

**SUBSTITUTE FOR
SENATE BILL NO. 171**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2026; 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, 2026, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
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1	Full-time equated classified positions	575.0	
2	GROSS APPROPRIATION		\$ 159,460,600
3	Total interdepartmental grants and		
4	intradepartmental transfers		336,600
5	ADJUSTED GROSS APPROPRIATIONS		\$ 159,124,000
6	Federal revenues:		
7	Total federal revenues		20,079,600
8	Special revenue funds:		
9	Total local revenues		0
10	Total private revenues		0
11	Total other state restricted revenues		51,972,400
12	State general fund/general purpose		\$ 87,072,000
13	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
14	SUPPORT		
15	Full-time equated unclassified positions	6.0	
16	Full-time equated classified positions	31.0	
17	Unclassified salaries--FTE positions	6.0	\$ 1,064,200
18	Accounting service center		1,190,900
19	Commissions and boards		23,800
20	Emergency management--FTEs	8.0	3,574,100
21	Emerging contaminants in food and agriculture--		
22	FTEs	6.0	2,112,200
23	Executive direction--FTEs	17.0	2,532,200
24	Property management		876,300
25	GROSS APPROPRIATION		\$ 11,373,700
26	Appropriated from:		
27	Federal revenues:		
28	HHS, multiple grants		444,800

1	USDA, multiple grants	600,000
2	Deferred federal revenue funding	15,000
3	Special revenue funds:	
4	Agriculture licensing and inspection fees	170,100
5	Dairy and food safety fund	160,000
6	Feed control fund	9,000
7	Fertilizer control fund	10,700
8	Freshwater protection fund	165,400
9	Industry support funds	58,300
10	Michigan craft beverage council fund	8,800
11	Private forestland enhancement fund	18,100
12	Refined petroleum fund	21,300
13	Weights and measures regulation fees	5,000
14	State general fund/general purpose	\$ 9,687,200
15	Sec. 103. INFORMATION TECHNOLOGY	
16	Information technology services and projects	\$ 2,386,400
17	GROSS APPROPRIATION	\$ 2,386,400
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Special revenue funds:	
21	Agriculture licensing and inspection fees	93,800
22	Dairy and food safety fund	77,000
23	Feed control fund	15,200
24	Fertilizer control fund	15,200
25	Freshwater protection fund	15,200
26	Gasoline inspection and testing fund	32,600
27	State general fund/general purpose	\$ 2,137,400
28	Sec. 104. FOOD SAFETY AND ANIMAL HEALTH	

1	Full-time equated classified positions	212.0		
2	Animal disease prevention and response--FTEs	63.0	\$	11,208,400
3	Animal feed safety--FTEs	10.0	\$	2,127,200
4	Food safety and quality assurance--FTEs	103.0	\$	18,907,500
5	Indemnification - livestock depredation			15,000
6	Michigan animal agriculture alliance			3,000,000
7	Milk safety and quality assurance--FTEs	36.0		6,057,500
8	GROSS APPROPRIATION		\$	41,315,600
9	Appropriated from:			
10	Federal revenues:			
11	HHS, multiple grants			2,929,800
12	USDA, multiple grants			1,211,100
13	Special revenue funds:			
14	Agriculture licensing and inspection fees			73,300
15	Animal welfare fund			150,000
16	Consumer and industry food safety education			
17	fund			242,500
18	Dairy and food safety fund			6,545,400
19	Feed control fund			1,451,500
20	Industry food safety education fund			114,100
21	Marihuana regulatory fund			50,600
22	State general fund/general purpose		\$	28,547,300
23	Sec. 105. PROTECTING MICHIGAN'S FOOD SUPPLY			
24	Full-time equated classified positions	19.0		
25	Protect Michigan food supply--FTEs	19.0	\$	4,000,000
26	GROSS APPROPRIATION		\$	4,000,000
27	Appropriated from:			
28	Special revenue funds:			

1	Dairy and food safety fund		2,000,000
2	State general fund/general purpose	\$	2,000,000
3	Sec. 106. ENVIRONMENT AND SUSTAINABILITY		
4	Full-time equated classified positions	113.5	
5	Environmental stewardship--FTEs	21.0	\$ 5,424,600
6	Pesticide and plant pest management--FTEs	81.0	14,032,300
7	Right-to-farm--FTEs	6.5	1,060,100
8	Soil health/regenerative agriculture--FTEs	5.0	2,035,500
9	GROSS APPROPRIATION	\$	22,552,500
10	Appropriated from:		
11	IDG from MDEGLE, biosolids		97,800
12	Federal revenues:		
13	Department of interior		96,300
14	EPA, multiple grants		1,142,700
15	USDA, multiple grants		2,048,100
16	Special revenue funds:		
17	Agriculture licensing and inspection fees		4,228,600
18	Fertilizer control fund		1,396,000
19	Freshwater protection fund		3,360,100
20	Horticulture fund		70,000
21	Industrial hemp fund		688,900
22	Industry support funds		228,100
23	State general fund/general purpose	\$	9,195,900
24	Sec. 107. MAEAP AND CONSERVATION DISTRICT		
25	SUPPORT		
26	Full-time equated classified positions	6.0	
27	MAEAP and conservation district support--FTEs	6.0	\$ 9,700,000
28	GROSS APPROPRIATION	\$	9,700,000

1	Appropriated from:		
2	Special revenue funds:		
3	Freshwater protection fund		5,200,000
4	State general fund/general purpose	\$	4,500,000
5	Sec. 108. AGRICULTURE DEVELOPMENT		
6	Full-time equated classified positions	74.0	
7	Agricultural preservation easement grants	\$	1,900,000
8	Agricultural support--FTEs	5.0	1,005,000
9	Agriculture development--FTEs	16.0	4,882,500
10	Fair food network - double up food bucks		5,000,000
11	Farm to family--FTEs	6.0	3,014,300
12	Farmland and open space preservation--FTEs	10.0	1,613,800
13	Food and agriculture investment program		2,474,800
14	Food and agriculture supply chain--FTE	1.0	805,100
15	Fruit and vegetable inspections--FTEs	8.0	1,313,300
16	Intercounty drain--FTEs	5.0	897,800
17	Michigan craft beverage council--FTE	1.0	1,346,600
18	Migrant labor housing--FTEs	9.0	1,410,000
19	Producer security/grain dealers--FTEs	6.0	1,044,500
20	Qualified forest program--FTEs	4.0	8,126,500
21	Rural development fund grant program--FTEs	3.0	4,009,500
22	GROSS APPROPRIATION	\$	38,843,700
23	Appropriated from:		
24	Federal revenues:		
25	USDA, multiple grants		8,089,900
26	Special revenue funds:		
27	Agricultural preservation fund		3,513,800
28	Agriculture licensing and inspection fees		5,100

