

**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:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

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

6 **DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

7 APPROPRIATION SUMMARY

8 Full-time equated unclassified positions6.0

9 Full-time equated classified positions501.5

1	GROSS APPROPRIATION.....	\$	109,231,600
2	Interdepartmental grant revenues:		
3	IDG from LARA (LCC), liquor quality testing fees.....		227,000
4	IDG from MDEQ, 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.....	\$	107,915,500
9	Federal revenues:		
10	Department of interior.....		238,900
11	EPA, multiple grants.....		1,292,300
12	HHS, multiple grants.....		4,171,200
13	USDA, multiple grants.....		6,134,000
14	Total federal revenues.....		11,836,400
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.....	8,962,200
2	Gasoline inspection and testing fund.....	1,455,400
3	Grain dealers fee fund.....	690,400
4	Horticulture fund.....	40,000
5	Industry food safety education fund.....	114,100
6	Industry support funds.....	486,000
7	Michigan craft beverage council fund.....	900,300
8	Migratory labor housing fund.....	169,100
9	Private forestland enhancement fund.....	795,700
10	Refined petroleum fund.....	3,353,200
11	Rural development fund.....	2,006,300
12	Testing fees.....	202,600
13	Weights and measures regulation fees.....	730,300
14	Total other state restricted revenues.....	41,634,400
15	State general fund/general purpose.....	\$ 54,343,300
16	Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
17	Full-time equated unclassified positions6.0	
18	Full-time equated classified positions26.0	
19	Unclassified positions--6.0 FTE positions.....	\$ 589,500
20	Accounting service center.....	1,011,300
21	Commissions and boards.....	23,800
22	Emergency management--4.0 FTE positions.....	1,097,000
23	Executive direction--22.0 FTE positions.....	2,932,300
24	Property management.....	<u>738,100</u>
25	GROSS APPROPRIATION.....	\$ 6,392,000
26	Appropriated from:	
27	Federal revenues:	

1	HHS, multiple grants.....	440,000
2	Special revenue funds:	
3	Agriculture licensing and inspection fees.....	34,500
4	Dairy and food safety fund.....	30,400
5	Feed control fund.....	3,100
6	Freshwater protection fund.....	36,100
7	Industry support funds.....	54,300
8	Michigan craft beverage council fund.....	8,800
9	Private forestland enhancement fund.....	15,600
10	State general fund/general purpose.....	\$ 5,769,200
11	Sec. 103. INFORMATION AND TECHNOLOGY	
12	Information technology services and projects.....	\$ <u>1,407,300</u>
13	GROSS APPROPRIATION.....	\$ 1,407,300
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from LARA (LCC), liquor quality testing fees.....	3,200
17	Special revenue funds:	
18	Agricultural preservation fund.....	200
19	Agriculture licensing and inspection fees.....	93,800
20	Dairy and food safety fund.....	61,200
21	Freshwater protection fund.....	100
22	Gasoline inspection and testing fund.....	31,800
23	Michigan craft beverage council fund.....	500
24	State general fund/general purpose.....	\$ 1,216,500
25	Sec. 104. FOOD AND DAIRY	
26	Full-time equated classified positions132.0	
27	Food safety and quality assurance--96.0 FTE positions.	\$ 16,690,100

1	Milk safety and quality assurance--36.0 FTE positions.	<u>5,460,300</u>
2	GROSS APPROPRIATION.....	\$ 22,150,400
3	Appropriated from:	
4	Federal revenues:	
5	HHS, multiple grants.....	2,414,200
6	USDA, multiple grants.....	137,200
7	Special revenue funds:	
8	Consumer and industry food safety education fund.....	243,000
9	Dairy and food safety fund.....	5,484,000
10	Industry food safety education fund.....	114,100
11	State general fund/general purpose.....	\$ 13,757,900
12	Sec. 105. ANIMAL INDUSTRY	
13	Full-time equated classified positions61.0	
14	Animal agriculture initiative.....	\$ 1,000,000
15	Animal disease prevention and response--61.0 FTE	
16	positions	9,379,700
17	Indemnification - livestock depredation.....	<u>25,000</u>
18	GROSS APPROPRIATION.....	\$ 10,404,700
19	Appropriated from:	
20	Federal revenues:	
21	Department of interior.....	40,800
22	HHS, multiple grants.....	46,600
23	USDA, multiple grants.....	531,600
24	Special revenue funds:	
25	Private - commodity group revenue.....	30,500
26	Agriculture licensing and inspection fees.....	70,300
27	Animal welfare fund.....	150,000

