

Act No. 166
Public Acts of 2010
Approved by the Governor
September 23, 2010
Filed with the Secretary of State
September 23, 2010
EFFECTIVE DATE: September 23, 2010

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010**

Introduced by Rep. Espinoza

ENROLLED HOUSE BILL No. 5875

AN ACT 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:

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 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	2.0	
Full-time equated classified positions	456.5	
GROSS APPROPRIATION	\$	76,448,300
Interdepartmental grant revenues:		
IDG from MDELEG (LCC), liquor quality testing fees		191,900
IDG from MDNRE, biosolids		97,200
Total interdepartmental grants and intradepartmental transfers		289,100
ADJUSTED GROSS APPROPRIATION	\$	76,159,200
Federal revenues:		
USDA, multiple grants		11,028,300
EPA, multiple grants		1,728,900
HHS-FDA		1,701,500
United States department of labor		463,900
Total federal revenues		14,922,600
Special revenue funds:		
Total local revenues		0
Private - slow-the-spread foundation		166,400
Private - commodity group revenue		93,700
Total private revenues		260,100
Agricultural preservation fund		3,002,700

For Fiscal Year
Ending Sept. 30,
2011

Agriculture equine industry development fund	\$	4,476,900
Agriculture pollution prevention fund		100
Animal welfare fund		142,400
Commodity inspection fees		1,002,000
Consumer and industry food safety education fund		278,000
Dairy and food safety fund		2,885,500
Freshwater protection fund		5,127,600
Gasoline inspection and testing fund		2,752,500
Grain dealer fee fund		163,500
Horticulture fund		89,300
Industry support funds		700,300
Licensing and inspection fees		4,117,600
Migrant housing inspection fees		112,300
Migratory labor housing fund		28,600
Nonretail liquor fees		718,800
Refined petroleum fund		3,870,900
State services fee fund		53,400
Testing fees		434,500
Weights and measures regulation fees		722,500
Total other state restricted revenues		30,679,400
State general fund/general purpose	\$	30,297,100

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	2.0	
Full-time equated classified positions	27.5	
Commissions and boards		\$ 23,800
Unclassified positions—2.0 FTE positions		213,300
Executive direction—8.0 FTE positions		996,200
Management services—12.0 FTE positions		928,600
Statistical reporting service—1.0 FTE position		148,500
Emergency management—6.5 FTE positions		741,800
Accounting service center		878,300
GROSS APPROPRIATION		<u>\$ 3,930,500</u>
Appropriated from:		
Federal revenues:		
HHS-FDA		500,000
Special revenue funds:		
Private - commodity group revenue		82,600
Industry support funds		38,400
Nonretail liquor fees		8,800
Refined petroleum fund		57,800
State general fund/general purpose		<u>\$ 3,242,900</u>

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges	\$	1,042,200
GROSS APPROPRIATION	\$	1,042,200
Appropriated from:		
Federal revenues:		
USDA, multiple grants		236,000
EPA, multiple grants		182,900
HHS-FDA		45,500
Special revenue funds:		
Agricultural preservation fund		23,900
Freshwater protection fund		35,200
Licensing and inspection fees		177,800
Nonretail liquor fees		30,300
Refined petroleum fund		257,200
State services fee fund		53,400
State general fund/general purpose	\$	0

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions.....	107.0	
Food safety and quality assurance—81.0 FTE positions	\$	9,744,900
Milk safety and quality assurance—26.0 FTE positions		3,259,200
GROSS APPROPRIATION	\$	13,004,100
Appropriated from:		
Federal revenues:		
USDA, multiple grants.....		226,100
HHS-FDA		432,600
Special revenue funds:		
Consumer and industry food safety education fund.....		278,000
Dairy and food safety fund		2,885,500
State general fund/general purpose	\$	9,181,900

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions.....	68.0	
Animal disease prevention and response—68.0 FTE positions	\$	9,474,200
GROSS APPROPRIATION	\$	9,474,200
Appropriated from:		
Federal revenues:		
USDA, multiple grants.....		1,215,800
HHS-FDA		75,400
Special revenue funds:		
Animal welfare fund.....		142,400
Licensing and inspection fees		111,400
State general fund/general purpose	\$	7,929,200

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

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

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions.....	39.0	
Environmental stewardship.....	\$	94,400
Michigan agriculture environmental assurance program—3.0 FTE positions		262,000
Groundwater and freshwater protection program—15.0 FTE positions		5,354,100
Farmland and open space preservation—9.0 FTE positions.....		928,600
Agriculture pollution prevention program.....		1,000,100
Local conservation districts		100
Migrant labor housing—6.0 FTE positions.....		1,142,800
Right-to-farm—3.0 FTE positions.....		504,300
Intercounty drain—3.0 FTE positions.....		416,100
GROSS APPROPRIATION	\$	9,702,500

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDNRE, biosolids	\$ 97,200
Federal revenues:	
USDA, multiple grants	1,000,000
EPA, multiple grants	356,200
United States department of labor	463,900
Special revenue funds:	
Agricultural preservation fund	928,600
Agriculture pollution prevention fund	100
Freshwater protection fund	5,092,300
Migrant housing inspection fees	112,300
Migratory labor housing fund	28,600
State general fund/general purpose	\$ 1,623,300

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions	97.0
Laboratory services—45.0 FTE positions	\$ 6,085,600
USDA monitoring—13.0 FTE positions	2,259,000
Consumer protection program—39.0 FTE positions	5,498,100
GROSS APPROPRIATION	\$ 13,842,700