1	Commodity inspection fees		705,500
2	Grain dealers fee fund		885,700
3	Industry support funds		223,600
4	Michigan craft beverage council fund		1,316,600
5	Migratory labor housing fund		145,100
6	Private forestland enhancement fund		1,080,100
7	Rural development fund		4,009,500
8	State general fund/general purpose	\$	18,868,800
9	Sec. 109. LABORATORY AND CONSUMER PROTECTION		
10	Full-time equated classified positions	115.5	
11	Integrated solutions--FTEs	25.0	\$ 3,724,100
12	Consumer protection program--FTEs	39.0	6,988,800
13	Laboratory services--FTEs	40.5	8,667,700
14	USDA monitoring--FTEs	11.0	1,743,800
15	GROSS APPROPRIATION	\$	21,124,400
16	Appropriated from:		
17	Interdepartmental grant revenues:		
18	IDG from LARA (LCC), liquor quality testing		
19	fees		238,800
20	Federal revenues:		
21	EPA, multiple grants		180,600
22	HHS, multiple grants		1,576,300
23	USDA, multiple grants		1,745,000
24	Special revenue funds:		
25	Agriculture licensing and inspection fees		835,500
26	Agriculture preservation fund		44,600
27	Dairy and food safety fund		709,600
28	Feed control fund		193,000

1	Fertilizer control fund		23,500
2	Freshwater protection fund		78,900
3	Gasoline inspection and testing fund		1,964,300
4	Grain dealers fee fund		8,400
5	Industrial hemp fund		322,200
6	Migratory labor housing fund		29,900
7	Refined petroleum fund		3,563,700
8	Testing fees		361,700
9	Weights and measures regulation fees		763,100
10	State general fund/general purpose	\$	8,485,300
11	Sec. 110. AGRICULTURE DIAGNOSTICS		
12	Full-time equated classified positions	4.0	
13	Plant, soil, and pest diagnostics--FTEs	4.0 \$	900,000
14	GROSS APPROPRIATION	\$	900,000
15	Appropriated from:		
16	Special revenue funds:		
17	State general fund/general purpose	\$	900,000
18	Sec. 111. FAIRS AND EXPOSITIONS		
19	County fairs, shows, and expositions	\$	500,000
20	Fairs and racing		258,600
21	Horse racing advisory commmission		125,000
22	Purses and supplements - fairs/licensed tracks		2,073,600
23	Standardbred breeders' awards		345,900
24	Standardbred purses and supplements - licensed		
25	tracks		991,100
26	Standardbred sire stakes		720,000
27	GROSS APPROPRIATION	\$	5,014,200
28	Appropriated from:		

Special revenue funds:

Agriculture equine industry development fund	4,514,200
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State general fund/general purpose	\$ 500,000
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Sec. 112. ONE-TIME APPROPRIATIONS

Farm to family - new farmer support grants	\$ 800,000
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Plant, soil, and pest diagnostics	700,000
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Agriculture flooding and water control infrastructure	400,000
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Tariff impacts monitoring and evaluation	250,000
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Horticulture education programs	99,900
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Small farm tariff relief grants	100
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Ice storm relief for maple syrup and other agriculture industries	100
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GROSS APPROPRIATION	\$ 2,250,100
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Appropriated from:

Special revenue funds:

State general fund/general purpose	\$ 2,250,100
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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending from state sources under part 1 is \$139,044,400.00 and state spending under part 1 from state sources to be paid to local units of government is \$14,400,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Agriculture preservation easement grants	\$	1,900,000
MAEAP and conservation district support		8,100,000
Qualified forest program		1,400,000
Rural development fund grant program		3,000,000
TOTAL	\$	14,400,000

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

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

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

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

(c) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.

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

(e) "IDG" means interdepartmental grant.

(f) "MAEAP" means the Michigan agriculture environmental assurance program.

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

(h) "Standard report recipients" means the senate and house appropriations subcommittees on agriculture and rural development the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

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

(j) "TB" means tuberculosis.

1 (k) "USDA" means the United States Department of Agriculture.

2 Sec. 204. A department or agency shall use the internet to
3 fulfill the reporting requirements of this part. This requirement
4 includes transmitting reports to the standard report recipients and
5 any other required recipients by email and posting the reports on
6 an internet site.

7 Sec. 205. To the extent permissible under section 261 of the
8 management and budget act, 1984 PA 431, MCL 18.1261, all of the
9 following apply to the expenditure of funds appropriated in part 1:

10 (a) The funds must not be used for the purchase of foreign
11 goods or services, or both, if competitively priced and of
12 comparable quality American goods or services, or both, are
13 available.

14 (b) Preference must be given to goods or services, or both,
15 manufactured or provided by Michigan businesses, if they are
16 competitively priced and of comparable quality.

17 (c) Preference must be given to goods or services, or both,
18 that are manufactured or provided by Michigan businesses owned and
19 operated by veterans, if they are competitively priced and of
20 comparable quality.

21 (d) Preference must be given to goods or services, or both,
22 that are manufactured in facilities that employ union members.

23 Sec. 206. The department shall not take disciplinary action
24 against an employee of the department for communicating with a
25 member of the legislature or legislative staff, unless the
26 communication is prohibited by law and the department is exercising
27 its authority as provided by law.

28 Sec. 207. Consistent with section 217 of the management and
29 budget act, 1984 PA 431, MCL 18.1217, each department and agency

1 receiving appropriations in part 1 shall prepare a report on out-
2 of-state travel expenses not later than January 1. The report must
3 list all travel by classified and unclassified employees outside
4 this state in the previous fiscal year that was funded in whole or
5 in part with funds appropriated in the department's or agency's
6 budget. The department or agency shall submit the report to the
7 standard report recipients and to the senate and house
8 appropriations committees. The report must include all of the
9 following information:

10 (a) The dates of each travel occurrence.

11 (b) The total transportation and related expenses of each
12 travel occurrence and the proportions funded with state general
13 fund/general purpose revenues, state restricted revenues, federal
14 revenues, and other revenues.

