....		142,400
26	Licensing and inspection fees.....		111,400
27	State general fund/general purpose	\$	7,929,200

1 **Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT**

2	Full-time equated classified positions.....	108.0	
3	Pesticide and plant pest management--94.0 FTE		
4	positions		\$ 11,347,000
5	Emerald ash borer control program--10.0 FTE positions		2,138,500
6	Producer security/grain dealers--4.0 FTE positions ...		<u>552,600</u>
7	GROSS APPROPRIATION.....		\$ 14,038,100
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	Federal revenues:		
11	USDA, multiple grants.....		3,214,400
12	EPA, multiple grants.....		838,600
13	HHS-FDA.....		105,000
14	Special revenue funds:		
15	Private - slow-the-spread foundation.....		166,400
16	Commodity inspection fees.....		1,002,000
17	Grain dealers fee fund.....		163,500
18	Horticulture fund.....		89,300
19	Industry support funds.....		461,900
20	Licensing and inspection fees.....		3,670,100
21	State general fund/general purpose.....		\$ 4,326,900

22 **Sec. 107. ENVIRONMENTAL STEWARDSHIP**

23	Full-time equated classified positions.....	39.0	
24	Environmental stewardship.....		\$ 94,400
25	Michigan agriculture environmental assurance program--		
26	3.0 FTE positions		262,000
27	Groundwater and freshwater protection program--15.0		

1	FTE positions	5,354,100
2	Farmland and open space preservation--9.0 FTE	
3	positions	928,600
4	Agriculture pollution prevention program.....	1,000,100
5	Local conservation districts.....	100
6	Migrant labor housing--6.0 FTE positions.....	1,142,800
7	Right-to-farm--3.0 FTE positions.....	504,300
8	Intercounty drain--3.0 FTE positions.....	<u>416,100</u>
9	GROSS APPROPRIATION.....	\$ 9,702,500
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from MDNRE, biosolids.....	97,200
13	Federal revenues:	
14	USDA, multiple grants.....	1,000,000
15	EPA, multiple grants.....	356,200
16	United States department of labor.....	463,900
17	Special revenue funds:	
18	Agricultural preservation fund.....	928,600
19	Agriculture pollution prevention fund.....	100
20	Freshwater protection fund.....	5,092,300
21	Migrant housing inspection fees.....	112,300
22	Migratory labor housing fund.....	28,600
23	State general fund/general purpose.....	\$ 1,623,300
24	Sec. 108. LABORATORY PROGRAM	
25	Full-time equated classified positions.....	97.0
26	Laboratory services--45.0 FTE positions.....	\$ 6,085,600
27	USDA monitoring--13.0 FTE positions.....	2,259,000

1	Consumer protection program--39.0 FTE positions	<u>5,498,100</u>
2	GROSS APPROPRIATION.....	\$ 13,842,700
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from MDELEG (LCC), liquor quality testing fees ...	189,100
6	Federal revenues:	
7	USDA, multiple grants.....	2,281,000
8	EPA, multiple grants.....	351,200
9	HHS-FDA.....	543,000
10	Special revenue funds:	
11	Agriculture equine industry development fund.....	541,700
12	Gasoline inspection and testing fund.....	2,639,400
13	Licensing and inspection fees.....	79,500
14	Refined petroleum fund.....	3,555,900
15	Testing fees.....	434,500
16	Weights and measures regulation fees.....	722,500
17	State general fund/general purpose.....	\$ 2,504,900
18	Sec. 109. AGRICULTURE DEVELOPMENT	
19	Full-time equated classified positions.....	7.0
20	Agriculture development--4.0 FTE positions.....	\$ 2,056,700
21	Grape and wine program--3.0 FTE positions.....	<u>736,800</u>
22	GROSS APPROPRIATION.....	\$ 2,793,500
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	Federal revenues:	
26	USDA, multiple grants.....	1,605,000
27	Special revenue funds:	