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDELEG (LCC), liquor quality testing fees	189,100
Federal revenues:	
USDA, multiple grants	2,281,000
EPA, multiple grants	351,200
HHS-FDA	543,000
Special revenue funds:	
Agriculture equine industry development fund	541,700
Gasoline inspection and testing fund	2,639,400
Licensing and inspection fees	79,500
Refined petroleum fund	3,555,900
Testing fees	434,500
Weights and measures regulation fees	722,500
State general fund/general purpose	\$ 2,504,900

Sec. 109. AGRICULTURE DEVELOPMENT

Full-time equated classified positions	7.0
Agriculture development—4.0 FTE positions	\$ 2,056,700
Grape and wine program—3.0 FTE positions	736,800
GROSS APPROPRIATION	\$ 2,793,500

Appropriated from:	
Federal revenues:	
USDA, multiple grants	1,605,000
Special revenue funds:	
Private - commodity group revenue	11,100
Industry support funds	200,000
Nonretail liquor fees	679,200
State general fund/general purpose	\$ 298,200

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions	3.0
Fairs and racing—3.0 FTE positions	\$ 394,400
Purses and supplements - fairs/licensed tracks	764,300
Licensed tracks - light horse racing	42,600
Standardbred breeders' awards	312,500

		For Fiscal Year Ending Sept. 30, 2011
Standardbred purses and supplements - licensed tracks	\$	577,000
Standardbred sire stakes		261,200
Standardbred training and stabling		11,600
Thoroughbred owners' awards.....		39,900
Thoroughbred supplements - licensed tracks.....		387,000
Thoroughbred breeders' awards.....		387,000
Thoroughbred sire stakes		267,600
Distribution of outstanding winning tickets		375,000
GROSS APPROPRIATION	\$	3,820,100
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		3,820,100
State general fund/general purpose	\$	0

Sec. 111. INFORMATION AND TECHNOLOGY

Information technology services and projects.....	\$	1,500,400
GROSS APPROPRIATION	\$	1,500,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDELEG (LCC), liquor quality testing fees		2,800
Special revenue funds:		
Agricultural preservation fund		200
Agriculture equine industry development fund.....		115,100
Gasoline inspection testing fund		113,100
Freshwater protection fund.....		100
Licensing and inspection fees.....		78,800
Nonretail liquor fees		500
State general fund/general purpose	\$	1,189,800

Sec. 112. CAPITAL OUTLAY

Farmland and open space development acquisition.....	\$	3,300,000
GROSS APPROPRIATION	\$	3,300,000
Appropriated from:		
Federal revenues:		
USDA, multiple grants.....		1,250,000
Special revenue funds:		
Agriculture preservation fund		2,050,000
State general fund/general purpose	\$	0

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 2010-2011 is \$60,976,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,500,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

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

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) "Department" means the department of agriculture.
- (b) "Director" means the director of the department.
- (c) "EPA" means the United States environmental protection agency.
- (d) "FTE" means full-time equated.
- (e) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (f) "IDG" means interdepartmental grant.
- (g) "MDELEG" means the Michigan department of energy, labor, and economic growth.
- (h) "MDNRE" means the Michigan department of natural resources and environment.
- (i) "USDA" means the United States department of agriculture.

Sec. 204. The civil service commission shall bill departments and agencies at the end of the first fiscal quarter for the charges 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 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 shall 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 shall 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 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. The 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 287.746, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2011. 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 senate and house 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 and environment. 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 and environment 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 senate and house 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. 215. From the funds appropriated in part 1, the department shall use an amount not to exceed \$10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made. The department shall not be required to hire additional employees to comply with this section.

Sec. 219. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget 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 technology, management, and budget.

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 technology, management, and budget. 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) 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 senate and house appropriations committees, the senate and house 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 truthfully to the best of his or her knowledge communicating with a member of the legislature or his or her staff.

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, 2011 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house 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. 237. Not later than September 30, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

EXECUTIVE

Sec. 302. (1) Pursuant to the appropriations in part 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, 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 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 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 1915 PA 91, MCL 285.35.

(3) Annually, before February 1, the department shall provide a report to the senate and house 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. 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. 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 bovine tuberculosis program, the department shall reimburse the department of natural resources and environment 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 and environment 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. 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, 2010, and on a quarterly 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.

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

PESTICIDE AND PLANT PEST MANAGEMENT

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

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

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

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. 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. 706. 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 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. 709. (1) 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 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. 711. In accordance with chapter 8B of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089 to 125.2089d, it is the intent of the legislature that the Michigan strategic fund, its employees, contract employees, and individuals working on its behalf collaborate with the Michigan department of agriculture to promote business development of Michigan agricultural products to achieve outcomes that include, but are not limited to, increases in export sales, increases in the number of retailers carrying Michigan commodities both within and outside of this state, and increased sales of Michigan products at chain grocers.

FAIRS AND EXPOSITIONS

Sec. 801. All appropriations from the agricultural equine industry development fund shall be spent on equine-related purposes. No funds from the agriculture equine industry development fund shall be expended for nonequine-related purposes without prior approval of the legislature.

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

Sec. 803. In the event there is no live thoroughbred race meet in 2010 or 2011, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2009-2010 and fiscal year 2010-2011 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 Michigan gaming control board. In the event there is no thoroughbred meet in 2010 or 2011, the purse pool distribution order to be issued by the Michigan gaming control board in 2011 that delineates distribution between the thoroughbred meet that has been held at pinnacle race course and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2010, with the thoroughbred portion being held in escrow.

Sec. 804. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house of representatives appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

CAPITAL OUTLAY

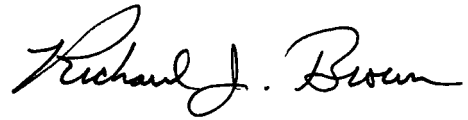
Sec. 1001. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994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

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.


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

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor