

Act No. 103
 Public Acts of 1997
 Approved by the Governor
 August 14, 1997
 Filed with the Secretary of State
 August 18, 1997
 EFFECTIVE DATE: August 18, 1997

STATE OF MICHIGAN
 89TH LEGISLATURE
 REGULAR SESSION OF 1997

Introduced by Senators McManus, Gast and Conroy

ENROLLED SENATE BILL No. 164

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 1998; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of agriculture for the fiscal year ending September 30, 1998, from the following funds:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0		
Full-time equated classified positions.....	600.5		
GROSS APPROPRIATION.....		\$	71,509,900
Interdepartmental grant revenues:			
IDG from MDCIS (LCC), liquor quality testing fees.....			152,500
IDG from MDCIS (LCC), nonretail liquor license fees.....			424,100
IDG from environmental quality			180,000
Total interdepartmental grants and intradepartmental transfers			756,600
ADJUSTED GROSS APPROPRIATION.....		\$	70,753,300
Federal revenues:			
DAG-AMS, cooperative agreement.....			1,154,300
DAG-APHIS, plant and animal disease and pest control			55,300
DAG-ERS-ARED.....			126,100
DAG, federal/state marketing improvement program			100,000
DAG-FS, multiple grants.....			2,111,200
EPA-OECA, pesticides enforcement program grants.....			974,000
EPA-OW, water pollution control, lake restoration cooperative agreements.....			236,300
EPA-RCRA			148,200
HHS-FDA.....			208,500
Total federal revenues			5,113,900
Special revenue funds:			
Total local revenues			0
Private - casino gambling agreement			250,000

For Fiscal Year
Ending Sept. 30,
1998

Private - oil company overcharge settlement	\$	712,000
Total private revenues.....		962,000
Total local and private revenues.....		962,000
Civil penalties.....		25,700
Commodity inspection fees		949,700
Food handler licensing fees		1,105,400
Gasoline inspection and testing fund		1,984,200
Groundwater and freshwater protection fund.....		4,504,800
Industry support funds.....		125,800
Licensing and inspection fees.....		2,678,800
Agriculture equine industry development fund.....		18,706,500
Pseudorabies and swine brucellosis fund		87,400
Testing fees.....		169,500
Upper Peninsula state fair revenue		928,900
Weights and measures regulation fees.....		231,500
Total other state restricted revenues.....		31,498,200
State general fund/general purpose	\$	33,179,200
EXECUTIVE		
Full-time equated unclassified positions		6.0
Full-time equated classified positions.....		12.0
Commission and boards.....	\$	48,500
Unclassified positions.....		455,500
Executive direction—7.0 FTE positions		1,191,000
Statistical reporting service—5.0 FTE positions.....		415,900
Future farmers of America.....		40,000
GROSS APPROPRIATION.....	\$	2,150,900
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		500,000
Industry support funds.....		25,800
State general fund/general purpose	\$	1,625,100
ADMINISTRATIVE SERVICES		
Full-time equated classified positions.....		72.5
Communications and emergency management—8.5 FTE positions	\$	717,700
Management services—64.0 FTE positions.....		6,313,900
Property management charges		639,500
Rent.....		285,700
Grant to department of consumer and industry services		78,800
Building and track improvement - county and state fairs		850,000
Premiums - county and state fairs		1,611,200
Purses and supplements - fairs/licensed tracks		2,653,700
Standardbred Fedele Fauri futurity.....		88,000
Standardbred Michigan futurity		88,000
GROSS APPROPRIATION.....	\$	13,326,500
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		6,903,200
Gasoline inspection and testing fund		51,400
Licensing and inspection fees.....		62,200
State general fund/general purpose	\$	6,309,700
PESTICIDE AND PLANT PEST MANAGEMENT		
Full-time equated classified positions.....		148.3
Groundwater and freshwater protection program—10.0 FTE positions	\$	4,504,800
Pesticide and plant pest management—138.3 FTE positions		12,511,400
Michigan State University.....		210,000
GROSS APPROPRIATION.....	\$	17,226,200