15 Sec. 208. A principle executive department, state agency, or
16 authority shall not use funds appropriated in part 1 to hire a
17 person to provide legal services that are the responsibility of the
18 attorney general. This section does not apply to legal services for
19 bonding activities or to outside legal services that the attorney
20 general authorizes.

21 Sec. 209. Not later than December 15, the state budget office
22 shall prepare and submit a report that provides estimates of the
23 total general fund/general purpose appropriation lapses at the
24 close of the previous fiscal year. The report must summarize the
25 projected year-end general fund/general purpose appropriation
26 lapses by major departmental program or program areas. The state
27 budget office shall submit the report to the standard report
28 recipients and to the chairpersons of the senate and house
29 appropriations committees.

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

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

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

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

25 Sec. 211. A department or agency shall cooperate with the
26 department of technology, management, and budget to maintain a
27 searchable website accessible by the public at no cost that
28 includes, but is not limited to, all of the following for each
29 department or agency:

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

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

3 (c) Fiscal year-to-date payments to a selected vendor,
4 including the vendor name, payment date, payment amount, and
5 payment description.

6 (d) The number of active department employees by job
7 classification.

8 (e) Job specifications and wage rates.

9 Sec. 212. Not later than 14 days after the release of the
10 executive budget recommendation, the department shall cooperate
11 with the state budget office to provide an annual report on
12 estimated state restricted fund balances, state restricted fund
13 projected revenues, and state restricted fund expenditures for the
14 previous 2 fiscal years. The report must be submitted to the
15 standard report recipients and to the chairpersons of the senate
16 and house appropriations committees.

17 Sec. 214. (1) To the extent permissible under the management
18 and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director
19 shall take all reasonable steps to ensure geographically
20 disadvantaged business enterprises compete for and perform
21 contracts to provide services or supplies, or both. The director
22 shall strongly encourage firms with which the department contracts
23 to subcontract with certified geographically disadvantaged business
24 enterprises for services, supplies, or both.

25 (2) As used in this section, "geographically disadvantaged
26 business enterprises" means that term as defined in Executive
27 Directive No. 2023-01.

28 Sec. 215. On a quarterly basis, the department or agency
29 receiving appropriations in part 1 shall report on the number of

1 full-time equated positions in pay status by civil service
2 classification, including a comparison by line item of the number
3 of full-time equated positions authorized from funds appropriated
4 in part 1 to the actual number of full-time equated positions
5 employed by the department or agency at the end of the reporting
6 period. The report must be submitted to the senate and house
7 appropriations committees and to the standard report recipients.

8 Sec. 218. The department shall receive and retain copies of
9 all reports funded from appropriations in part 1. The department
10 shall follow federal and state guidelines for short-term and long-
11 term retention of records. The department may electronically retain
12 copies of reports unless otherwise required by federal and state
13 guidelines.

14 Sec. 221. To the extent possible, the department shall not
15 expend appropriations under part 1 until all existing authorized
16 work project funds available for the same purposes are exhausted.

17 Sec. 222. (1) Funds appropriated in part 1 must not be used to
18 restrict or impede a marginalized community's access to government
19 resources, programs, or facilities.

20 (2) From the funds appropriated in part 1, local governments
21 shall report any action or policy that attempts to restrict or
22 interfere with the duties of the local health officer.

23 Sec. 223. (1) The state budget director shall take steps to
24 ensure that all state fiscal recovery funds allocated to this state
25 under the American rescue plan act of 2021, Public Law 117-2, are
26 expended by December 31, 2026, as required by law.

27 (2) A department or agency receiving an appropriation under
28 this part or part 1 shall notify the standard report recipients if
29 an appropriation of funds described under this section is projected

1 to lapse.

2 Sec. 250. (1) For any grant program or project funded in part
3 1 intended for a single recipient organization or unit of local
4 government, the grant program or project is for a public purpose
5 and the department shall follow procurement statutes of this state,
6 including any bidding requirements, unless the department can fully
7 validate, through information detailed in this part or public
8 supporting documents, both of the following:

9 (a) The specific organization or unit of local government that
10 will receive or administer the funds.

11 (b) How the funds will be administered and expended.

12 (2) To be eligible to receive a grant described in subsection
13 (1), both of the following must occur:

14 (a) A recipient must submit the application under subsection
15 (3) not later than 60 days after the effective date of this act.

16 (b) A recipient must be 1 of the following:

17 (i) A unit of local government, as that term is defined in
18 section 115 of the management and budget act, 1984 PA 431, MCL
19 18.1115.

20 (ii) An institution of higher education.

21 (iii) A state agency, as that term is defined in section 115 of
22 the management and budget act, 1984 PA 431, MCL 18.1115.

23 (iv) An entity registered with the department of licensing and
24 regulatory affairs or the department of attorney general that has
25 been in existence for at least the 12 months preceding the
26 effective date of this act.

27 (v) Another entity that can demonstrate, through state or
28 federal tax filings or other state or federal government records,
29 that it has been in existence for at least the 12 months preceding

1 the effective date of this act.

2 (3) Notwithstanding any other conditions or requirements for
3 direct appropriation grants, the department shall work with the
4 state budget office to perform at least all of the following
5 activities to administer the grants described in subsection (1):

6 (a) Develop a standard application process using the
7 electronic submission portal developed by the state budget office,
8 grantee reporting requirements, and any other necessary
9 documentation, including sponsorship information as specified under
10 subsection (4). If the electronic submission portal identified in
11 this subdivision is not fully functional by 60 days after the
12 effective date of this act, the state budget office shall ensure
13 that the standard application process and form are available
14 promptly and paper submission is acceptable. The state budget
15 office shall promptly submit application material received to the
16 department for departmental review.

17 (b) Establish a process to review, complete, and execute a
18 grant agreement with a grant recipient. The department shall not
19 execute a grant agreement unless all necessary documentation has
20 been submitted and reviewed.

21 (c) Verify to the extent possible that a grant recipient will
22 use funds for a public purpose that serves the economic prosperity,
23 health, safety, or general welfare of the residents of this state.

24 (d) Review and verify all necessary information to ensure the
25 grant recipient is reasonably able to execute the grant agreement,
26 perform its fiduciary duty, and comply with all applicable state
27 and federal statutes. The department may deduct the cost of
28 background checks and any other efforts performed as part of this
29 verification from the amount of the designated grant award.

