

**SUBSTITUTE FOR
HOUSE BILL NO. 4229**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2020, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
Full-time equated classified positions	508.0

1	GROSS APPROPRIATION	\$	112,637,600
2	Interdepartmental grant revenues:		
3	IDG from LARA (LCC), liquor quality testing fees		227,000
4	IDG from MDEGLE, biosolids		91,400
5	IDG from MDNR, forest development fund		997,300
6	Total interdepartmental grants and intradepartmental		
7	transfers.....		1,315,700
8	ADJUSTED GROSS APPROPRIATION	\$	111,321,900
9	Federal revenues:		
10	Department of interior		238,900
11	EPA, multiple grants		1,292,300
12	HHS, multiple grants		4,471,200
13	USDA, multiple grants		6,634,000
14	Total federal revenues		12,636,400
15	Special revenue funds:		
16	Private - commodity group revenue		80,500
17	Private - slow-the-spread foundation		21,300
18	Total private revenues		101,800
19	Agricultural preservation fund		3,444,900
20	Agriculture equine industry development fund		3,667,200
21	Agriculture licensing and inspection fees		5,066,600
22	Animal welfare fund		150,000
23	Commodity inspection fees		656,000
24	Consumer and industry food safety education fund		243,000
25	Dairy and food safety fund		6,079,100
26	Feed control fund		1,318,900
27	Fertilizer control fund		1,103,100

1	Freshwater protection fund	8,501,500
2	Gasoline inspection and testing fund	1,455,400
3	Grain dealers fee fund	690,400
4	Horticulture fund	40,000
5	Industrial hemp licensing and registration fund	120,000
6	Industry food safety education fund	114,100
7	Industry support funds	486,000
8	Michigan craft beverage council fund	900,300
9	Migratory labor housing fund	169,100
10	Private forestland enhancement fund	795,700
11	Refined petroleum fund	3,353,200
12	Rural development fund	2,006,300
13	Testing fees	292,600
14	Weights and measures regulation fees	730,300
15	Total other state restricted revenues	41,383,700
16	State general fund/general purpose	\$ 57,200,000
17	Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
18	Full-time equated unclassified positions 6.0	
19	Full-time equated classified positions 26.0	
20	Unclassified positions--6.0 FTE positions	\$ 596,700
21	Accounting service center	1,011,300
22	Commissions and boards	23,800
23	Emergency management--4.0 FTE positions	1,101,300
24	Executive direction--22.0 FTE positions	2,958,700
25	Property management	<u>738,100</u>
26	GROSS APPROPRIATION	\$ 6,429,900
27	Appropriated from:	

1	Federal revenues:	
2	HHS, multiple grants	440,000
3	Special revenue funds:	
4	Agriculture licensing and inspection fees	34,500
5	Dairy and food safety fund	30,400
6	Feed control fund	3,100
7	Freshwater protection fund	36,100
8	Industry support funds	54,300
9	Michigan craft beverage council fund	8,800
10	Private forestland enhancement fund	15,600
11	State general fund/general purpose	\$ 5,807,100
12	Sec. 103. INFORMATION AND TECHNOLOGY	
13	Information technology services and projects	\$ <u>1,812,800</u>
14	GROSS APPROPRIATION	\$ 1,812,800
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	IDG from LARA (LCC), liquor quality testing fees	3,200
18	Special revenue funds:	
19	Agricultural preservation fund	200
20	Agriculture licensing and inspection fees	93,800
21	Dairy and food safety fund	61,200
22	Freshwater protection fund	100
23	Gasoline inspection and testing fund	31,800
24	Michigan craft beverage council fund	500
25	State general fund/general purpose	\$ 1,622,000
26	Sec. 104. FOOD AND DAIRY	
27	Full-time equated classified positions	134.0