Appropriated from:	
Federal revenues:	
DAG-AMS, cooperative agreement.....	\$ 35,300
DAG-APHIS, plant and animal disease and pest control	34,600
DAG-FS, multiple grants	2,011,200
EPA-OECA, pesticides enforcement program grants.....	974,000
EPA-OW, water pollution control, lake restoration cooperative agreements.....	236,300
EPA-RCRA	148,200
HHS-FDA	15,400
Special revenue funds:	
Agriculture equine industry development fund.....	175,900
Commodity inspection fees	949,700
Groundwater and freshwater protection fund.....	4,504,800
Licensing and inspection fees.....	2,048,900
State general fund/general purpose	\$ 6,091,900
ANIMAL INDUSTRY	
Full-time equated classified positions.....	28.0
Animal health and welfare—28.0 FTE positions	\$ 2,490,400
GROSS APPROPRIATION.....	\$ 2,490,400
Appropriated from:	
Federal revenues:	
HHS-FDA	9,500
Special revenue funds:	
Agriculture equine industry development fund.....	225,000
Licensing and inspection fees.....	32,300
Pseudorabies and swine brucellosis fund	87,400
State general fund/general purpose	\$ 2,136,200
DAIRY	
Full-time equated classified positions.....	39.0
Dairy—39.0 FTE positions	\$ 3,017,300
GROSS APPROPRIATION.....	\$ 3,017,300
Appropriated from:	
Federal revenues:	
DAG-AMS, cooperative agreement.....	22,500
Special revenue funds:	
Licensing and inspection fees.....	88,500
State general fund/general purpose	\$ 2,906,300
FOOD AND PRODUCT ASSURANCE	
Full-time equated classified positions.....	120.5
Food and product assurance—100.0 FTE positions.....	\$ 7,687,400
Motor fuels quality program—20.5 FTE positions.....	1,401,800
GROSS APPROPRIATION.....	\$ 9,089,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from environmental quality	180,000
Federal revenues:	
HHS-FDA	183,600
Special revenue funds:	
Private - oil company overcharge settlement	296,900
Agriculture equine industry development fund.....	500,000
Civil penalties.....	25,700
Food handler licensing fees	1,105,400
Gasoline inspection and testing fund	1,185,100
Licensing and inspection fees.....	446,900
Weights and measures regulation fees	231,500
State general fund/general purpose	\$ 4,934,100

LABORATORY SUPPORT

Full-time equated classified positions.....	90.5		
Laboratory support services—79.5 FTE positions		\$	5,839,000
United States department of agriculture data collection program—11.0 FTE positions			1,096,500
GROSS APPROPRIATION.....		\$	<u>6,935,500</u>
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDCIS (LCC), liquor quality testing fees.....			152,500
Federal revenues:			
DAG-AMS, cooperative agreement.....			1,096,500
DAG-APHIS, plant and animal disease and pest control			20,700
Special revenue funds:			
Agriculture equine industry development fund.....			581,100
Gasoline inspection and testing fund			747,700
Testing fees.....			169,500
State general fund/general purpose		\$	<u>4,167,500</u>

FARMLAND SERVICES

Full-time equated classified positions.....	32.0		
Farmland services—32.0 FTE positions		\$	2,345,300
Energy conservation program/local soil conservation districts			363,100
Forest stewardship program.....			100,000
Local soil conservation districts/clean water incentive program.....			1,400,000
Migrant labor housing.....			300,000
GROSS APPROPRIATION.....		\$	<u>4,508,400</u>
Appropriated from:			
Federal revenues:			
DAG-FS, multiple grants.....			100,000
Special revenue funds:			
Private - oil company overcharge settlement			415,100
State general fund/general purpose		\$	<u>3,993,300</u>

MARKET DEVELOPMENT

Full-time equated classified positions.....	15.0		
Marketing and market development—7.0 FTE positions.....		\$	1,252,800
Upper Peninsula state fair—8.0 FTE positions.....			1,103,700
Food bank			725,000
Grown in Michigan			100,000
Michigan festivals			50,000
Northwest Michigan horticultural research station.....			41,800
Southwestern Michigan tourist council - taste of Michigan.....			60,400
GROSS APPROPRIATION.....		\$	<u>3,333,700</u>
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDCIS (LCC), nonretail liquor license fees.....			424,100
Federal revenues:			
DAG-ERS-ARED.....			126,100
DAG, federal/state marketing improvement program			100,000
Special revenue funds:			
Industry support funds.....			100,000
Upper Peninsula state fair revenue			928,900
State general fund/general purpose		\$	<u>1,654,600</u>