1 (e) Establish a standard timeline to review all documents
2 submitted by grant recipients and provide a response within 45
3 business days stating whether submitted documents by a grant
4 recipient are sufficient or in need of additional information. If
5 additional information is needed, the 60-day deadline in subsection
6 (2) is considered to have been met if a sponsor has been identified
7 for that grant. If a grant recipient does not provide information
8 sufficient to execute a grant agreement not later than 60 days
9 after being notified by the department of grant approval, the
10 department shall return funds associated with the grant to the
11 state treasury.

12 (f) Make an initial disbursement of up to 50% of the grant to
13 the grant recipient not later than 60 days after a grant agreement
14 has been executed. Disbursements must be consistent with part II,
15 chapter 10, section 200 of the Financial Management Guide.

16 (g) Disburse the funds remaining after the initial
17 disbursement under subdivision (f) per the grant disbursement
18 schedule in the executed grant agreement on a reimbursement basis
19 after the grantee has provided sufficient documentation, as
20 determined by the department, to verify that expenditures were made
21 in accordance with the project purpose.

22 (4) The process for the identification and sponsorship of a
23 grant described in subsection (1) is as follows:

24 (a) Not later than the effective date of this act, the state
25 budget office shall provide an initial list of grants that require
26 legislative sponsorship to the legislature and shall make public an
27 initial list of grants that likely will be sponsored by the
28 department or by the state budget office.

29 (b) A sponsor of a grant described in subsection (1) must be a

1 legislator, the department, or the state budget office.

2 (c) A legislative sponsor must be identified through a letter
3 submitted by that legislator's office to the department and state
4 budget director containing the name of the grant recipient, the
5 intended amount of the grant, a certification from that legislator
6 that the grant is for a public purpose, and specific citation of
7 the section and subsection of the public act that authorizes the
8 grant, as applicable.

9 (d) Within 10 business days after the effective date of this
10 act, the senate and house of representatives shall compile an
11 initial list of legislative grant sponsors for their respective
12 chambers and submit those compiled lists to the state budget office
13 and the department, and the state budget office shall identify
14 department- or state budget office-sponsored grants. The state
15 budget director may grant an extension of this deadline of not more
16 than 30 days on a case-by-case basis. The state budget office shall
17 make the compiled lists public within 14 business days after the
18 effective date of this act.

19 (e) Not later than 60 days after the effective date of this
20 act, the state budget office shall publish a final list of grants
21 requiring sponsorship. If a legislative sponsor is not identified
22 within 60 days after the effective date of this act, the department
23 shall do 1 of the following:

24 (i) Identify the department or the state budget office as the
25 sponsor.

26 (ii) Decline to execute the grant agreement and lapse the
27 associated funds at the end of the fiscal year.

28 (f) At any point during the fiscal year, legislative grant
29 sponsors may be added to a grant request.

1 (5) An executed grant agreement under this section between the
2 department and a grant recipient must include at least all of the
3 following:

4 (a) All necessary identifying information for the grant
5 recipient, including any tax and financial information for the
6 department to administer funds under this section.

7 (b) A description of the project for which the grant funds
8 will be expended, including tentative timelines and the estimated
9 budget. The department shall not reimburse expenditures that are
10 outside of the project purpose, as stated in the executed grant
11 agreement, from appropriations in part 1. The grantee shall return
12 to the treasury any interest in excess of \$1,000.00 earned on the
13 grant funds while unexpended and in possession of the grantee.

14 (c) Unless otherwise specified in department policy, a
15 requirement that funds appropriated for the grants described in
16 subsection (1) may be used only for expenditures that occur on or
17 after the effective date of this act.

18 (d) A requirement for reporting by the grant recipient to the
19 department and the legislative sponsor that provides the status of
20 the project and an accounting of all funds expended by the grant
21 recipient, as determined by the department.

22 (e) A claw-back provision that allows the department of
23 treasury to recoup or otherwise collect any funds that are
24 declined, unspent, or otherwise misused.

25 (f) The signed legislative sponsorship letter required under
26 subsection (4), incorporated into the grant agreement and included
27 as an appendix or attachment.

28 (g) If a grant recipient has provided information sufficient
29 to execute a grant agreement, the state budget office shall

1 promptly transmit that information to the department for the
2 department's review of the grant application. If a grant recipient
3 has provided information sufficient to execute a grant agreement
4 within 60 days after the effective date of this act, but the grant
5 application needs technical fixes or additional legislative action,
6 as identified by the state budget office, the 60-day deadline in
7 this subdivision is considered to have been met, if a sponsor has
8 been identified for that grant. If a grant recipient does not
9 provide information sufficient to execute a grant agreement not
10 later than 60 days after being notified by the department of grant
11 approval, the department shall return funds associated with the
12 grant to the state treasury.

13 (6) If appropriate to improve the administration or oversight
14 of a grant described in subsection (1), the department may adopt a
15 memorandum of understanding with another state department to
16 perform the required duties under this section.

17 (7) A grant recipient shall respond to all reasonable
18 information requests from the department related to grant
19 expenditures and retain grant records for not less than 7 years,
20 and the grant may be subject to monitoring, site visits, and audits
21 as determined by the department. The grant agreement required under
22 this section must include signed assurance by the chief executive
23 officer or other executive officer of the grant recipient that the
24 requirements of this subsection will be met.

25 (8) The grant recipient shall expend all funds awarded and
26 complete all projects not later than September 30, 2030. If at that
27 time any unexpended funds remain, the grant recipient shall return
28 those funds to the state treasury.

29 (9) Any funds that are granted to a state department are

1 appropriated in that department for the purpose of the intended
2 grant.

3 (10) The state budget director may, on a case-by-case basis,
4 extend the deadline in subsection (8) on request by a grant
5 recipient if a sponsor has been identified for the grant. The state
6 budget director shall notify the chairs of the senate and house of
7 representatives appropriations committees not later than 5 days
8 after an extension is granted.

9 (11) By March 1 of the current fiscal year, the state budget
10 office shall post a report in a publicly accessible location on its
11 website. The report must list the grant recipient, project purpose,
12 and location of the project for each grant described in subsection
13 (1), the status of funds allocated and disbursed under the grant
14 agreement, and the legislative sponsor, if applicable. After March
15 1, the state budget office shall update the report monthly and
16 shall post the updated report each month. The state budget office
17 shall include in the report the most comprehensive information the
18 office has available at the time of posting for grants awarded. The
19 state budget office may compile the information required in this
20 report across all departments. The department shall assist the
21 state budget office with the compilation of the report required
22 under this subsection.

23 (12) On request, beginning 75 days after the effective date of
24 this act, the state budget office shall release information
25 received for grant applications.

26 (13) As applicable, the legislative sponsor of a grant
27 described in subsection (1) shall not sponsor a grant, or ask
28 another legislator to sponsor a grant, if there is a conflict of
29 interest related to the grant recipient.

1 (14) If the department reasonably determines that the funds
2 allocated for an executed grant agreement under this section were
3 misused or that use of the funds was misrepresented by the grant
4 recipient, the department shall not award any additional funds
5 under the executed grant agreement and shall refer the grant for
6 review following internal audit protocols.

7 Sec. 251. (1) General fund appropriations in part 1 shall not
8 be expended for items if federal funding or private grant funding
9 is available for the same expenditures.

10 (2) If the department is required to make a reduction in
11 expenditures under section 395(1) or (2) of the management and
12 budget act, 1984 PA 431, MCL 18.1395, for any appropriation under
13 this part or part 1, the department must notify the standard report
14 recipients not later than 10 days after the reduction. The
15 notification must include, but not be limited to, the following:

16 (a) A description of the fund source that is insufficient to
17 support the expenditures being reduced and the amount of the
18 reduction.

19 (b) A description of the cause for the reduction, if any such
20 cause is known.

21 (c) A description of the functions of state government or
22 services to residents that will be affected by the reduction.

23 Sec. 252. (1) Within 10 days after the effective date of this
24 act, the department must provide a report to the standard report
25 recipients containing the following information:

26 (a) A list of any sections in this act that the department
27 determines to be unenforceable, with a detailed legal rationale for
28 those determinations, as applicable.

29 (b) If a determination under subdivision (a) would affect the

1 operations of a program or programs within the department, the
 2 department must report the estimated difference in cost between the
 3 policy outlined in the section determined to be unenforceable and
 4 the policy the department intends to pursue.

5 (2) The department may coordinate with the executive office of
 6 the governor or other state departments or agencies to compile a
 7 statewide report for any departments or agencies required to submit
 8 a report substantially similar to the report described under
 9 subsection (1).

10 Sec. 253. The department must provide a quarterly report to
 11 the standard report recipients detailing federal policy changes
 12 that do, or are expected to do, any of the following:

13 (a) Affect the operations of the department.

14 (b) Affect an industry, community, population, or other group
 15 regulated or served by, or that otherwise engages with, the
 16 department.

17 (c) Affect regulations that currently protect the public to
 18 the extent that the regulations affect an industry, community,
 19 population, or other group regulated or served by, or that
 20 otherwise engages with, the department.

21 (d) Create a regulatory gap that could negatively impact the
 22 public.

23 24 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

29 (b) Fruit and vegetable inspection and grading services at

1 shipping and termination points and processing plants.

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

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

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

14 (3) The department shall notify the subcommittees, the fiscal
15 agencies, and the state budget office 30 days before 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
28 authorized by appropriations in part 1.

29 (2) The department shall provide notice of contracts or grants

1 authorized under this section to the subcommittees, the fiscal
2 agencies, and the state budget office not later than 7 days before
3 the department notifies contract or grant recipients.

4 (3) As used in this section:

5 (a) "Contracts" includes, but is not limited to, contracts for
6 delivery of groundwater/freshwater programs, MAEAP technical
7 assistance, forest management, invasive species monitoring, and
8 wildlife risk mitigation.

9 (b) "Grants" includes, but is not limited to, grants promoting
10 proper pesticide disposal and research grants for the purpose of
11 enhancing the agricultural industries in this state.

12 Sec. 303. (1) From the funds appropriated in part 1 for
13 emerging contaminants in food and agriculture the department shall
14 support efforts to identify and respond to the impacts of emerging
15 contaminants to the food and agriculture sector, help address and
16 mitigate current issues caused by emerging contaminants, and work
17 to prevent and minimize future impacts. The department shall
18 coordinate these efforts with other state agencies, federal
19 agencies, tribal governments, local governments, institutions of
20 higher learning, and the food and agriculture sector. Emerging
21 contaminants include but are not limited to pesticides, dioxins,
22 and per- and polyfluoroalkyl substances.

23 (2) The unexpended funds appropriated in part 1 for emerging
24 contaminants in food and agriculture are designated as a work
25 project appropriation, and any unencumbered or unallotted funds do
26 not lapse at the end of the fiscal year and are available for
27 expenditures for projects under this section until the projects
28 have been completed. The following is in compliance with section
29 451a(1) of the management and budget act, 1984 PA 431, MCL

1 18.1451a:

2 (a) The purpose of the project is to support efforts to
3 identify and respond to the impacts of emerging contaminants to the
4 food and agriculture sector, help address and mitigate current
5 issues caused by emerging contaminants, and work to prevent and
6 minimize future impacts.

7 (b) The project will be accomplished by utilizing state
8 employees or contracts with service providers, or both.

9 (c) The estimated cost of this project is \$2,009,900.00.

10 (d) The tentative completion date for the work project is
11 September 30, 2030.

12
13 **FOOD SAFETY AND ANIMAL HEALTH**

14 Sec. 401. (1) The department shall report on the previous
15 calendar year's activities of the bureau of food safety and animal
16 health. The report must include information on activities and
17 outcomes of the dairy safety and inspection program, the food
18 safety inspection program, the animal industry division, the
19 foodborne illness and emergency response program, and the food
20 service program.

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

25 (3) The department shall include in the report all
26 indemnification payments for livestock depredation made in the
27 previous calendar year and shall include all of the following:

28 (a) The reason for the indemnification.

29 (b) The amount of the indemnification.

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

2 (4) The report must be transmitted on or before April 1 of
3 each year.

4 Sec. 402. From the funds appropriated in part 1, the
5 department shall pay for all whole herd bovine TB testing costs and
6 individual animal testing costs in the modified accredited zone and
7 buffer counties as referenced in the current memorandum of
8 understanding between the department and the USDA to maintain
9 split-state status requirements. These costs include indemnity and
10 compensation for injury causing death or downer to animals.