1	Food safety and quality assurance--98.0 FTE positions	\$	17,124,500
2	Milk safety and quality assurance--36.0 FTE positions		<u>5,510,700</u>
3	GROSS APPROPRIATION	\$	22,635,200
4	Appropriated from:		
5	Federal revenues:		
6	HHS, multiple grants		2,714,200
7	USDA, multiple grants		137,200
8	Special revenue funds:		
9	Consumer and industry food safety education fund		243,000
10	Dairy and food safety fund		5,484,000
11	Industry food safety education fund		114,100
12	State general fund/general purpose	\$	13,942,700
13	Sec. 105. ANIMAL INDUSTRY		
14	Full-time equated classified positions		61.0
15	Michigan animal agriculture alliance	\$	3,000,000
16	Animal disease prevention and response--61.0 FTE		
17	positions.....		9,065,100
18	Indemnification - livestock depredation		<u>25,000</u>
19	GROSS APPROPRIATION	\$	12,090,100
20	Appropriated from:		
21	Federal revenues:		
22	Department of interior		40,800
23	HHS, multiple grants		46,600
24	USDA, multiple grants		531,600
25	Special revenue funds:		
26	Private - commodity group revenue		30,500
27	Agriculture licensing and inspection fees		70,300

1	Animal welfare fund	150,000
2	State general fund/general purpose	\$ 11,220,300
3	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
4	Full-time equated classified positions	88.0
5	Pesticide and plant pest management--80.0 FTE	
6	positions	\$ 12,109,200
7	Animal feed safety--8.0 FTE positions	<u>1,752,900</u>
8	GROSS APPROPRIATION	\$ 13,862,100
9	Appropriated from:	
10	Federal revenues:	
11	Department of interior	101,800
12	EPA, multiple grants	554,800
13	HHS, multiple grants	327,900
14	USDA, multiple grants	719,000
15	Special revenue funds:	
16	Private - slow-the-spread foundation	21,300
17	Agriculture licensing and inspection fees	4,520,700
18	Commodity inspection fees	656,000
19	Feed control fund	1,125,000
20	Fertilizer control fund	1,079,000
21	Freshwater protection fund	156,600
22	Horticulture fund	40,000
23	Industry support funds	228,100
24	State general fund/general purpose	\$ 4,331,900
25	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
26	Full-time equated classified positions	65.5
27	Agricultural preservation easement grants	\$ 1,900,000

1	Environmental stewardship - MAEAP--25.0 FTE positions	10,739,000
2	Farmland and open space preservation--10.0 FTE	
3	positions.....	1,566,600
4	Intercounty drain--6.0 FTE positions	822,000
5	Migrant labor housing--9.0 FTE positions	1,298,600
6	Qualified forest program--9.0 FTE positions	2,681,100
7	Right-to-farm--6.5 FTE positions	<u>974,700</u>
8	GROSS APPROPRIATION	\$ 19,982,000
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG from MDEGLE, biosolids	91,400
12	IDG from MDNR, forest development fund	997,300
13	Federal revenues:	
14	Department of interior	96,300
15	EPA, multiple grants	561,600
16	USDA, multiple grants	1,322,300
17	Special revenue funds:	
18	Agricultural preservation fund	3,444,700
19	Freshwater protection fund	8,263,000
20	Migratory labor housing fund	140,100
21	Private forestland enhancement fund	780,100
22	State general fund/general purpose	\$ 4,285,200
23	Sec. 108. LABORATORY PROGRAM	
24	Full-time equated classified positions 107.0	
25	Central licensing and customer call center--12.0 FTE	
26	positions.....	\$ 1,355,600
27	Consumer protection program--42.0 FTE positions	6,868,300

1	Laboratory services--41.0 FTE positions	7,226,900
2	USDA monitoring--12.0 FTE positions	<u>1,647,900</u>
3	GROSS APPROPRIATION	\$ 17,098,700
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from LARA (LCC), liquor quality testing fees	223,800
7	Federal revenues:	
8	EPA, multiple grants	175,900
9	HHS, multiple grants	942,500
10	USDA, multiple grants	1,649,100
11	Special revenue funds:	
12	Agriculture licensing and inspection fees	342,200
13	Dairy and food safety fund	503,500
14	Feed control fund	190,800
15	Fertilizer control fund	24,100
16	Freshwater protection fund	45,700
17	Gasoline inspection and testing fund	1,423,600
18	Grain dealers fee fund	7,900
19	Migratory labor housing fund	29,000
20	Refined petroleum fund	3,353,200
21	Testing fees	202,600
22	Weights and measures regulation fees	730,300
23	State general fund/general purpose	\$ 7,254,500
24	Sec. 109. AGRICULTURE DEVELOPMENT	
25	Full-time equated classified positions	22.0
26	Agriculture development--13.0 FTE positions	\$ 4,323,900
27	Fair food network - double up food bucks	1,000,000