AGRICULTURE EQUINE INDUSTRY DEVELOPMENT

Full-time equated classified positions.....	42.7		
Office of racing commissioner—42.7 FTE positions.....		\$	3,910,200
Quarterhorse programs			43,300
Licensed tracks - light horse racing.....			84,000

	For Fiscal Year Ending Sept. 30, 1998
Standardbred breeders' awards.....	\$ 1,350,000
Standardbred purses and supplements - licensed tracks.....	292,100
Sire stakes program.....	2,200,000
Standardbred training and stabling.....	47,800
Thoroughbred program.....	1,973,400
Thoroughbred owners' awards.....	170,500
GROSS APPROPRIATION.....	\$ 10,071,300
Appropriated from:	
Special revenue funds:	
Private - casino gambling agreement.....	250,000
Agriculture equine industry development fund.....	9,821,300
State general fund/general purpose.....	\$ 0
EARLY RETIREMENT	
Early retirement.....	\$ (639,500)
GROSS APPROPRIATION.....	\$ (639,500)
Appropriated from:	
State general fund/general purpose.....	\$ (639,500)

GENERAL SECTIONS FOR 1997-1998 FISCAL YEAR

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1997-98 is estimated at \$64,677,400.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1997-98 is estimated at \$1,400,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF AGRICULTURE

Grants to soil conservation districts.....	\$ 1,400,000
TOTAL.....	\$ 1,400,000

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. (1) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$4,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 204. (1) Beginning October 1, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 205. The department of civil service shall bill departments and/or agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 206. The negative appropriation in section 101 for early retirement compensation savings represents savings from the state's 1997 early retirement program. Not later than October 15, 1997, the department and the state budget director shall request legislative transfers under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, to apply the retirement costs and salary and fringe benefits savings to the appropriated line items affected by the early retirement of state employees.

Sec. 207. (1) The department shall submit to the department of management and budget periodic reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond. At the time progress billings are presented for reimbursement, the department shall identify and forward as appropriate the funding sources that should support the work performed.

Sec. 208. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-AMS" means the United States department of agriculture - agriculture marketing service.
- (c) "DAG-APHIS" means the United States department of agriculture - animal plant health inspection service.
- (d) "DAG-ERS-ARED" means the United States department of agriculture - economic research service - agriculture and rural economy division.
- (e) "DAG-FS" means the United States department of agriculture - forest service.
- (f) "Department" means the department of agriculture.
- (g) "Director" means the director of the department.
- (h) "EPA-OECA" means the United States environmental protection agency - office of enforcement and compliance assistance.
- (i) "EPA-OW" means the United States environmental protection agency - office of water.
- (j) "EPA-RCRA" means the United States environmental protection agency - resource conservation and recovery act.
- (k) "FTE" means full-time equated.
- (l) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (m) "IDG" means interdepartmental grant.
- (n) "MDCIS (LCC)" means the Michigan department of consumer and industry services - liquor control commission.
- (o) "MDEQ" means the Michigan department of environmental quality.

Sec. 209. (1) The unexpended and unobligated balance of any state restricted fund or account remaining at the end of the fiscal year shall revert back to the state restricted fund or account from which appropriated and be available for reappropriation for the next fiscal year. Appropriations that revert to a state restricted fund or account pursuant to this section shall not revert to the general fund of this state.

(2) A state restricted revenue fund or account that receives revenues in excess of appropriations made from that state restricted revenue fund or account shall not have the excess revenue revert to the general fund of this state.

(3) The revenues collected in the agriculture equine industry development fund in fiscal years 1995-96 and 1996-97 shall not lapse but shall be carried forward to fund appropriations made pursuant to this act and subsequent acts.

