

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5588**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 1999; 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:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the department of agri-
5 culture for the fiscal year ending September 30, 1999, from the funds
6 indicated in this part. The following is a summary of the appropriations
7 in this part:

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For Fiscal Year Ending
September 30, 1999**1 DEPARTMENT OF AGRICULTURE****2 APPROPRIATION SUMMARY:**

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	598.5	
5	GROSS APPROPRIATION.....	\$	81,933,800
6	Interdepartmental grant revenues:		
7	IDG from MDCIS (LCC)-liquor quality testing fees.....		150,300
8	IDG from MDCIS (LCC)-nonretail liquor license fees...		434,000
9	IDG from MDEQ.....		260,000
10	Total interdepartmental grants and intradepartmental		
11	transfers.....		844,300
12	ADJUSTED GROSS APPROPRIATION.....	\$	81,089,500
13	Federal revenues:		
14	DAG-AMS, cooperative agreement.....		1,154,300
15	DAG-APHIS, plant and animal disease and pest control.		55,000
16	DAG-ERS-ARED.....		126,100
17	DAG-federal/state marketing improvement program.....		100,000
18	DAG-FS, multiple grants.....		2,111,200
19	EPA-OECA, pesticides enforcement program grants.....		974,000
20	EPA-OW, water pollution control, lake restoration		
21	cooperative agreements.....		236,300
22	EPA-RCRA.....		148,200
23	HHS-FDA.....		208,500
24	Total federal revenues.....		5,113,600
25	Special revenue funds:		
26	Total local revenues.....		0

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1	Private-oil company overcharge settlement.....	711,000
2	Total private revenues.....	711,000
3	Civil penalties.....	25,700
4	Commodity inspection fees.....	963,600
5	Food handler licensing fees.....	1,105,400
6	Gasoline inspection and testing fund.....	1,969,000
7	Groundwater and freshwater protection fund.....	4,506,300
8	Industry support funds.....	175,800
9	Licensing and inspection fees.....	2,679,600
10	Michigan state fair revenue.....	6,265,700
11	Agriculture equine industry development fund.....	12,519,600
12	Pseudorabies and swine brucellosis fund.....	87,100
13	Testing fees.....	167,100
14	Upper Peninsula state fair revenue.....	927,200
15	Weights and measures regulation fees.....	305,400
16	Total other state restricted revenues.....	31,697,500
17	State general fund/general purpose..... \$	43,567,400
18	Sec. 102. EXECUTIVE	
19	Full-time equated unclassified positions.....6.0	
20	Full-time equated classified positions.....10.0	
21	Commission and boards.....	48,500
22	Unclassified positions.....	463,300
23	Executive direction--5.0 FTE positions.....	488,500
24	Statistical reporting service--5.0 FTE positions.....	466,400
25	Project GREEN.....	5,400,000
26	Environmental technology research grant.....	<u>1,500,000</u>

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1	GROSS APPROPRIATION.....	\$	8,366,700
2	Appropriated from:		
3	Special revenue funds:		
4	Industry support funds.....		25,800
5	Michigan state fair revenue.....		159,500
6	State general fund/general purpose.....	\$	8,181,400
7	Sec. 103. ADMINISTRATIVE SERVICES		
8	Full-time equated classified positions.....	75.0	
9	Management services--62.0 FTE positions.....	\$	4,846,100
10	Property management charges.....		578,300
11	Rent.....		285,700
12	Upper Peninsula state fair--8.0 FTE positions.....		1,093,900
13	Agriculture development--5.0 FTE positions.....		828,100
14	Future farmers of America.....		40,000
15	Building and track improvement-county and state fairs		850,000
16	Premiums-county and state fairs.....		1,611,200
17	Purses and supplements-fairs/licensed tracks.....		2,653,700
18	Standardbred Fedele Fauri futurity.....		88,000
19	Standardbred Michigan futurity.....		<u>88,000</u>
20	GROSS APPROPRIATION.....	\$	12,963,000
21	Appropriated from:		
22	Federal revenues:		
23	DAG-ERS-ARED.....		126,100
24	Special revenue funds:		
25	Agriculture equine industry development fund.....		5,290,900
26	Gasoline inspection and testing fund.....		51,000