1	State general fund/general purpose.....	\$	9,534,900
2	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
3	Full-time equated classified positions		88.0
4	Pesticide and plant pest management--88.0 FTE		
5	positions	\$	<u>14,238,900</u>
6	GROSS APPROPRIATION.....	\$	14,238,900
7	Appropriated from:		
8	Federal revenues:		
9	Department of interior.....		101,800
10	EPA, multiple grants.....		554,800
11	HHS, multiple grants.....		327,900
12	USDA, multiple grants.....		719,000
13	Special revenue funds:		
14	Private - slow-the-spread foundation.....		21,300
15	Agriculture licensing and inspection fees.....		4,520,700
16	Commodity inspection fees.....		656,000
17	Feed control fund.....		1,125,000
18	Fertilizer control fund.....		1,079,000
19	Freshwater protection fund.....		156,600
20	Horticulture fund.....		40,000
21	Industry support funds.....		228,100
22	State general fund/general purpose.....	\$	4,708,700
23	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
24	Full-time equated classified positions		65.5
25	Agriculture preservation easement grants.....	\$	1,900,000
26	Environmental stewardship - MAEAP--25.0 FTE positions.		10,309,700
27	Farmland and open space preservation--10.0 FTE		

1	positions	1,552,600
2	Intercounty drain--6.0 FTE positions.....	813,600
3	Migrant labor housing--9.0 FTE positions.....	1,286,000
4	Qualified forest program--9.0 FTE positions.....	2,668,500
5	Right-to-farm--6.5 FTE positions.....	<u>965,600</u>
6	GROSS APPROPRIATION.....	\$ 19,496,000
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from MDEQ, biosolids.....	91,400
10	IDG from MDNR, forest development fund.....	997,300
11	Federal revenues:	
12	Department of interior.....	96,300
13	EPA, multiple grants.....	561,600
14	USDA, multiple grants.....	822,300
15	Special revenue funds:	
16	Agricultural preservation fund.....	3,444,700
17	Freshwater protection fund.....	8,723,700
18	Migratory labor housing fund.....	140,100
19	Private forestland enhancement fund.....	780,100
20	State general fund/general purpose.....	\$ 3,838,500
21	Sec. 108. LABORATORY PROGRAM	
22	Full-time equated classified positions107.0	
23	Central licensing and customer call center--12.0 FTE	
24	positions	\$ 1,336,600
25	Consumer protection program--42.0 FTE positions.....	6,811,300
26	Laboratory services--41.0 FTE positions.....	7,169,900
27	USDA monitoring--12.0 FTE positions.....	<u>1,647,900</u>

1	GROSS APPROPRIATION.....	\$	16,965,700
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from LARA (LCC), liquor quality testing fees.....		223,800
5	Federal revenues:		
6	EPA, multiple grants.....		175,900
7	HHS, multiple grants.....		942,500
8	USDA, multiple grants.....		1,649,100
9	Special revenue funds:		
10	Agriculture licensing and inspection fees.....		342,200
11	Dairy and food safety fund.....		503,500
12	Feed control fund.....		190,800
13	Fertilizer control fund.....		24,100
14	Freshwater protection fund.....		45,700
15	Gasoline inspection and testing fund.....		1,423,600
16	Grain dealers fee fund.....		7,900
17	Migratory labor housing fund.....		29,000
18	Refined petroleum fund.....		3,353,200
19	Testing fees.....		202,600
20	Weights and measures regulation fees.....		730,300
21	State general fund/general purpose.....	\$	7,121,500
22	Sec. 109. AGRICULTURE DEVELOPMENT		
23	Full-time equated classified positions22.0		
24	Agriculture development--13.0 FTE positions.....	\$	4,305,700
25	Fair food network - double up food bucks.....		1,000,000
26	Food and agriculture investment program.....		5,077,900
27	Michigan craft beverage council--3.0 FTE positions....		940,100