11 Sec. 403. The department shall use its resources to
12 collaborate with the USDA to monitor bovine TB, consistent with the
13 current required memorandum of understanding between the department
14 and the USDA.

15 Sec. 404. From the funds appropriated in part 1 for animal
16 disease prevention and response, the department shall use
17 \$200,000.00 to cover costs associated with testing of registered
18 privately owned cervid facilities as follows:

19 (a) Required surveillance testing for chronic wasting disease.

20 (b) Infected herd bovine TB testing.

21 Sec. 405. (1) On or before October 15 of each year, the
22 department shall provide to the standard report recipients a report
23 on bovine TB status and department activities.

24 (2) For each fiscal quarter following the report required in
25 subsection (1), the department shall provide an update. The
26 quarterly update reports must identify significant impacts to the
27 program, including new incidence of bovine TB in this state,
28 department activity associated with specific new incidence of
29 bovine TB, any changes in USDA requirements or movement orders, and

1 information and data on wildlife risk mitigation plan
2 implementation in the modified accredited zone; implementation of a
3 movement certificate process; progress toward annual surveillance
4 test requirements; efforts to work with slaughter facilities in
5 this state, as well as those that slaughter a significant number of
6 animals from this state; and educational programs and information
7 for this state's livestock community.

8 Sec. 406. From the funds appropriated in part 1 for Michigan
9 animal agriculture alliance, the department shall work with animal
10 industry representatives and state research universities to
11 continue an animal research grant program.

12 13 **ENVIRONMENT AND SUSTAINABILITY**

14 Sec. 501. The department shall report on the previous calendar
15 year's activities of the bureau of environment and sustainability
16 on or before April 1 of each year.

17 Sec. 502. (1) The purpose of the part 1 appropriation for soil
18 health/regenerative agriculture is to promote the usage and
19 implementation of best regenerative agricultural farming practices
20 and new technologies related to environmental sustainability.

21 (2) The purpose of the part 1 appropriation for soil
22 health/regenerative agriculture is advancing the adoption of soil
23 health and regenerative agriculture principles in agriculture in
24 this state.

25 (3) From the funds appropriated in part 1 for soil
26 health/regenerative agriculture, the department shall do both of
27 the following:

28 (a) Promote the principles of soil health and regenerative
29 agriculture through at least the following:

- 1 (i) The maintenance of soil cover.
- 2 (ii) The minimization of soil disturbance.
- 3 (iii) The maximization of plant and crop diversity.
- 4 (iv) The maximization of the presence of living roots.
- 5 (v) The integration of livestock into the cropping systems.
- 6 (b) Ensure that program outcomes include at least the
- 7 following:
- 8 (i) The increase of soil organic matter content.
- 9 (ii) The improvement of soil water infiltration capacity.
- 10 (iii) The increase in soil water holding capacity.
- 11 (iv) The improvement of soil biological capacity to break down
- 12 plant residue and other substances and to maintain soil
- 13 aggregation.
- 14 (v) The improvement of soil nutrient sequestration and cycling
- 15 capacity.
- 16 (vi) The reduction of nutrient losses.
- 17 (vii) The increase of carbon sequestration capacity of soil.
- 18 (4) From the funds appropriated in part 1 for soil
- 19 health/regenerative agriculture, the department shall promote
- 20 practices of soil health and regenerative agriculture, including
- 21 the use of no-till farming, intercropping, cover crops,
- 22 multispecies cover crops, roller crimping, managed rotational
- 23 grazing, and other practices identified that utilize natural
- 24 biological processes to advance the goals of soil health and
- 25 regenerative agriculture.
- 26 (5) No funds appropriated in part 1 for soil
- 27 health/regenerative agriculture may be used for applied research
- 28 into the precision application of fertilizer, pesticides, or

1 herbicides.

2 (6) It is the intention of the legislature that the department
3 engage with program partners to achieve the purposes of the soil
4 health/regenerative agriculture programs through research,
5 education, and outreach. Program partners include, but are not
6 limited to, farmer-to-farmer networks, Michigan State University
7 Extension, Michigan State University AgBioResearch, the USDA
8 Natural Resources Conservation Service, local conservation
9 districts, and other nongovernmental organizations. Agreements with
10 program partners receiving funds through soil health/regenerative
11 agriculture appropriations must describe intended outcomes and how
12 intended outcomes will be measured and require the provision of a
13 report to the department on uses of funding received and a progress
14 report on outcomes.

15 (7) The department may use state employees or contract service
16 providers, or both, to achieve the purposes of the soil
17 health/regenerative agriculture programs.

18 (8) In the report required under section 501 of this part, the
19 department shall provide information on the program described in
20 this section, including department activities, uses of program
21 funds by activity or project, contractors, grantees, and a summary
22 of projects and project results.

23 (9) Of the funds appropriated in part 1 for soil
24 health/regenerative agriculture, not less than \$1,000,000.00 must
25 be used by the department to partner with the state land grant
26 university through MSU Extension and AgBioResearch to develop,
27 implement, and evaluate a soil health/regenerative agriculture
28 program. The partnership described in this subsection must be
29 focused on researching and assisting the agricultural industry in

1 implementing soil health/regenerative agricultural principles and
2 techniques. Partnership goals must include, but are not limited to,
3 establishing program priorities, developing metrics, implementing
4 goals, evaluating outcomes, and engaging with stakeholders.

5 Sec. 503. No later than April 1, the department shall prepare
6 a report to be posted on the department's website and provided to
7 the relevant house and senate standing committees and
8 appropriations subcommittees as well as to the fiscal agencies and
9 state budget office. The report must contain the following
10 information for agriculture nutrient best management voluntary
11 practices program:

12 (a) The number and location of acres enrolled in nutrient
13 management or other best management practices.

14 (b) The number of acres enrolled that were not previously
15 verified under the MAEAP.

16 (c) A summary of practices implemented and available incentive
17 programs.

18 (d) The starting and ending balances of the program.

19 (e) A summary of outreach and training efforts.

20 (f) Testing results.

21 Sec. 505. The funds appropriated in part 1 for environmental
22 stewardship must be used to support department agriculture
23 pollution prevention programs, including groundwater and freshwater
24 protection programs under part 87 of the natural resources and
25 environmental protection act, 1994 PA 451, MCL 324.8701 to
26 324.8717, and technical assistance in implementing conservation
27 grants available under the federal farm bill.