1	Food and agriculture investment program	4,000,000
2	Michigan craft beverage council--3.0 FTE positions ...	940,100
3	Producer security/grain dealers--5.0 FTE positions ...	729,300
4	Rural development fund grant program--1.0 FTE	
5	position.....	<u>2,006,300</u>
6	GROSS APPROPRIATION	\$ 12,999,600
7	Appropriated from:	
8	Federal revenues:	
9	USDA, multiple grants	2,274,800
10	Special revenue funds:	
11	Private - commodity group revenue	50,000
12	Agriculture licensing and inspection fees	5,100
13	Grain dealers fee fund	682,500
14	Industry support funds	203,600
15	Michigan craft beverage council fund	891,000
16	Rural development fund	2,006,300
17	State general fund/general purpose	\$ 6,886,300
18	Sec. 110. FAIRS AND EXPOSITIONS	
19	County fairs, shows, and expositions.	\$ 1,000,000
20	Fairs and racing	256,600
21	Licensed tracks - light horse racing	40,300
22	Light horse racing - breeders' awards	20,000
23	Purses and supplements - fairs/licensed tracks	708,300
24	Standardbred breeders' awards	345,900
25	Standardbred purses and supplements - licensed tracks	671,800
26	Standardbred sire stakes	275,000
27	Thoroughbred breeders' awards	368,600

1	Thoroughbred sire stakes	378,800
2	Thoroughbred supplements - licensed tracks	<u>601,900</u>
3	GROSS APPROPRIATION	\$ 4,667,200
4	Appropriated from:	
5	Special revenue funds:	
6	Agriculture equine industry development fund	3,667,200
7	State general fund/general purpose	\$ 1,000,000
8	Sec. 111. ONE-TIME BASIS ONLY APPROPRIATIONS	
9	Full-time equated classified positions 4.5	
10	Farm stress program	\$ 500,000
11	Industrial hemp program--4.5 FTE positions	360,000
12	Local conservation districts - pilot project	<u>200,000</u>
13	GROSS APPROPRIATION	\$ 1,060,000
14	Appropriated from:	
15	Special revenue funds:	
16	Industrial hemp licensing and registration fund	120,000
17	Testing fees	90,000
18	State general fund/general purpose	\$ 850,000

19 PART 2

20 PROVISIONS CONCERNING APPROPRIATIONS

21 FOR FISCAL YEAR 2019-2020

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 sources under

25 part 1 for fiscal year 2019-2020 is \$98,583,700.00 and state

1 spending from state sources to be paid to local units of government
 2 for fiscal year 2019-2020 is \$9,650,000.00. The itemized statement
 3 below identifies appropriations from which spending to local units
 4 of government will occur:

5 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

6	Agriculture preservation easement grants	\$	1,900,000
7	Environmental stewardship/MAEAP		4,250,000
8	Qualified forest program		1,500,000
9	Rural development fund grant program		<u>2,000,000</u>
10	TOTAL	\$	9,650,000

11 Sec. 202. The appropriations authorized under part 1 and this
 12 part are subject to the management and budget act, 1984 PA 431, MCL
 13 18.1101 to 18.1594.

14 Sec. 203. As used in part 1 and this part:

15 (a) "Department" means the department of agriculture and rural
 16 development.

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

18 (c) "EPA" means the United States Environmental Protection
 19 Agency.

20 (d) "FDA" means the United States Food and Drug
 21 Administration.

22 (e) "Fiscal agencies" means the Michigan house fiscal agency
 23 and the Michigan senate fiscal agency.

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

25 (g) "HHS" means the United States Department of Health and
 26 Human Services.

27 (h) "IDG" means interdepartmental grant.

1 (i) "LARA" means the Michigan department of licensing and
2 regulatory affairs.

3 (j) "LCC" means the Michigan liquor control commission.

4 (k) "MAEAP" means the Michigan agriculture environmental
5 assurance program.

6 (l) "MDEGLE" means the Michigan department of environment,
7 Great Lakes, and energy.

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

9 (n) "MOU" means memorandum of understanding.

10 (o) "Subcommittees" means all members of the subcommittees of
11 the house and senate appropriations committees with jurisdiction
12 over the budget for the department.

13 (p) "TB" means tuberculosis.

14 (q) "USDA" means the United States Department of Agriculture.

15 Sec. 204. (1) The departments and agencies receiving
16 appropriations in part 1 shall use the internet to fulfill the
17 reporting requirements of this part. This requirement may include
18 transmission of reports via electronic mail to the recipients
19 identified for each reporting requirement, or it may include
20 placement of reports on an internet or intranet site.