1	Private - commodity group revenue.....		11,100
2	Industry support funds.....		200,000
3	Nonretail liquor fees.....		679,200
4	State general fund/general purpose.....	\$	298,200
5	Sec. 110. FAIRS AND EXPOSITIONS		
6	Full-time equated classified positions.....	3.0	
7	Fairs and racing--3.0 FTE positions.....	\$	394,400
8	Purses and supplements - fairs/licensed tracks.....		764,300
9	Licensed tracks - light horse racing.....		42,600
10	Standardbred breeders' awards.....		312,500
11	Standardbred purses and supplements - licensed tracks		577,000
12	Standardbred sire stakes.....		261,200
13	Standardbred training and stabling.....		11,600
14	Thoroughbred owners' awards.....		39,900
15	Thoroughbred supplements - licensed tracks.....		387,000
16	Thoroughbred breeder's awards.....		387,000
17	Thoroughbred sire stakes.....		267,600
18	Distribution of outstanding winning tickets.....		<u>375,000</u>
19	GROSS APPROPRIATION.....	\$	3,820,100
20	Appropriated from:		
21	Special revenue funds:		
22	Agriculture equine industry development fund.....		3,820,100
23	State general fund/general purpose.....	\$	0
24	Sec. 111. INFORMATION AND TECHNOLOGY		
25	Information technology services and projects.....	\$	<u>1,500,400</u>
26	GROSS APPROPRIATION.....	\$	1,500,400
27	Appropriated from:		

1	Interdepartmental grant revenues:	
2	IDG from MDLEG (LCC), liquor quality testing fees	2,800
3	Special revenue funds:	
4	Agricultural preservation fund.....	200
5	Agriculture equine industry development fund.....	115,100
6	Gasoline inspection testing fund.....	113,100
7	Freshwater protection fund.....	100
8	Licensing and inspection fees.....	78,800
9	Nonretail liquor fees.....	500
10	State general fund/general purpose.....	\$ 1,189,800
11	Sec. 112. CAPITAL OUTLAY	
12	Farmland and open space development acquisition.....	\$ <u>3,300,000</u>
13	GROSS APPROPRIATION.....	\$ 3,300,000
14	Appropriated from:	
15	Federal revenues:	
16	USDA, multiple grants.....	1,250,000
17	Special revenue funds:	
18	Agriculture preservation fund.....	2,050,000
19	State general fund/general purpose.....	\$ 0

20 PART 2

21 PROVISIONS CONCERNING APPROPRIATIONS

22 GENERAL SECTIONS

23 Sec. 201. Pursuant to section 30 of article IX of the state
 24 constitution of 1963, total state spending from state resources
 25 under part 1 for fiscal year 2010-2011 is \$60,976,500.00 and state

1 spending from state resources to be paid to local units of
 2 government for fiscal year 2010-2011 is \$1,500,000.00. The itemized
 3 statement below identifies appropriations from which spending to
 4 local units of government will occur:

5 DEPARTMENT OF AGRICULTURE

6 Groundwater and freshwater protection program..... \$ 1,500,000

7 TOTAL..... \$ 1,500,000

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

11 Sec. 203. As used in this act:

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

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

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

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

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

19 (f) "IDG" means interdepartmental grant.

20 (g) "MDELEG" means the Michigan department of energy, labor,
 21 and economic growth.

22 (h) "MDNRE" means the Michigan department of natural resources
 23 and environment.

24 (i) "USDA" means the United States department of agriculture.

25 Sec. 204. The civil service commission shall bill departments
 26 and agencies at the end of the first fiscal quarter for the charges
 27 authorized by section 5 of article XI of the state constitution of

1 1963. Payments shall be made for the total amount of the billing by
2 the end of the second fiscal quarter.

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

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

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

27 Sec. 209. Funds appropriated in part 1 shall not be used for

1 the purchase of foreign goods or services, or both, if
2 competitively priced and of comparable quality American goods or
3 services, or both, are available. Preference shall be given to
4 goods or services, or both, manufactured or provided by Michigan
5 businesses, if they are competitively priced and of comparable
6 quality. In addition, preference shall be given to goods or
7 services, or both, that are manufactured or provided by Michigan
8 businesses owned and operated by veterans, if they are
9 competitively priced and of comparable quality.

10 Sec. 210. The director shall take all reasonable steps to
11 ensure businesses in deprived and depressed communities compete for
12 and perform contracts to provide services or supplies, or both. The
13 director shall strongly encourage firms with which the department
14 contracts to subcontract with certified businesses in depressed and
15 deprived communities for services, supplies, or both.

16 Sec. 212. (1) Of the funds appropriated in part 1, the
17 department may provide for indemnity as provided for pursuant to
18 the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not
19 to exceed \$100,000.00 per order from any line item for the fiscal
20 year ending September 30, 2011. Before the department provides for
21 an indemnification under this section, the department shall report
22 the reason for the indemnification, the amount of the
23 indemnification, and to whom the indemnification is to be paid. The
24 report shall be given to each member of the senate and house
25 appropriations subcommittees on agriculture and to the senate and
26 house fiscal agencies and the state budget director.