1	Producer security/grain dealers--5.0 FTE positions....	729,300
2	Rural development fund grant program--1.0 FTE	
3	position	<u>2,006,300</u>
4	GROSS APPROPRIATION.....	\$ 14,059,300
5	Appropriated from:	
6	Federal revenues:	
7	USDA, multiple grants.....	2,274,800
8	Special revenue funds:	
9	Private - commodity group revenue.....	50,000
10	Agriculture licensing and inspection fees.....	5,100
11	Grain dealers fee fund.....	682,500
12	Industry support funds.....	203,600
13	Michigan craft beverage council fund.....	891,000
14	Rural development fund.....	2,006,300
15	State general fund/general purpose.....	\$ 7,946,000
16	Sec. 110. FAIRS AND EXPOSITIONS	
17	County fairs, shows, and expositions.....	\$ 400,000
18	Festivals and events.....	50,000
19	Fairs and racing.....	256,600
20	Licensed tracks - light horse racing.....	40,300
21	Light horse racing - breeders' awards.....	20,000
22	Purses and supplements - fairs/licensed tracks.....	708,300
23	Standardbred breeders' awards.....	345,900
24	Standardbred purses and supplements - licensed tracks.	671,800
25	Standardbred sire stakes.....	275,000
26	Thoroughbred breeders' awards.....	368,600
27	Thoroughbred sire stakes.....	378,800

1	Thoroughbred supplements - licensed tracks.....	601,900
2	GROSS APPROPRIATION.....	\$ 4,117,200
3	Appropriated from:	
4	Special revenue funds:	
5	Agriculture equine industry development fund.....	3,667,200
6	State general fund/general purpose.....	\$ 450,000
7	Sec. 111. ONE-TIME APPROPRIATIONS	
8	Hoophouses for health.....	\$ 100
9	GROSS APPROPRIATION.....	\$ 100
10	Appropriated from:	
11	State general fund/general purpose.....	\$ 100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2019-2020

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2019-2020 is \$95,977,700.00 and state spending from state sources to be paid to local units of government for fiscal year 2019-2020 is \$9,150,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

24	Agriculture preservation easement grants.....	\$ 1,900,000
25	Environmental stewardship/MAEAP.....	4,250,000

1	Qualified forest program.....	1,500,000
2	Rural development fund grant program.....	<u>1,500,000</u>
3	TOTAL.....	\$ 9,150,000

4 Sec. 202. The appropriations authorized under part 1 and this
5 part are subject to the management and budget act, 1984 PA 431, MCL
6 18.1101 to 18.1594.

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

8 (a) "Department" means the department of agriculture and rural
9 development.

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

11 (c) "EPA" means the United States Environmental Protection
12 Agency.

13 (d) "FDA" means the United States Food and Drug
14 Administration.

15 (e) "Fiscal agencies" means the Michigan house fiscal agency
16 and the Michigan senate fiscal agency.

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

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

20 (h) "IDG" means interdepartmental grant.

21 (i) "LARA" means the Michigan department of licensing and
22 regulatory affairs.

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

24 (k) "MAEAP" means the Michigan agriculture environmental
25 assurance program.

26 (l) "MDEQ" means the Michigan department of environmental
27 quality.

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

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

3 (o) "Subcommittees" means all members of the subcommittees of
4 the house and senate appropriations committees with jurisdiction
5 over the budget for the department.

6 (p) "TB" means tuberculosis.

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

8 Sec. 204. (1) The departments and agencies receiving
9 appropriations in part 1 shall use the internet to fulfill the
10 reporting requirements of this part. This requirement may include
11 transmission of reports via electronic mail to the recipients
12 identified for each reporting requirement, or it may include
13 placement of reports on an internet or intranet site.

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

17 Sec. 205. Funds appropriated in part 1 shall not be used for
18 the purchase of foreign goods or services, or both, if
19 competitively priced and of comparable quality American goods or
20 services, or both, are available. Preference shall be given to
21 goods or services, or both, manufactured or provided by Michigan
22 businesses, if they are competitively priced and of comparable
23 quality. In addition, preference shall be given to goods or
24 services, or both, that are manufactured or provided by Michigan
25 businesses owned and operated by veterans, if they are
26 competitively priced and of comparable quality.

27 Sec. 206. The director shall take all reasonable steps to

1 ensure businesses in deprived and depressed communities compete for
2 and perform contracts to provide services or supplies, or both.
3 Each director shall strongly encourage firms with which the
4 department contracts to subcontract with certified businesses in
5 depressed and deprived communities for services or supplies, or
6 both.

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

17 (a) The dates of each travel occurrence.