21 (2) In fulfilling the reporting requirements of this part, the
22 department shall notify report recipients when reports are posted
23 to the department website.

24 Sec. 205. Funds appropriated in part 1 shall not be used for
25 the purchase of foreign goods or services, or both, if
26 competitively priced and of comparable quality American goods or
27 services, or both, are available. Preference shall be given to

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

7 Sec. 206. The director shall take all reasonable steps to
8 ensure businesses in deprived and depressed communities compete for
9 and perform contracts to provide services or supplies, or both.
10 Each director shall strongly encourage firms with which the
11 department contracts to subcontract with certified businesses in
12 depressed and deprived communities for services or supplies, or
13 both.

14 Sec. 207. The departments and agencies receiving
15 appropriations in part 1 shall prepare a report on out-of-state
16 travel expenses not later than January 1 of each year. The travel
17 report shall be a listing of all travel by classified and
18 unclassified employees outside this state in the immediately
19 preceding fiscal year that was funded in whole or in part with
20 funds appropriated in the department's budget. The report shall be
21 submitted to the house and senate appropriations committees, the
22 house and senate fiscal agencies, and the state budget director.
23 The report shall include the following information:

24 (a) The dates of each travel occurrence.

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

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

3 Sec. 208. Funds appropriated in part 1 shall not be used by a
4 principal executive department, state agency, or authority to hire
5 a person to provide legal services that are the responsibility of
6 the attorney general. This prohibition does not apply to legal
7 services for bonding activities and for those outside services that
8 the attorney general authorizes.

9 Sec. 209. Not later than November 30, the state budget office
10 shall prepare and transmit a report that provides for estimates of
11 the total general fund/general purpose appropriation lapses at the
12 close of the prior fiscal year. This report shall summarize the
13 projected year-end general fund/general purpose appropriation
14 lapses by major departmental program or program areas. The report
15 shall be transmitted to the chairpersons of the senate and house of
16 representatives standing committees on appropriations and the
17 senate and house fiscal agencies.

18 Sec. 210. (1) In addition to the funds appropriated in part 1,
19 there is appropriated an amount not to exceed \$3,000,000.00 for
20 federal contingency funds. These funds are not available for
21 expenditure until they have been transferred to another line item
22 in part 1 under section 393(2) of the management and budget act,
23 1984 PA 431, MCL 18.1393.

24 (2) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$2,000,000.00 for state
26 restricted contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

1 in part 1 under section 393(2) of the management and budget act,
2 1984 PA 431, MCL 18.1393.

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

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

15 Sec. 211. The department shall cooperate with the department
16 of technology, management, and budget to maintain a searchable
17 website accessible by the public at no cost that includes, but is
18 not limited to, all of the following for each department or agency:

19 (a) Fiscal year-to-date expenditures by category.

20 (b) Fiscal year-to-date expenditures by appropriation unit.

21 (c) Fiscal year-to-date payments to a selected vendor,
22 including the vendor name, payment date, payment amount, and
23 payment description.

24 (d) The number of active department employees by job
25 classification.

26 (e) Job specifications and wage rates.

27 Sec. 212. Within 14 days after the release of the executive

1 budget recommendation, the department shall cooperate with the
2 state budget office to provide the senate and house appropriations
3 chairs, the subcommittees, respectively, and the senate and house
4 fiscal agencies with an annual report on estimated state restricted
5 fund balances, state restricted fund projected revenues, and state
6 restricted fund expenditures for the fiscal years ending September
7 30, 2019 and September 30, 2020.

8 Sec. 213. The department shall maintain, on a publicly
9 accessible website, a department scorecard that identifies, tracks,
10 and regularly updates key metrics that are used to monitor and
11 improve the agency's performance.

12 Sec. 214. Total authorized appropriations from all sources
13 under part 1 for legacy costs for the fiscal year ending September
14 30, 2020 is \$12,028,500.00. From this amount, total agency
15 appropriations for pension-related legacy costs are estimated at
16 \$5,847,300.00. Total agency appropriations for retiree health care
17 legacy costs are estimated at \$6,181,200.00.

18 Sec. 215. The department shall not take disciplinary action
19 against an employee for communicating with a member of the
20 legislature or his or her staff.