27 (2) The department of agriculture shall make an

1 indemnification payment for the fair market value of livestock
2 killed by a wolf, coyote, or cougar, if the kill is verified by the
3 department of natural resources and environment. The fair market
4 value of the livestock shall be determined pursuant to the
5 indemnification procedures prescribed in the animal industry act,
6 1988 PA 466, MCL 287.701 to 287.745. In addition to the funds
7 appropriated in part 1, the department of agriculture is authorized
8 to expend the funds received from the department of natural
9 resources and environment to reimburse the department of
10 agriculture for all indemnification payments made pursuant to this
11 subsection.

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

20 Sec. 215. From the funds appropriated in part 1, the
21 department shall use an amount not to exceed \$10,000.00 to develop,
22 post, and maintain, on a publicly accessible Internet site, all
23 expenditures made by the agency within a fiscal year. The posting
24 must include the purpose for which each expenditure is made. The
25 department shall not be required to hire additional employees to
26 comply with this section.

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

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

7 Sec. 220. Amounts appropriated in part 1 for information
8 technology may be designated as work projects and carried forward
9 to support technology projects under the direction of the
10 department of technology, management, and budget. Funds designated
11 in this manner are not available for expenditure until approved as
12 work projects under section 451a of the management and budget act,
13 1984 PA 431, MCL 18.1451a.

14 Sec. 223. (1) Due to the current budgetary problems in this
15 state, out-of-state travel shall be limited to situations in which
16 1 or more of the 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) Not later than January 1 of each year, each department
5 shall prepare a travel report listing all travel by classified and
6 unclassified employees outside this state in the immediately
7 preceding fiscal year that was funded in whole or in part with
8 funds appropriated in the department's budget. The report shall be
9 submitted to the senate and house appropriations committees, the
10 senate and house fiscal agencies, and the state budget director.
11 The report shall include the following information:

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

14 (b) The destination of each travel occurrence.

15 (c) The dates of each travel occurrence.

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

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

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

25 Sec. 224. The department shall not take disciplinary action
26 against an employee for truthfully to the best of his or her
27 knowledge communicating with a member of the legislature or his or

1 her staff.

2 Sec. 228. (1) In addition to the funds appropriated in part 1,
3 there is appropriated an amount not to exceed \$5,000,000.00 for
4 federal contingency funds. These funds are not available for
5 expenditure until they have been transferred to another line item
6 in this act under section 393(2) of the management and budget act,
7 1984 PA 431, MCL 18.1393.

8 (2) In addition to the funds appropriated in part 1, there is
9 appropriated an amount not to exceed \$6,000,000.00 for state
10 restricted contingency funds. These funds are not available for
11 expenditure until they have been transferred to another line item
12 in this act under section 393(2) of the management and budget act,
13 1984 PA 431, MCL 18.1393.

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

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

26 Sec. 229. (1) The department shall report no later than April
27 1, 2011 on each specific policy change made to implement a public

1 act affecting the department that took effect during the prior
2 calendar year to the senate and house appropriations subcommittees
3 on the budget for the department, the joint committee on
4 administrative rules, and the senate and house fiscal agencies.

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

12 (3) As used in this section:

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

15 (b) "Small business" means that term as defined under section
16 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
17 24.207a.

18 Sec. 230. 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. This prohibition does not apply to legal
22 services for bonding activities and for those activities that the
23 attorney general authorizes.

24 Sec. 231. From the funds appropriated in part 1 for salaries
25 and benefits, the department shall provide funding in the pesticide
26 and plant pest management, food and dairy, animal industry,
27 environmental stewardship and laboratory divisions for not less

1 than 315 employees who provide direct service to the public or
2 substantially support the work of those who provide direct service.
3 Expenditures shall be made so that these divisions continue to
4 provide service to protect the public health, safety, and welfare
5 and environment.

6 Sec. 237. Not later than September 30, 2011, the department
7 shall prepare and transmit a report that provides for estimates of
8 the total general fund/general purpose appropriation lapses at the
9 close of the fiscal year. This report shall summarize the projected
10 year-end general fund/general purpose appropriation lapses by major
11 departmental program or program areas. The report shall be
12 transmitted to the office of the state budget, the chairpersons of
13 the senate and house appropriations committees, and the senate and
14 house fiscal agencies.

15 **EXECUTIVE**

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

21 (a) Management services publications.

22 (b) Management services audit and licensing functions.

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

25 (d) Pesticide and plant pest management grading services.

26 (e) Laboratory support testing for testing horses in draft

1 horse pulling contests at county fairs when local jurisdictions
2 request state assistance.