28 Sec. 506. The department may receive and expend federal
29 revenues up to a total of \$1,000,000.00 in excess of the federal

1 revenue appropriated in part 1 for environmental stewardship
2 activities. The department shall notify the subcommittees, the
3 fiscal agencies, and the state budget office prior to expending
4 federal revenues authorized under this section.

5
6 **MAEAP AND CONSERVATION DISTRICT SUPPORT**

7 Sec. 601. (1) From the appropriations in part 1 for MAEAP
8 administration and conservation district support, \$8,000,000.00
9 must be distributed through a grant program to local conservation
10 districts in this state that were in operation in the previous
11 fiscal year, based upon criteria established by the department. The
12 department may require local matching funds of up to \$2,000,000.00
13 of the money distributed under this section. Conservation districts
14 may employ technicians directly or through contract with the state
15 land grant university.

16 (2) On or before April 1, the department shall report on the
17 previous calendar year's activities of local conservation
18 districts. The report must include descriptions of local
19 conservation district activities and the use of funding. In
20 preparing this report, the department shall coordinate with
21 representatives of local conservation districts.

22 Sec. 603. The department may receive and expend federal
23 revenues up to a total of \$1,000,000.00 in excess of the federal
24 revenue appropriated in part 1 for MAEAP administration and
25 conservation district support activities. The department shall
26 notify the subcommittees, the fiscal agencies, and the state budget
27 office prior to expending federal revenues authorized under this
28 section.

29 Sec. 604. The funds appropriated in part 1 for MAEAP

1 administration and conservation district support must be used to
2 support department agriculture pollution prevention programs,
3 including groundwater and freshwater protection programs under part
4 87 of the natural resources and environmental protection act, 1994
5 PA 451, MCL 324.8701 to 324.8717, and technical assistance in
6 implementing conservation grants available under the federal farm
7 bill.

8 9 **LABORATORY AND CONSUMER PROTECTION**

10 Sec. 701. The department shall report by April 1 on the
11 previous calendar year's activities of the laboratory bureau.

12 Sec. 702. No funds from the appropriations in part 1 may be
13 used for the purpose of consolidating state-run laboratories.

14 15 **AGRICULTURE DEVELOPMENT**

16 Sec. 801. (1) From the funds appropriated in part 1 for the
17 food and agriculture investment program, the department shall
18 operate a food and agriculture investment program.

19 (2) The food and agriculture investment program shall do all
20 of the following:

21 (a) Expand the Michigan food and agriculture sector.

22 (b) Promote food security.

23 (c) Develop local and regional food systems.

24 (d) Grow Michigan exports.

25 (e) Promote the development of value-added agricultural
26 production.

27 (f) Support urban farms, food hubs, food incubators, and
28 community-based processing facilities with a focus on new and
29 expanding protein processors.

1 (g) Promote the expansion of farm markets, flower markets, and
2 urban agriculture, including hoop houses.

3 (h) Increase food processing activities within this state by
4 accelerating investment projects and infrastructure development
5 that support growth in production agriculture and food and
6 agriculture processing, expand opportunity to new agricultural
7 producers and processors, promote agriculture tourism and
8 agricultural heritage, and develop agricultural education and
9 interpretation activities.

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

13 (4) Before the allocation of funding, all projects must
14 receive approval from the Michigan commission of agriculture and
15 rural development, except for projects selected through a
16 competitive process by a joint evaluation committee selected by the
17 director and consisting of representatives that have agriculture,
18 food security, local and regional food systems, business, and
19 economic development expertise. Projects funded through the food
20 and agriculture investment program will be required to have a grant
21 agreement that outlines milestones and activities that must be met
22 in order to receive a disbursement of funds. Projects must also
23 identify measurable project outcomes.

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

29 (6) The unexpended funds appropriated in part 1 for the food

1 and agriculture investment program are designated as a work project
2 appropriation, and any unencumbered or unallotted funds do not
3 lapse at the end of the fiscal year and are available for
4 expenditures for projects under this section until the projects
5 have been completed. The following is in compliance with section
6 451a(1) of the management and budget act, 1984 PA 431, MCL
7 18.1451a:

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

11 (b) The project will be accomplished by utilizing state
12 employees or contracts with service providers, or both.

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

15 (d) The tentative completion date for the work project is
16 September 30, 2028.

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

20 (a) Grants.

21 (b) Loans or loan guarantees.

22 (c) Infrastructure development.

23 (d) Other economic assistance.

24 (e) Program administration.

25 (f) Export assistance.

26 (8) The department shall expend no more than 5% from the funds
27 appropriated in part 1 for the food and agriculture investment
28 program for administrative purposes.

29 (9) In awarding grants under the food and agriculture

1 investment program, the department shall identify and encourage
2 applications from members of socially disadvantaged groups, women,
3 veterans, and beginning farmers and ranchers. In awarding grants
4 under the food and agriculture investment program, the department
5 must also prioritize Michigan-based small businesses, nonprofits,
6 and organizations promoting agriculture and food security
7 activities.

8 Sec. 803. (1) From the funds appropriated in part 1 for fair
9 food network - double up food bucks, the department shall work with
10 the fair food network to ensure that at least 80% of the funds
11 allocated to the double up food bucks program are directly used for
12 the payments to participating vendors.

13 (2) The department shall work with the department of health
14 and human services to do all of the following:

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

18 (b) Notify recipients of food assistance program benefits
19 about the double up food bucks program and that it is administered
20 by the fair food network. Food assistance program recipients shall
21 receive information about the double up food bucks program.

22 (3) The department shall work with the fair food network to
23 expand access to the double up food bucks program in each of the
24 state's counties with grocery stores or farmer's markets that meet
25 the program's eligibility requirements.

26 (4) On or before June 1, the department shall submit a report
27 on activities and outcomes of the double up food bucks program. The
28 report must contain all of the following:

29 (a) Counties in this state with participating double up food

1 bucks vendors, the number of vendors by county, and the name and
2 location of vendors, as of May 1, 2024.

3 (b) Counties in this state with participating double up food
4 bucks vendors, the number of vendors by county, and the name of
5 location of vendors, as of May 1, 2024. The report must highlight
6 counties and vendors added to the program since May 1, 2024.

7 (c) Number of individuals participating in the program, by
8 county.

9 Sec. 804. (1) By not later than April 1, the department shall
10 report on the previous calendar year's activities of the
11 agriculture development bureau.