21 Sec. 234. The department and agencies receiving appropriations
22 in part 1 shall receive and retain copies of all reports funded
23 from appropriations in part 1. Federal and state guidelines for
24 short-term and long-term retention of records shall be followed.
25 The department may electronically retain copies of reports unless
26 otherwise required by federal and state guidelines.

1 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

2 Sec. 301. (1) The department may establish a fee schedule and
3 collect fees for the following work activities and services:

4 (a) Pesticide and plant pest management propagation and
5 certification of virus-free foundation stock.

6 (b) Fruit and vegetable inspection and grading services at
7 shipping and termination points and processing plants.

8 (c) Laboratory support analyses of food, livestock, and
9 agricultural products for disease, foreign products for disease,
10 toxic materials, foreign substances, and quality standards.

11 (d) Laboratory support test samples for other state and local
12 agencies and public or private organizations.

13 (2) The department may receive and expend revenue from the
14 fees authorized under subsection (1), subject to appropriation, for
15 the purpose of recovering expenses associated with the work
16 activities and services described in subsection (1). Fee revenue
17 collected by the department under subsection (1) shall not lapse to
18 the state general fund at the end of the fiscal year but shall
19 carry forward for appropriation by the legislature in the
20 subsequent fiscal year.

21 (3) The department shall notify the subcommittees, the fiscal
22 agencies, and the state budget office 30 days prior to proposing
23 changes in fees authorized under this section or under section 5 of
24 1915 PA 91, MCL 285.35.

25 (4) On or before February 1 of each year, the department shall
26 provide a report to the subcommittees, the fiscal agencies, and the
27 state budget office detailing all the fees charged by the

1 department under the authorization provided in this section,
2 including, but not limited to, rates, number of individuals paying
3 each fee, and the revenue generated by each fee in the previous
4 fiscal year.

5 Sec. 302. (1) The department may contract with or provide
6 grants to local units of government, institutions of higher
7 education, or nonprofit organizations to support activities
8 authorized by appropriations in part 1. As used in this section,
9 contracts and grants include, but are not limited to, contracts for
10 delivery of groundwater/freshwater programs, MAEAP technical
11 assistance, forest management, invasive species monitoring,
12 wildlife risk mitigation, grants promoting proper pesticide
13 disposal, and research grants for the purpose of enhancing the
14 agricultural industries in this state.

15 (2) The department shall provide notice of contracts or grants
16 authorized under this section to the subcommittees, the fiscal
17 agencies, and the state budget office not later than 7 days before
18 the department notifies contract or grant recipients.

19 **FOOD AND DAIRY**

20 Sec. 401. (1) The department shall report on the previous
21 fiscal year's activities of the food and dairy division. The report
22 shall include information on activities and outcomes of the dairy
23 safety and inspection program, the food safety inspection program,
24 the foodborne illness and emergency response program, and the food
25 service program.

26 (2) The report shall include information on significant

1 foodborne outbreaks and emergencies, including any significant
2 enforcement actions taken related to food safety during the prior
3 calendar year.

4 (3) The report shall be transmitted to the subcommittees, the
5 fiscal agencies, and the state budget office and posted to the
6 department's website on or before April 1 of each year.

7 **ANIMAL INDUSTRY**

8 Sec. 451. From the funds appropriated in part 1 for bovine
9 tuberculosis, the department shall pay for all whole herd testing
10 costs and individual animal testing costs in the modified
11 accredited zone to maintain split-state status requirements. These
12 costs include indemnity and compensation for injury causing death
13 or downer to animals.

14 Sec. 452. (1) The department shall report on the previous
15 calendar year's activities of the animal industry division. The
16 report shall be transmitted to the subcommittees, the fiscal
17 agencies, and the state budget office and posted to the
18 department's website on or before April 1 of each year.

19 (2) The department shall include in the report all
20 indemnification payments for livestock depredation made in the
21 previous calendar year and shall include all of the following:

22 (a) The reason for the indemnification.

23 (b) The amount of the indemnification.

24 (c) The person for whom the indemnification was paid.

25 Sec. 454. The department shall use its resources to
26 collaborate with the USDA to monitor bovine TB, consistent with the

1 May 2016 and April 2019 memoranda of understanding between the
2 department and the USDA.

3 Sec. 457. (1) On or before October 15, 2019, the department
4 shall provide to the subcommittees, the fiscal agencies, and the
5 state budget office a report on bovine TB status and department
6 activities.