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

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

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

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

13 (2) The department shall notify the senate and house
14 appropriations subcommittees on agriculture and the senate and
15 house fiscal agencies 30 days prior to proposing changes in fees
16 authorized under this section or under section 5 of 1915 PA 91, MCL
17 285.35.

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

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

FOOD AND DAIRY

Sec. 401. 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.

Sec. 402. Not later than April 1, 2011, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies describing significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the 2009-2010 fiscal year.

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 section 4117 of the food law of 2000, 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 law of 2000, 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.

ANIMAL INDUSTRY

Sec. 450. From the funds appropriated in section 105 for the

1 bovine tuberculosis program, the department shall reimburse the
2 department of natural resources and environment for those costs
3 associated with monitoring and testing wildlife for bovine
4 tuberculosis that are necessary to support the department goals and
5 are jointly agreed to by the department and the department of
6 natural resources and environment to be in excess of efforts
7 necessary to effectively plan and execute the eradication of bovine
8 tuberculosis from Michigan's wild free-ranging deer herd.

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

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

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

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

1 outlined in statute.

2 Sec. 457. On or before October 15, 2010, and on a quarterly
3 basis thereafter, the department shall report to the senate and
4 house agriculture committees, the senate and house appropriations
5 subcommittees on agriculture, and the senate and house fiscal
6 agencies on the department's progress toward meeting the USDA
7 requirements as outlined in the March 2007 bovine TB program
8 review. The report shall include, but is not limited to,
9 information and data on: wildlife risk mitigation plan
10 implementation in the modified accredited zone; implementation of a
11 movement certificate process; progress toward annual surveillance
12 test requirements set out in the June 2007 MOU; compliance efforts
13 and rates for animals crossing the Mackinac Bridge; efforts to work
14 with slaughter facilities in Michigan, as well as those that
15 slaughter a significant number of animals from Michigan;
16 educational programs and information for Michigan's livestock
17 community; any other item the legislature should be aware of that
18 will promote or hinder efforts to achieve bovine TB-free status for
19 Michigan.

20 Sec. 458. From the funds appropriated in section 105 for
21 animal industry, the department shall provide inspection and
22 testing of aquaculture facilities and aquaculture researchers as
23 provided under the Michigan aquaculture development act, 1996 PA
24 199, MCL 286.877. It is the intent of the legislature that the
25 department shall work with aquaculture facilities and aquaculture
26 researchers to identify, contain, and eradicate viral hemorrhagic
27 septicemia in this state.

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

4 Sec. 460. Of the appropriation in section 105 for animal
5 health and welfare, budgetary reductions for the fiscal year ending
6 September 30, 2011 shall not be taken from the aquaculture program,
7 but shall be taken from other programs funded in the animal health
8 and welfare appropriation line item.

9 **PESTICIDE AND PLANT PEST MANAGEMENT**

10 Sec. 551. It is the intent of the legislature that the
11 department work with the fruit and vegetable industry to ensure the
12 development of a sustainable system of third-party inspections of
13 fruits and vegetables.

14 Sec. 552. The department shall evaluate methods for limiting
15 the transport of invasive species in or on pallets. The evaluation
16 shall include an assessment for the costs and benefits of using
17 commercially available treatments for mitigating infestation and
18 preventing reinfestation of pallets. The department shall report to
19 the legislature on the findings of the evaluations and make
20 recommendations for limiting the transport of invasive species in
21 pallets.

22 Sec. 553. From the funds appropriated in part 1 for pesticide
23 and plant pest management, not less than \$200,000.00 shall be used
24 for the purpose to ensure that Michigan commodities receive
25 departmental inspections required by other governments to ship
26 commodities out of Michigan. The department shall devise a plan to

1 provide these required government inspections in a timely manner.

2 **ENVIRONMENTAL STEWARDSHIP**

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

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

9 Sec. 607. It is the intent of the legislature that the
10 department continue its activities in support of intercounty
11 drainage districts as provided in chapter 5 of the drain code of
12 1956, 1956 PA 40, MCL 280.101 to 280.106.

13 **AGRICULTURE DEVELOPMENT**

14 Sec. 706. Not later than April 1, 2011, the department shall
15 provide a report to the senate and house appropriations
16 subcommittees on agriculture and the senate and house fiscal
17 agencies describing the department's agriculture development and
18 export market development activities. The report shall identify
19 grants awarded during the prior fiscal year, including a
20 description of federal or private funds made available as a result
21 of department activities.

22 Sec. 709. (1) Not later than April 1, 2011, the department
23 shall provide a report to the senate and house appropriations
24 subcommittees on agriculture and the senate and house fiscal
25 agencies describing the activities of the grape and wine industry

1 council established under section 303 of the Michigan liquor
2 control act of 1998, 1998 PA 58, MCL 436.1303.