18 (b) 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 Sec. 208. Funds appropriated in part 1 shall not be used by a
24 principal executive department, state agency, or authority to hire
25 a person to provide legal services that are the responsibility of
26 the attorney general. This prohibition does not apply to legal
27 services for bonding activities and for those outside services that

1 the attorney general authorizes.

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

11 Sec. 210. (1) In addition to the funds appropriated in part 1,
12 there is appropriated an amount not to exceed \$5,000,000.00 for
13 federal contingency funds. These funds are not available for
14 expenditure until they have been transferred to another line item
15 in part 1 under section 393(2) of the management and budget act,
16 1984 PA 431, MCL 18.1393.

17 (2) In addition to the funds appropriated in part 1, there is
18 appropriated an amount not to exceed \$6,000,000.00 for state
19 restricted contingency funds. These funds are not available for
20 expenditure until they have been transferred to another line item
21 in part 1 under section 393(2) of the management and budget act,
22 1984 PA 431, MCL 18.1393.

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

1 MCL 18.1393.

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

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

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

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

14 (c) Fiscal year-to-date payments to a selected vendor,
15 including the vendor name, payment date, payment amount, and
16 payment description.

17 (d) The number of active department employees by job
18 classification.

19 (e) Job specifications and wage rates.

20 Sec. 212. Within 14 days after the release of the executive
21 budget recommendation, the department shall cooperate with the
22 state budget office to provide the senate and house appropriations
23 chairs, the subcommittees, respectively, and the senate and house
24 fiscal agencies with an annual report on estimated state restricted
25 fund balances, state restricted fund projected revenues, and state
26 restricted fund expenditures for the fiscal years ending September
27 30, 2019 and September 30, 2020.

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

5 Sec. 214. Total authorized appropriations from all sources
6 under part 1 for legacy costs for the fiscal year ending September
7 30, 2020 is \$12,028,500.00. From this amount, total agency
8 appropriations for pension-related legacy costs are estimated at
9 \$5,847,300.00. Total agency appropriations for retiree health care
10 legacy costs are estimated at \$6,181,200.00.

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

14 Sec. 234. The department and agencies receiving appropriations
15 in part 1 shall receive and retain copies of all reports funded
16 from appropriations in part 1. Federal and state guidelines for
17 short-term and long-term retention of records shall be followed.
18 The department may electronically retain copies of reports unless
19 otherwise required by federal and state guidelines.

20 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

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

1 (c) Laboratory support analyses of food, livestock, and
2 agricultural products for disease, foreign products for disease,
3 toxic materials, foreign substances, and quality standards.

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

6 (2) The department may receive and expend revenue from the
7 fees authorized under subsection (1), subject to appropriation, for
8 the purpose of recovering expenses associated with the work
9 activities and services described in subsection (1). Fee revenue
10 collected by the department under subsection (1) shall not lapse to
11 the state general fund at the end of the fiscal year but shall
12 carry forward for appropriation by the legislature in the
13 subsequent fiscal year.

14 (3) The department shall notify the subcommittees, the fiscal
15 agencies, and the state budget office 30 days prior to proposing
16 changes in fees authorized under this section or under section 5 of
17 1915 PA 91, MCL 285.35.

18 (4) On or before February 1 of each year, the department shall
19 provide a report to the subcommittees, the fiscal agencies, and the
20 state budget office detailing all the fees charged by the
21 department under the authorization provided in this section,
22 including, but not limited to, rates, number of individuals paying
23 each fee, and the revenue generated by each fee in the previous
24 fiscal year.

25 Sec. 302. (1) The department may contract with or provide
26 grants to local units of government, institutions of higher
27 education, or nonprofit organizations to support activities

1 authorized by appropriations in part 1. As used in this section,
2 contracts and grants include, but are not limited to, contracts for
3 delivery of groundwater/freshwater programs, MAEAP technical
4 assistance, forest management, invasive species monitoring,
5 wildlife risk mitigation, grants promoting proper pesticide
6 disposal, and research grants for the purpose of enhancing the
7 agricultural industries in this state.

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

12 **FOOD AND DAIRY**

13 Sec. 401. (1) The department shall report on the previous
14 fiscal year's activities of the food and dairy division. The report
15 shall include information on activities and outcomes of the dairy
16 safety and inspection program, the food safety inspection program,
17 the foodborne illness and emergency response program, and the food
18 service program.