7 (2) For each fiscal quarter following the report required in
8 subsection (1), the department shall provide an update to the
9 subcommittees, the fiscal agencies, and the state budget office.

10 The quarterly update reports shall identify significant impacts to
11 the program, including new incidence of bovine TB in this state,
12 department activity associated with specific new incidence of
13 bovine TB, any changes in USDA requirements or movement orders, and
14 information and data on wildlife risk mitigation plan
15 implementation in the modified accredited zone; implementation of a
16 movement certificate process; progress toward annual surveillance
17 test requirements; efforts to work with slaughter facilities in
18 this state, as well as those that slaughter a significant number of
19 animals from this state; educational programs and information for
20 this state's livestock community; and any other item the
21 legislature should be aware of that will promote or hinder efforts
22 to achieve bovine TB-free status for this state.

23 **PESTICIDE AND PLANT PEST MANAGEMENT**

24 Sec. 501. The department shall report on the previous calendar
25 year's activities of the pesticide and plant pest management
26 division. The report shall be transmitted to the subcommittees, the

1 fiscal agencies, and the state budget office and posted to the
2 department's website on or before April 1 of each year.

3 **ENVIRONMENTAL STEWARDSHIP**

4 Sec. 601. The funds appropriated in part 1 for environmental
5 stewardship/MAEAP shall be used to support department agriculture
6 pollution prevention programs, including groundwater and freshwater
7 protection programs under part 87 of the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.8701 to
9 324.8717, and technical assistance in implementing conservation
10 grants available under the federal farm bill of 2014 and the
11 federal farm bill of 2018.

12 Sec. 602. The department shall report on the previous calendar
13 year's activities of the environmental stewardship division. The
14 report shall be transmitted to the subcommittees, the fiscal
15 agencies, and the state budget office and posted to the
16 department's website on or before April 1 of each year.

17 Sec. 604. The department may receive and expend federal
18 revenues in excess of the federal revenue appropriated in section
19 107 of part 1 for environmental stewardship and MAEAP activities.
20 The department shall notify the subcommittees, the fiscal agencies,
21 and the state budget office prior to expending federal revenues
22 authorized under this section.

23 Sec. 608. (1) The appropriations in part 1 for the qualified
24 forest affidavit program are for the purpose of increasing the
25 knowledge of nonindustrial private forestland owners of sound
26 forest management practices and increasing the amount of commercial

1 timber production from those lands.

2 (2) The department shall work in partnership with stakeholder
3 groups and other state and federal agencies to increase the active
4 management of nonindustrial private forestland to foster the growth
5 of Michigan's timber product industry.

6 **LABORATORY PROGRAM**

7 Sec. 651. The department shall report on the previous calendar
8 year's activities of the laboratory division. The report shall be
9 transmitted to the subcommittees, the fiscal agencies, and the
10 state budget office and posted to the department's website on or
11 before April 1 of each year.

12 **AGRICULTURE DEVELOPMENT**

13 Sec. 701. (1) From the funds appropriated in part 1 for the
14 food and agriculture investment program, the department shall
15 establish and administer a food and agriculture investment program.

16 (2) The food and agriculture investment program shall expand
17 the Michigan food and agriculture sector, grow Michigan exports,
18 promote the development of value-added agricultural production,
19 food hubs, food incubators, and community-based processing
20 facilities, and the expansion of farm markets and urban
21 agriculture, including promotion of hoop houses, and increase food
22 processing activities within the state by accelerating projects and
23 infrastructure development that support growth in the food and
24 agriculture processing industry.

25 (3) In addition to the funds appropriated in part 1, the

1 department may receive and expend funds received from outside
2 sources for the food and agriculture investment program.

3 (4) Before the allocation of funding, all projects shall
4 receive approval from the Michigan commission of agriculture and
5 rural development, except for projects selected through a
6 competitive process by a joint evaluation committee selected by the
7 director and consisting of representatives that have agriculture,
8 business, and economic development expertise. Projects funded
9 through the food and agriculture investment program will be
10 required to have a grant agreement that outlines milestones and
11 activities that must be met in order to receive a disbursement of
12 funds. Projects must also identify measurable project outcomes.

13 (5) The department shall include in the agriculture
14 development annual report a report on the food and agriculture
15 investment program for the previous fiscal year that includes a
16 listing of the grantees, award amounts, match funding, project
17 locations, and project outcomes.