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1	Licensing and inspection fees.....	62,100
2	Upper Peninsula state fair revenue.....	927,200
3	State general fund/general purpose..... \$	6,505,700
4	Sec. 104. PESTICIDE & PLANT PEST MANAGEMENT	
5	Full-time equated classified positions.....131.3	
6	Pesticide and plant pest management--131.3 FTE	
7	positions..... \$	11,566,900
8	Disease and pesticide intervention fund.....	341,800
9	Michigan State University.....	<u>210,000</u>
10	GROSS APPROPRIATION..... \$	12,118,700
11	Appropriated from:	
12	Federal revenues:	
13	DAG-AMS, cooperative agreement.....	35,300
14	DAG-APHIS, plant and animal disease and pest control.	34,600
15	DAG-FS, multiple grants.....	2,011,200
16	EPA-OECA, pesticides enforcement program grants.....	974,000
17	HHS-FDA.....	15,400
18	Special revenue funds:	
19	Commodity inspection fees.....	963,600
20	Licensing and inspection fees.....	2,053,000
21	State general fund/general purpose..... \$	6,031,600
22	Sec. 105. ANIMAL INDUSTRY	
23	Full-time equated classified positions.....26.0	
24	Animal health and welfare--26.0 FTE positions..... \$	<u>2,084,100</u>
25	GROSS APPROPRIATION..... \$	2,084,100
26	Appropriated from:	

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1	Federal revenues:	
2	HHS-FDA.....	9,500
3	Special revenue funds:	
4	Licensing and inspection fees.....	32,200
5	Pseudorabies and swine brucellosis fund.....	87,100
6	State general fund/general purpose..... \$	1,955,300
7	Sec. 106. FOOD AND DAIRY	
8	Full-time equated classified positions.....112.0	
9	Food safety and quality assurance--112.0 FTE	
10	positions..... \$	<u>8,371,300</u>
11	GROSS APPROPRIATION..... \$	8,371,300
12	Appropriated from:	
13	Federal revenues:	
14	DAG-AMS, cooperative agreement.....	22,500
15	HHS-FDA.....	183,600
16	Special revenue funds:	
17	Civil penalties.....	25,700
18	Food handler licensing fees.....	1,105,400
19	Licensing and inspection fees.....	532,300
20	State general fund/general purpose..... \$	6,501,800
21	Sec. 107. LABORATORY SUPPORT	
22	Full-time equated classified positions.....127.0	
23	Laboratory analysis program--71.5 FTE positions..... \$	5,438,800
24	Pesticide data program--11.0 FTE positions.....	1,096,500
25	Consumer protection program--44.5 FTE positions.....	<u>3,166,400</u>
26	GROSS APPROPRIATION..... \$	9,701,700

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1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from MDCIS (LCC)-liquor quality testing fees.....	150,300
4	IDG from MDEQ-meter calibrations.....	180,000
5	Federal revenues:	
6	DAG-AMS, cooperative agreement.....	1,096,500
7	DAG-APHIS, plant and animal disease and pest control.	20,400
8	Special revenue funds:	
9	Private-oil company overcharge settlement.....	295,900
10	Gasoline inspection and testing fund.....	1,918,000
11	Testing fees.....	167,100
12	Weights and measures regulation fees.....	305,400
13	State general fund/general purpose..... \$	5,568,100
14	Sec. 108. ENVIRONMENTAL STEWARDSHIP	
15	Full-time equated classified positions.....40.0	
16	Environmental stewardship--30.0 FTE positions..... \$	2,550,500
17	Groundwater and freshwater protection--10.0 FTE	
18	positions.....	4,506,300
19	Energy conservation program.....	363,100
20	Forest stewardship program.....	100,000
21	Local soil conservation districts.....	1,400,000
22	Migrant labor housing.....	<u>315,000</u>
23	GROSS APPROPRIATION..... \$	9,234,900
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	IDG from MDEQ-type II well survey.....	15,000

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1	IDG from MDEQ-sewage sludge.....	65,000
2	Federal revenues:	
3	DAG-FS, multiple grants.....	100,000
4	EPA-OW.....	236,300
5	EPA-RCRA.....	148,200
6	Special revenue funds:	
7	Private-oil company overcharge settlement.....	415,100
8	Groundwater and freshwater protection fund.....	4,506,300
9	State general fund/general purpose..... \$	3,749,000
10	Sec. 109. MARKET DEVELOPMENT	
11	Full-time equated classified positions.....15.5	
12	Marketing and emergency management--15.5 FTE	
13	positions..... \$	2,160,700
14	Food bank.....	725,000
15	Grown in Michigan.....	100,000
16	Michigan festivals.....	50,000
17	Northwest Michigan horticultural research station....	41,800
18	Southwestern Michigan tourist council - taste of	
19	Michigan.....	<u>60,400</u>
20	GROSS APPROPRIATION..... \$	3,137,900
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG from MDCIS (LCC)-nonretail liquor license fees...	434,000
24	Federal revenues:	
25	DAG-federal/state marketing improvement program.....	100,000
26	Special revenue funds:	