Sec. 210. (1) Of the funds appropriated in section 101, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed \$10,000.00 per order

from any line item for the fiscal year ending September 30, 1998. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the senate and house appropriations subcommittees on agriculture and to the senate and house fiscal agencies.

(2) The department may make indemnification for the fair market value of livestock that is killed by a wolf. The kill shall be verified by the department of natural resources. The fair market value of the livestock shall be made pursuant to indemnification procedures prescribed in the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747. The indemnification shall be paid pursuant to subsection (1).

Sec. 211. When the department applies to the department of management and budget with a request for a transfer of appropriations or for a supplemental appropriation, the department shall provide the senate and house fiscal agencies with the same information that the department provides the department of management and budget relative to the request for transfer or supplemental.

Sec. 212. Money appropriated in section 101 shall not be used for the purchase of foreign goods or services when competitively priced and of comparable quality American goods or services are available. By May 1, 1997, the department of agriculture shall submit a report to the department of management and budget, the speaker and minority leader of the house of representatives, the majority and minority leader of the senate, and the chairpersons of the house and senate appropriations committees on efforts to comply with this section.

Sec. 213. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies or both for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies or both.

Sec. 214. Funds appropriated under section 101 shall not be used to implement an affirmative action plan unless that plan has been submitted to the Michigan civil rights commission for approval in accordance with section 210 of the Elliott-Larsen civil rights act, 1976 PA 453, MCL 37.2210, and the Michigan civil rights commission has approved the plan.

Sec. 215. Of the funds appropriated in section 101 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the senate and house appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Sec. 216. The department shall receive and retain copies of all reports funded from section 101 appropriations.

Sec. 217. (1) If sufficient funds are not available in the agriculture equine industry development fund to finance all appropriations that are to be financed from that fund in the amounts contained in this act, reductions in the following line items shall occur to address the shortfall of revenues in the agriculture equine industry development fund. The department shall consult with the office of the racing commissioner to determine the priority when effecting any reductions. The identified line items shall not be reduced below the stated levels:

Line Item	Appropriated Amount	Minimum Level
Executive direction	1,191,000	691,000
Management services	6,313,900	5,563,900
Food and product assurance	7,687,400	7,187,400
Standardbred Michigan futurity	88,000	77,000
Standardbred Fedele Fauri futurity	88,000	77,000
Standardbred breeders' awards	1,350,000	1,163,000
Standardbred purses and supplements - licensed tracks	292,100	282,700
Sire stakes program	2,200,000	1,574,400
Standardbred training and stabling	47,800	46,300
Thoroughbred owners' awards	170,500	0

(2) The legislature will not fund non-fair or non-horse-racing grants or projects from revenues from simulcasting in fiscal year 1998-99.

EXECUTIVE

Sec. 301. The appropriations in section 101 may be used for per diem payments to members of boards, committees, and commissions for a full day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

- (a) Commission of agriculture \$ 75.00 per day
- (b) Upper Peninsula state fair board \$ 50.00 per day
- (c) Agricultural marketing and bargaining board..... \$ 35.00 per day

Sec. 302. The department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, bean inspection services, and laboratory analyses as specified in the following:

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Upper Peninsula state fair livestock sales.
- (d) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (e) Pesticide and plant pest management bean inspection and grading services.
- (f) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (g) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (h) Laboratory support analysis of food, livestock, and agricultural products for disease, toxic materials, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (i) Laboratory support analysis of liming samples.
- (j) Laboratory support analysis of feed and fertilizer samples.
- (k) Laboratory support test samples for other agencies and organizations.
- (l) Fruit and vegetable inspection at shipping and termination points and processing plants.

Sec. 303. Of the funds appropriated in section 101 for statistical reporting service, \$120,000.00 shall be used for ongoing rotational crop surveys of fruit, vegetables, and nursery stock, including Christmas trees and ornamental plants. The survey shall begin with fruit in the first year, vegetables in the second year, and nursery stock in the third year. The rotational cycle of the survey shall continue in the fourth and subsequent years. The survey shall include existing plantings/acreage, new plantings/acreage, production, and number of growers.