18 (6) The food and agriculture investment program shall be
19 administered by the department and provide support for food and
20 agriculture projects that will enable growth in the industry and
21 this state's economy.

22 (7) The unexpended funds appropriated in part 1 for the food
23 and agriculture investment program are designated as a work project
24 appropriation, and any unencumbered or unallotted funds shall not
25 lapse at the end of the fiscal year and shall be available for
26 expenditures for projects under this section until the projects
27 have been completed. The following is in compliance with section

1 451a(1) of the management and budget act, 1984 PA 431, MCL
2 18.1451a:

3 (a) The purpose of the project is to promote and expand the
4 Michigan food and agriculture sector, grow Michigan exports, and
5 increase food processing activities within the state.

6 (b) The project will be funded in accordance with this section
7 and the project guidelines approved by the Michigan agriculture
8 commission prior to an award.

9 (c) The estimated cost of this project is identified in the
10 appropriation line item.

11 (d) The tentative completion date for the work project is
12 September 30, 2022.

13 (8) The department may expend money from the funds
14 appropriated in part 1 for the food and agriculture investment
15 program, including all of the following activities:

16 (a) Grants.

17 (b) Loans or loan guarantees.

18 (c) Infrastructure development.

19 (d) Other economic assistance.

20 (e) Program administration.

21 (f) Export assistance.

22 (9) The department shall expend no more than 5% from the funds
23 appropriated in part 1 for the food and agriculture investment
24 program for administrative purposes.

25 Sec. 702. The department shall work with the rural development
26 fund board to establish a process and criteria for funding projects
27 as well as establishing metrics and measurable outcomes for the

1 program. Funds appropriated from the rural development fund shall
2 be used in accordance with the provisions of the rural development
3 fund act, 2012 PA 411, MCL 286.941 to 286.947.

4 Sec. 703. (1) The department shall work with the department of
5 health and human services to do all of the following:

6 (a) Notify recipients of food assistance program benefits that
7 food assistance program benefits can be accessed at many farmer's
8 markets in this state with bridge cards.

9 (b) Notify recipients of food assistance program benefits
10 about the double up food bucks program that is administered by the
11 fair food network. Food assistance program recipients shall receive
12 information about the double up food bucks program, including
13 information that explains that when program recipients spend up to
14 \$20.00 at participating farmer's markets and grocery stores, the
15 recipient can receive an additional \$20.00 to buy Michigan produce.

16 (2) The department shall work with the fair food network to
17 expand access to the double up food bucks program in each of the
18 state's counties with grocery stores or farmer's markets that meet
19 the program's eligibility requirements.

20 (3) On or before June 1, 2020, the department shall submit a
21 report on activities and outcomes of the double up food bucks
22 program to the house and senate appropriations subcommittees on
23 agriculture and rural development and the fiscal agencies. The
24 report shall contain all of the following:

25 (a) Counties in this state with participating double up food
26 bucks vendors, the number of vendors by county, and the name and
27 location of vendors, as of May 1, 2019.

1 (b) Counties in this state with participating double up food
2 bucks vendors, the number of vendors by county, and the name of
3 location of vendors, as of May 1, 2020. The report shall highlight
4 counties and vendors added to the program since May 1, 2019.

5 (c) Number of individuals participating in the program, by
6 county.

7 (d) A breakdown of program participation by county and by day
8 of week.

9 (4) The report required under subsection (3) shall also
10 include a discussion of program evaluation criteria, as well as
11 recommendation of a reporting metric for tracking health outcomes
12 of program participants.

13 Sec. 706. (1) The department shall report on the previous
14 calendar year's activities of the agriculture development division.
15 The report shall be transmitted to the subcommittees, the fiscal
16 agencies, and the state budget office and posted to the
17 department's website on or before April 1 of each year.

18 (2) The report shall include the following information on any
19 grants awarded during the prior fiscal year:

20 (a) The name of the grantee.

21 (b) The amount of the grant.

22 (c) The purpose of the grant, including measurable outcomes.

23 (d) Additional state, federal, private, or local funds
24 contributed to the grant project.

25 (e) The completion date of grant-funded activities.

26 (3) The report shall include the following information on the
27 Michigan craft beverage council established under section 303 of

1 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

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

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

7 (c) Grants awarded during the previous fiscal year and the
8 results of research grant projects completed during the previous
9 fiscal year.