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

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

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

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

12 Sec. 711. In accordance with chapter 8B of the Michigan
13 strategic fund act, 1984 PA 270, MCL 125.2089 to 125.2089d, it is
14 the intent of the legislature that the Michigan strategic fund, its
15 employees, contract employees, and individuals working on its
16 behalf collaborate with the Michigan department of agriculture to
17 promote business development of Michigan agricultural products to
18 achieve outcomes that include, but are not limited to, increases in
19 export sales, increases in the number of retailers carrying
20 Michigan commodities both within and outside of this state, and
21 increased sales of Michigan products at chain grocers.

22 **FAIRS AND EXPOSITIONS**

23 Sec. 801. All appropriations from the agricultural equine
24 industry development fund shall be spent on equine related
25 purposes. No funds from the agriculture equine industry development
26 fund shall be expended for nonequine related purposes without prior

1 approval of the legislature.

2 Sec. 802. All appropriations from the agriculture equine
3 industry development fund, except for the racing commission and
4 laboratory analysis program appropriations, shall be reduced
5 proportionately if revenues to the agriculture equine industry
6 development fund decline during the fiscal year ending September
7 30, 2011 to a level lower than the amounts appropriated in section
8 108.

9 Sec. 803. In the event there is no live thoroughbred race meet
10 in 2010 or 2011, all purse money and program money appropriated for
11 the thoroughbred industry in fiscal year 2009-2010 and fiscal year
12 2010-2011 shall be held in escrow for a period not to exceed 18
13 months, or until a thoroughbred race meet license is applied for
14 and granted by the Michigan gaming control board. In the event
15 there is no thoroughbred meet in 2010 or 2011, the purse pool
16 distribution order to be issued by the Michigan gaming control
17 board in 2011 that delineates distribution between the thoroughbred
18 meet that has been held at pinnacle race course and the joint
19 thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the
20 same distribution formula as issued in 2010, with the thoroughbred
21 portion being held in escrow.

22 Sec. 804. The Michigan gaming control board shall use actual
23 expenditure data in determining the actual regulatory costs of
24 conducting racing dates and shall provide that data to the senate
25 and house of representatives appropriations subcommittees on
26 agriculture and general government and the senate and house fiscal
27 agencies. The Michigan gaming control board shall not be reimbursed

1 for more than the actual regulatory cost of conducting race dates.
2 If a certified horsemen's organization funds more than the actual
3 regulatory cost, the balance shall remain in the agriculture equine
4 industry development fund to be used to fund subsequent race dates
5 conducted by race meeting licensees with which the certified
6 horsemen's organization has contracts. If a certified horsemen's
7 organization funds less than the actual regulatory costs of the
8 additional horse racing dates, the Michigan gaming control board
9 shall reduce the number of future race dates conducted by race
10 meeting licensees with which the certified horsemen's organization
11 has contracts. Prior to the reduction in the number of authorized
12 race dates due to budget deficits, the executive director of the
13 Michigan gaming control board shall provide notice to the certified
14 horsemen's organizations with an opportunity to respond with
15 alternatives. In determining actual costs, the Michigan gaming
16 control board shall take into account that each specific breed may
17 require different regulatory mechanisms.

18 CAPITAL OUTLAY

19 Sec. 1001. Of the amounts appropriated in part 1 for farmland
20 and open space development acquisition, the funds shall be used for
21 the purchase of development rights and the awarding of grants by
22 the agriculture preservation fund board under the natural resources
23 and environmental protection act, 1994 PA 451, MCL 324.101 to
24 324.90106.

25 Sec. 1002. (1) The director shall allocate lump-sum
26 appropriations made in this act consistent with statutory

1 provisions and the purposes for which funds were appropriated.
2 Lump-sum allocations shall address priority program or facility
3 needs and may include, but are not limited to, design,
4 construction, remodeling and addition, special maintenance, major
5 special maintenance, energy conservation, and demolition.

6 (2) The state budget director may authorize that funds
7 appropriated for lump-sum appropriations shall be available for no
8 more than 3 fiscal years following the fiscal year in which the
9 original appropriation was made. Any remaining balance from
10 allocations made in this section shall lapse to the fund from which
11 it was appropriated pursuant to the lapsing of funds as provided in
12 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

13 Sec. 1003. The appropriations in part 1 for capital outlay
14 shall be carried forward at the end of the fiscal year consistent
15 with the provisions of section 248 of the management and budget
16 act, 1984 PA 431, MCL 18.1248.