Sec. 304. Indirect costs may not be charged against the future farmers of America grant in section 101 by any administering agency.

ADMINISTRATIVE SERVICES

Sec. 401. From the amounts appropriated in section 101 for management services, \$783,500.00 shall be used for the purpose of upgrading technology for the emergency management program and implementing the hazard analysis critical control point (HACCP) management system. These funds are designated as work project appropriations and any unexpended balance is carried forward into the succeeding fiscal year. The purpose of the project is to incorporate the hazard analysis critical control point (HACCP) process in food-related programs and to upgrade technology for the emergency management program (telecommunications, data bases, and computer hardware). The project will be accomplished with substantial services and equipment procured from the private sector and the tentative completion date is September 30, 2000.

Sec. 403. A county fair, district fair, 4-H fair, or state fair receiving funds under this act to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 404. Of the amount appropriated in section 101 for purses and supplements - fairs/licensed tracks, a sufficient amount is appropriated to provide for overnight purse supplements pursuant to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Sec. 405. Of the amount appropriated in section 101 for premiums, \$11,400.00 shall be expended as a grant for the Michigan horse show association - fall youth show at the Michigan exposition and fairgrounds.

Sec. 406. From the appropriations for premiums - county and state fairs, \$120,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or expositions to promote youth involvement and adult exhibitions in the animal agriculture industry. Appropriate exhibition classes for youth shall be developed that encourage a production exhibit for which premium awards may be paid. The age for youth exhibitors shall be determined by the standards of the association requesting the grant or, if standards do not exist, the age for youth exhibitors shall be ages 9 through 21. Implementation of the latest technologies into the evaluation of the animals shall be encouraged in the production exhibit. Adult exhibitions should focus on the performance or end product, or both, with the appropriate technologies used to enhance placings and the awarding of premiums.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. Of the funds appropriated in section 101 to the pesticide and plant pest management division, up to \$100,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

Sec. 502. (1) From the amount appropriated in section 101 for the gypsy moth program, \$100,000.00 shall be allocated to Michigan State University for a gypsy moth education program.

(2) Any unexpended balance that is allocated pursuant to this section shall be carried forward as a work project. The project shall provide public information regarding gypsy moth infestation. The project shall be managed by Michigan State University through a \$100,000.00 contract that shall be completed by September 30, 1998 for fiscal year 1997-1998.

Sec. 503. If the department offers a contract for competitive bid to provide fruit and vegetable inspection service by private entities, the bid package shall be divided so that entities may offer bids to provide services to specific portions of the state and not the entire state. However, a service area shall cover at least 25% of the state.

Sec. 504. From the amount appropriated in section 101 for pesticide and plant pest management, \$200,000.00 is allocated for Michigan State University for research and development of measures that will either prevent or thwart the potato blight.

FOOD AND PRODUCT ASSURANCE

Sec. 551. If House Bill Nos. 4820 and 4821 of the 89th Legislature are enacted into law, there is appropriated from the oil and gas regulatory fund created in section 61525b of the natural resources and environmental protection act, 1994 PA 451, MCL 324.61525b, an amount not to exceed \$180,000.00 to purchase meter calibration equipment to be used by the department's laboratory division for the purpose of monitoring oil and gas well meters on state-owned land.

FARMLAND SERVICES

Sec. 601. From the amount appropriated in section 101 for energy conservation program/local soil conservation districts, \$100,000.00 shall be allocated to Michigan State University for improved technology for energy conservation in Michigan.

Sec. 602. The amount appropriated in section 101 for grants to local soil conservation districts shall be used for providing financial assistance to all soil conservation districts in order to permit the districts to engage in programs that conserve soil resources and prevent and control soil erosion. All grants to local soil conservation districts shall be allocated according to a formula approved by the commission of agriculture. Any soil conservation district that allows payment for expenses to the district associate directors shall be considered ineligible to receive grant money.