10 **FAIRS AND EXPOSITIONS**

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

16 Sec. 802. From the funds appropriated in part 1 from
17 agriculture equine industry development funds, available revenue
18 shall be allocated in the following priority order:

19 (a) To support all administrative, contractual, and regulatory
20 costs incurred by the department and the Michigan gaming control
21 board.

22 (b) Up to \$395,000.00 shall be allocated to the purses and
23 supplements - fairs/licensed tracks line item.

24 (c) Any remaining funds collected through September 30, 2020,
25 after the obligations in subdivisions (a) and (b) have been met,
26 shall be prorated equally among the supplements, breeders' awards,

1 and sire stakes awards to eligible race meeting licensees in
2 accordance with section 20 of the horse racing law of 1995, 1995 PA
3 279, MCL 431.320.

4 Sec. 805. (1) The department shall establish and administer a
5 county fairs, shows, and expositions grant program. The program
6 shall have the following objectives:

7 (a) Assist in the promotion of building improvements or other
8 capital improvements at county fairgrounds of the state.

9 (b) Provide financial support, promotion, prizes, and premiums
10 of equine, livestock, and other agricultural commodity expositions
11 in the state.

12 (2) The department shall award grants on a competitive basis
13 to county fairs or other organizations from the funds appropriated
14 in part 1 for county fairs, shows, and expositions grants. Grantees
15 will be required to provide a 50% cash match with grant awards and
16 identify measurable project outcomes. A county fair organization
17 that received a county fair capital improvement grant in the prior
18 fiscal year shall not receive a grant from the appropriation in
19 part 1.

20 (3) From the amount appropriated in part 1 for county fairs,
21 shows, and expositions, up to \$25,000.00 shall be expended for the
22 purpose of financial support, promotion, prizes, and premiums of
23 equine, livestock, and other agricultural commodity expositions in
24 this state, and festivals.

25 (4) All fairs receiving grants under this section shall
26 provide a report to the department on the financial impact
27 resulting from the capital improvement project on both fair and

1 nonfair events. These reports are due for 3 years immediately
2 following the completion of the capital improvement project.

3 (5) The department shall identify criteria, evaluate
4 applications, and provide recommendations to the director for final
5 approval of grant awards.

6 (6) The department may expend money from the funds
7 appropriated in part 1 for the county fairs, shows, and expositions
8 grants for administering the program.

9 (7) The unexpended portion of the county fairs, shows, and
10 expositions grants is considered a work project appropriation in
11 accordance with section 451a of the management and budget act, 1984
12 PA 431, MCL 18.1451a. The following apply to the project:

13 (a) The purpose of the project is to support building
14 improvements or other capital improvements at county fairgrounds of
15 the state.

16 (b) All grants will be distributed in accordance with this
17 section and the grant guidelines published prior to the request for
18 proposals.

19 (c) The estimated cost of the project is identified in the
20 appropriation line item.

21 (d) The tentative completion date for the work project is
22 September 30, 2022.

23 (8) The department shall provide a year-end report on the
24 county fairs, shows, and expositions grants no later than December
25 1, 2020 to the subcommittees, the fiscal agencies, and the state
26 budget director that includes a listing of the grantees, award
27 amounts, match funding, and project outcomes.

1 Sec. 806. From the funds appropriated in part 1 for county
2 fairs, shows, and expositions, \$50,000.00 shall be used to promote
3 festivals and events in this state.

4 **ONE-TIME BASIS ONLY APPROPRIATIONS**

5 Sec. 901. The appropriation in part 1 for the farm stress
6 program shall be used to respond to the mental stress and fatigue
7 of Michigan farmers and agricultural producers and their families
8 through utilizing existing services that offer behavioral health
9 specialists in the agriculture industry.

10 Sec. 902. The funds appropriated in part 1 for local
11 conservation districts - pilot project shall be used for the
12 development of a conservation district natural resources assessment
13 model. The assessment model shall be designed for the purposes of
14 assisting the department and conservation districts in creating a
15 standardized report that would provide a description of each of the
16 conservation districts in the state, identify, at a minimum, the
17 top 5 natural resources needs for each conservation district, and
18 provide a business plan on how each conservation district will
19 implement programs and services necessary to meet the top 5
20 resources needs in a district. A status update on the progress
21 toward completion of a conservation district natural resources
22 assessment model shall be presented to the department and the
23 subcommittees no later than May 1, 2020, with a final completion
24 deadline of no later than September 9, 2020.