19 (2) The report shall include information on significant
20 foodborne outbreaks and emergencies, including any significant
21 enforcement actions taken related to food safety during the prior
22 calendar year.

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

1 **ANIMAL INDUSTRY**

2 Sec. 451. From the funds appropriated in part 1 for bovine
3 tuberculosis, the department shall pay for all whole herd testing
4 costs and individual animal testing costs in the modified
5 accredited zone to maintain split-state status requirements. These
6 costs include indemnity and compensation for injury causing death
7 or downer to animals.

8 Sec. 452. (1) The department shall report on the previous
9 calendar year's activities of the animal industry division. The
10 report shall be transmitted to the subcommittees, the fiscal
11 agencies, and the state budget office and posted to the
12 department's website on or before April 1 of each year.

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

16 (a) The reason for the indemnification.

17 (b) The amount of the indemnification.

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

19 Sec. 454. The department shall use its resources to
20 collaborate with the USDA to monitor bovine TB, consistent with the
21 April 2019 memorandum of understanding between the department and
22 the USDA.

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

27 (2) For each fiscal quarter following the report required in

subsection (1), the department shall provide an update to the subcommittees, the fiscal agencies, and the state budget office. The quarterly update reports shall identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, and 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; efforts to work with slaughter facilities in this state, as well as those that slaughter a significant number of animals from this state; educational programs and information for this state's livestock community; and any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB-free status for this state.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. The department shall report on the previous calendar year's activities of the pesticide and plant pest management division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

ENVIRONMENTAL STEWARDSHIP

Sec. 601. The funds appropriated in part 1 for environmental stewardship/MAEAP shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater

1 protection programs under part 87 of the natural resources and
2 environmental protection act, 1994 PA 451, MCL 324.8701 to
3 324.8717, and technical assistance in implementing conservation
4 grants available under the federal farm bill of 2014 and the
5 federal farm bill of 2018.

6 Sec. 602. The department shall report on the previous calendar
7 year's activities of the environmental stewardship division. The
8 report shall be transmitted to the subcommittees, the fiscal
9 agencies, and the state budget office and posted to the
10 department's website on or before April 1 of each year.

11 Sec. 604. The department may receive and expend federal
12 revenues in excess of the federal revenue appropriated in section
13 107 of part 1 for environmental stewardship and MAEAP activities.
14 The department shall notify the subcommittees, the fiscal agencies,
15 and the state budget office prior to expending federal revenues
16 authorized under this section.

17 Sec. 608. (1) The appropriations in part 1 for the qualified
18 forest affidavit program are for the purpose of increasing the
19 knowledge of nonindustrial private forestland owners of sound
20 forest management practices and increasing the amount of commercial
21 timber production from those lands.

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

26 **LABORATORY PROGRAM**

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

6 **AGRICULTURE DEVELOPMENT**

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

10 (2) The food and agriculture investment program shall expand
11 the Michigan food and agriculture sector, grow Michigan exports,
12 promote the development of value-added agricultural production,
13 food hubs, food incubators, and community-based processing
14 facilities, and the expansion of farm markets and urban
15 agriculture, and increase food processing activities within the
16 state by accelerating projects and infrastructure development that
17 support growth in the food and agriculture processing industry.

18 (3) In addition to the funds appropriated in part 1, the
19 department may receive and expend funds received from outside
20 sources for the food and agriculture investment program.

21 (4) Before the allocation of funding, all projects shall
22 receive approval from the Michigan commission of agriculture and
23 rural development, except for projects selected through a
24 competitive process by a joint evaluation committee selected by the
25 director and consisting of representatives that have agriculture,
26 business, and economic development expertise. Projects funded

1 through the food and agriculture investment program will be
2 required to have a grant agreement that outlines milestones and
3 activities that must be met in order to receive a disbursement of
4 funds. Projects must also identify measurable project outcomes.

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

10 (6) The food and agriculture investment program shall be
11 administered by the department and provide support for food and
12 agriculture projects that will enable growth in the industry and
13 this state's economy.

14 (7) The unexpended funds appropriated in part 1 for the food
15 and agriculture investment program are designated as a work project
16 appropriation, and any unencumbered or unallotted funds shall not
17 lapse at the end of the fiscal year and shall be available for
18 expenditures for projects under this section until the projects
19 have been completed. The following is in compliance with section
20 451a(1) of the management and budget act, 1984 PA 431, MCL
21 18.1451a:

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

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

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

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

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

8 (a) Grants.