12 (2) The report described in subsection (1) must include the
13 following information on any grants awarded during the prior fiscal
14 year:

15 (a) The name of the grantee.

16 (b) The amount of the grant.

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

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

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

21 (3) The report must include the following information on the
22 Michigan craft beverage council established under section 303 of
23 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

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

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

29 (c) Grants awarded during the previous fiscal year and the

1 results of research grant projects completed during the previous
2 fiscal year.

3 (4) The report must identify grant recipients who are members
4 of socially disadvantaged groups, women, veterans, and beginning
5 farmers and ranchers.

6 Sec. 805. Unexpended industry support fund revenues at the end
7 of the fiscal year may be carried forward into the industry support
8 fund in the succeeding fiscal year and do not lapse to the general
9 fund.

10 Sec. 806. (1) The appropriations in part 1 for the qualified
11 forest program are for the purpose of increasing the knowledge of
12 nonindustrial private forestland owners regarding sound forest
13 management practices and increasing the amount of commercial timber
14 production from those lands.

15 (2) The department shall work in partnership with stakeholder
16 groups and other state and federal agencies to increase the active
17 management of nonindustrial private forestland to foster the growth
18 of this state's timber product industry.

19 Sec. 807. From the funds appropriated in part 1, the
20 department shall maintain coordination with the department of
21 treasury to improve the timely processing and issuance of tax
22 credits under section 36109 of the natural resources and
23 environmental protection act, 1994 PA 451, MCL 324.36109, for the
24 Michigan's farmland and open space preservation program under parts
25 361 and 362 of the natural resources and environmental protection
26 act, 1994 PA 451, MCL 324.36101 to 324.3116 and 324.36201 to
27 324.36207. The improvement of timely processing and issuance, as
28 described in this section, includes, but is not limited to:

29 (a) Timely review of mailed applications and paperwork.

1 (b) Timely and proactive communications to applicants on the
2 status of their application.

3 (c) The provision of a clear and understood timeline for the
4 issuance of any tax credits.

5 Sec. 808. The department shall collaborate with the department
6 of labor and economic opportunity's office of rural prosperity on
7 the rural development fund grant program as part of this state's
8 coordinated strategy for achieving rural prosperity across the
9 state.

10 11 **FAIRS AND EXPOSITIONS**

12 Sec. 901. All appropriations from the agriculture equine
13 industry development fund must be spent on equine-related purposes.
14 No funds from the agriculture equine industry development fund must
15 be expended for non-equine-related purposes without prior approval
16 of the legislature.

17 Sec. 902. From the funds appropriated in part 1 from
18 agriculture equine industry development funds, available revenue
19 must be allocated in the following priority order:

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

23 (b) Any remaining funds collected through September 30, 2025,
24 after the obligations in subdivision (a) have been met, must be
25 prorated equally among the county fairs, supplements, breeders'
26 awards, and sire stakes awards to eligible race meeting licensees
27 in accordance with section 20 of the horse racing law of 1995, 1995
28 PA 279, MCL 431.320.

29 Sec. 903. From the funds appropriated in part 1 from purses

1 and supplements - fairs/licensed tracks, \$720,000.00 may be spent
2 only if there is no standardbred race meeting in this state that is
3 licensed under the horse racing law of 1995, 1995 PA 279, MCL
4 431.301 to 431.336, by January 1, 2026.

5 Sec. 904. (1) From the funds appropriated in part 1 for county
6 fairs, shows, and expositions, the department shall establish and
7 administer a county fairs, shows, and expositions grant program.
8 The program must have the following objectives:

9 (a) Assist in the financing of building improvements or other
10 capital improvements at county fairgrounds of this state.

11 (b) Provide financial support, promotion, prizes, and premiums
12 of equine, livestock, and other agricultural commodity expositions
13 in this state.

14 (2) The department shall award grants on a competitive basis
15 to county fairs or other organizations from the funds appropriated
16 in part 1 for county fairs, shows, and expositions grants. Grantees
17 will be required to provide a 50% cash match with grant awards and
18 identify measurable project outcomes. A county fair organization
19 that received a county fair capital improvement grant in the prior
20 fiscal year must not receive a grant from the appropriation in part
21 1.

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

27 (4) All fairs receiving grants under this section must provide
28 a report to the department on the financial impact resulting from
29 the capital improvement project on both fair and nonfair events.

1 These reports are due for 3 years immediately following the
2 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 for administering the program.

9 (7) The unexpended portion of the appropriation in part 1 for
10 county fairs, shows, and expositions grants are designated as a
11 work project appropriation and any unencumbered or unallotted funds
12 do not lapse at the end of the fiscal year and are available for
13 expenditures for projects under this section until the projects
14 have been completed. The following is in compliance with section
15 451a(1) of the management and budget act, 1984 PA 431, MCL
16 18.1451a:

17 (a) The purpose of the project is to support building
18 improvements or other capital improvements at county fairgrounds of
19 this state.

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

23 (c) The project will be accomplished by utilizing state
24 employees or contracts with service providers, or both.

25 (d) The estimated cost of the project is \$500,000.00.

26 (e) The tentative completion date for the work project is
27 September 30, 2028.

28 (8) The department shall provide a year-end report on the
29 county fairs, shows, and expositions grants no later than December

1 1, 2026 that includes a listing of the grantees, award amounts,
2 match funding, project outcomes, and department costs of grant
3 administration.

4
5 **ONE-TIME APPROPRIATIONS**

6 Sec. 1001. (1) From the funds appropriated in part 1 for
7 tariff economic impact, the department shall utilize the funds to
8 monitor, evaluate, and recommend responses to the economic impact
9 of recently instituted tariffs by the federal government.

10 (2) The department may utilize funds for any of the following
11 purposes:

12 (a) Surveying businesses, industry organizations, employee and
13 worker organizations, other state agencies, or academic researchers
14 on the impact of tariffs.

15 (b) Department activities, including a review of existing
16 programs and how they may be impacted or adjusted to support
17 individuals and businesses harmed by tariffs.

18 (c) Developing and publishing recommendations to the
19 legislature on responding to the economic impact of tariffs.

20 (3) Not later than March 1, the department shall provide a
21 report to the standard recipients on the activities undertaken to
22 monitor and respond to the economic impact of tariffs and any
23 recommendations to support affected business and individuals in
24 this state.