Sec. 603. (1) The department may expend the amount appropriated in section 101 for migrant labor housing grants for construction of new migrant labor housing. Project grants shall not exceed \$2,000.00 per unit. An applicant is not eligible for more than a \$10,000.00 grant in any fiscal year. Units shall be equivalent in construction to units approved by the farmers home administration for low interest construction loans and shall be not less than 484 square feet in size with a minimum of 1 bedroom, a kitchen, flush toilet, lavatory, and bathing facilities.

(2) Any unexpended migrant labor housing funds from the prior year shall be available for grants in the subsequent fiscal year.

Sec. 604. (1) From the amounts appropriated in section 101 for migrant labor housing, no less than \$100,000.00 shall be allocated to a private, nonprofit entity for the purpose of providing matching grants for the improvement or new construction of migrant labor housing. The terms or requirements imposed on a recipient of a grant awarded for migrant labor housing improvement or new construction by a private, nonprofit entity shall be no less stringent than those imposed by the department on recipients of similar grants awarded by the department. An entity receiving funds under this section shall use no greater than 7% of the state allocation for the administration of this program.

(2) A private nonprofit entity that receives an allocation to administer a migrant labor housing construction grant program shall give priority to grant applicants who are on the department's waiting list of applicants for migrant labor housing construction grants. The applicants for migrant labor construction grants administered by a nonprofit entity who are on the department's waiting list shall be served in the order in which they reside on the department's waiting list.

Sec. 605. From the section 101 appropriations for local soil conservation districts/clean water incentive program, \$300,000.00 shall be allocated for district forestry programs to assist private forest land development. Allocations to districts will be made in accordance with a plan developed by the department of agriculture in cooperation with the forest management division of the department of natural resources.

MARKET DEVELOPMENT

Sec. 701. Within the appropriations in section 101 for market development, \$424,100.00 is for the grape and wine industry council, from which the department may provide grants for the purposes as described in section 16b of the Michigan liquor control act, 1933 (Ex Sess) PA 8, MCL 436.16b.

Sec. 702. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied by the food bank council for the direct purchase of foods from Michigan growers, manufacturers, or wholesalers.

Sec. 703. (1) The \$100,000.00 appropriated in section 101 for the grown in Michigan program is to provide competitive grants to Michigan nonprofit organizations to raise in-state consumer awareness of Michigan grown commodities.

(2) The grants are to be made by the Michigan commission of agriculture on a competitive basis considering the following order of priority:

(a) Cooperative efforts by recognized, statewide, grower funded organizations.

(b) The number of Michigan residents made aware of the benefits of Michigan grown commodities.

(c) The number of Michigan grown products encompassed in the proposal.

(d) The amount of the match.

(3) A grant made under this section shall not be less than \$10,000.00 or more than \$25,000.00.

(4) Each grant shall be matched equally with grantees' funds. In-kind contributions shall not be considered as match.

(5) The Michigan commission of agriculture shall report to the house and senate appropriations subcommittees on agriculture and senate and house fiscal agencies 10 days prior to making a grant under this section.

Sec. 704. It is the intent of the legislature in appropriating funds for the Upper Peninsula state fair that the Upper Peninsula state fair shall continue to strive toward self-sufficiency.

AGRICULTURE EQUINE INDUSTRY DEVELOPMENT

Sec. 801. The racing commissioner may pay rewards of not more than \$5,800.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the office of racing commissioner line item.

Sec. 802. The department shall submit a report each month for the fiscal year ending September 30, 1998 to the senate and house appropriations committees and to the senate and house fiscal agencies that sets forth the simulcasting revenues generated in the preceding month by each licensed track and the amount received from license fees.

Sec. 803. (1) The appropriation of \$292,100.00 in section 101 for purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

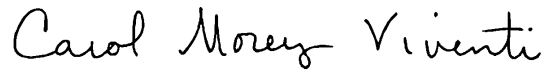
(2) The appropriation in section 101 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing	\$	20,900
Quarter horse racing	\$	63,100

Sec. 804. Included in the appropriation made in section 101 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 805. From the funds appropriated in section 101 for thoroughbred owners' awards, the department shall develop a program to provide for thoroughbred owners' awards that will be given to owners of Michigan-bred horses finishing first in nonrestricted races at licensed pari-mutuel tracks in Michigan.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved

.....
Governor.