9 (b) Loans or loan guarantees.

10 (c) Infrastructure development.

11 (d) Other economic assistance.

12 (e) Program administration.

13 (f) Export assistance.

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

17 Sec. 702. The department shall work with the rural development
18 fund board to establish a process and criteria for funding projects
19 as well as establishing metrics and measurable outcomes for the
20 program. Funds appropriated from the rural development fund shall
21 be used in accordance with the provisions of the rural development
22 fund act, 2012 PA 411, MCL 286.941 to 286.947.

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

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

1 (b) Notify recipients of food assistance program benefits
2 about the double up food bucks program that is administered by the
3 fair food network. Food assistance program recipients shall receive
4 information about the double up food bucks program, including
5 information that explains that when program recipients spend up to
6 \$20.00 at participating farmer's markets and grocery stores, the
7 recipient can receive an additional \$20.00 to buy Michigan produce.

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

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

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

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

24 (c) Number of individuals participating in the program, by
25 county.

26 (d) A breakdown of program participation by county and by day
27 of week.

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

5 Sec. 706. (1) The department shall report on the previous
6 calendar year's activities of the agriculture development division.
7 The report shall be transmitted to the subcommittees, the fiscal
8 agencies, and the state budget office and posted to the
9 department's website on or before April 1 of each year.

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

12 (a) The name of the grantee.

13 (b) The amount of the grant.

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

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

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

18 (3) The report shall include the following information on the
19 Michigan craft beverage council established under section 303 of
20 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

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

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

26 (c) Grants awarded during the previous fiscal year and the
27 results of research grant projects completed during the previous

1 fiscal year.

2 **FAIRS AND EXPOSITIONS**

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

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

11 (a) To support all administrative, contractual, and regulatory
12 costs incurred by the department and the Michigan gaming control
13 board.

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

16 (c) Any remaining funds collected through September 30, 2020,
17 after the obligations in subdivisions (a) and (b) have been met,
18 shall be prorated equally among the supplements, breeders' awards,
19 and sire stakes awards to eligible race meeting licensees in
20 accordance with section 20 of the horse racing law of 1995, 1995 PA
21 279, MCL 431.320.

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

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

1 (b) Provide financial support, promotion, prizes, and premiums
2 of equine, livestock, and other agricultural commodity expositions
3 in the state.

4 (2) The department shall award grants on a competitive basis
5 to county fairs or other organizations from the funds appropriated
6 in part 1 for county fairs, shows, and expositions grants. Grantees
7 will be required to provide a 50% cash match with grant awards and
8 identify measurable project outcomes. A county fair organization
9 that received a county fair capital improvement grant in the prior
10 fiscal year shall not receive a grant from the appropriation in
11 part 1.

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

17 (4) All fairs receiving grants under this section shall
18 provide a report to the department on the financial impact
19 resulting from the capital improvement project on both fair and
20 nonfair events. These reports are due for 3 years immediately
21 following the completion of the capital improvement project.

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

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

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

5 (a) The purpose of the project is to support building
6 improvements or other capital improvements at county fairgrounds of
7 the state.

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

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

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

15 (8) The department shall provide a year-end report on the
16 county fairs, shows, and expositions grants no later than December
17 1, 2020 to the subcommittees, the fiscal agencies, and the state
18 budget director that includes a listing of the grantees, award
19 amounts, match funding, and project outcomes.

20 Sec. 806. From the funds appropriated in part 1 for festivals
21 and events, \$50,000.00 shall be used to promote festivals and
22 events in this state.

23 Sec. 807. From the funds appropriated in part 1 for food and
24 agriculture investment program, \$150,000.00 shall be used to
25 establish a hoophouse revolving loan fund. Program funds shall be
26 used to provide no-interest loans to assist qualified growers in
27 constructing hoophouses. The department shall work with the

1 Michigan Farmers Market Association to establish program criteria.

2 **ONE-TIME APPROPRIATIONS**

3 Sec. 901. From the funds appropriated in part 1 for hoophouses
4 for health, \$100.00 shall be used to establish a hoophouse
5 revolving loan fund. Program funds shall be used to provide no-
6 interest loans to assist qualified growers in constructing
7 hoophouses. The department shall work with the Michigan Farmers
8 Market Association to establish program criteria.