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1	Industry support funds.....	150,000
2	State general fund/general purpose..... \$	2,453,900
3	Sec. 110. AGRICULTURE EQUINE INDUSTRY	
4	Full-time equated classified positions.....39.7	
5	Office of racing commissioner--39.7 FTE positions.... \$	3,609,400
6	Quarterhorse programs.....	43,300
7	Licensed tracks-light horse racing.....	84,000
8	Standardbred breeders' awards.....	1,350,000
9	Standardbred purses and supplements-licensed tracks..	292,100
10	Sire stakes program.....	2,200,000
11	Standardbred training and stabling.....	47,800
12	Grant to draft horse show.....	78,800
13	Thoroughbred program.....	1,973,400
14	Thoroughbred owners' awards.....	<u>170,500</u>
15	GROSS APPROPRIATION..... \$	9,849,300
16	Appropriated from:	
17	Special revenue funds:	
18	Agriculture equine industry development fund.....	7,228,700
19	State general fund/general purpose..... \$	2,620,600
20	Sec. 111. MICHIGAN STATE FAIR	
21	Full-time equated classified positions.....22.0	
22	Michigan state fair operations-- 22.0 FTE positions.. \$	<u>6,106,200</u>
23	GROSS APPROPRIATION..... \$	6,106,200
24	Appropriated from:	
25	Special revenue funds:	
26	State fair revenue.....	6,106,200

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1 State general fund/general purpose..... \$ 0

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PART 2

5

PROVISIONS CONCERNING APPROPRIATIONS

6 **GENERAL SECTIONS**

7

Sec. 201. (1) Pursuant to section 30 of article IX of the state

8

constitution of 1963, total state spending from state sources for fiscal

9

year 1998-99 is estimated at \$75,264,900.00 in this act and state spend-

10

ing from state sources paid to local units of government for fiscal year

11

1998-99 is estimated at \$1,713,100.00. The itemized statement below

12

identifies appropriations from which spending to units of local govern-

13

ment will occur:

14

DEPARTMENT OF AGRICULTURE

15

Energy conservation program..... \$ 313,100

16

Local soil conservation districts..... \$ 1,400,000

17

TOTAL..... \$ 1,713,100

18

(2) If it appears to the principal executive officer of a department

19

or branch that state spending to local units of government will be less

20

than the amount that was projected to be expended under subsection (1),

21

the principal executive officer shall immediately give notice of the

22

approximate shortfall to the state budget director, the house and senate

23

appropriations committees, and the house and senate fiscal agencies.

24

Sec. 202. The appropriations made and the expenditures authorized

25

under this act and the departments, agencies, commissions, boards,

26

offices, and programs for which an appropriation is made under this act

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1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
2 18.1594.

3 Sec. 203. (1) In addition to the funds appropriated in part 1,
4 there is appropriated an amount not to exceed \$4,000,000.00 for federal
5 contingency funds. These funds are not available for expenditure until
6 they have been transferred to another line item in this act pursuant to
7 section 393(2) of the management and budget act, 1984 PA 431, MCL
8 18.1393.

9 (2) In addition to the funds appropriated in part 1, there is appro-
10 priated an amount not to exceed \$6,000,000.00 for state restricted con-
11 tingency funds. These funds are not available for expenditure until they
12 have been transferred to another line item in this act pursuant to sec-
13 tion 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

24 Sec. 204. (1) Beginning October 1, a hiring freeze is imposed on
25 the state classified civil service. State departments and agencies are
26 prohibited from hiring any new full-time state classified civil service
27 employees and prohibited from filling any vacant state classified civil

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1 service positions. This hiring freeze does not apply to internal
2 transfers of classified employees from 1 position to another within a
3 department or to positions that are funded with 80% or more federal or
4 restricted funds.

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

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

18 Sec. 206. (1) The department shall submit to the department of man-
19 agement and budget, the senate and house of representatives standing com-
20 mittees on appropriations, the senate and house fiscal agencies, and the
21 house and senate of representatives standing committees having jurisdic-
22 tion over technology issues quarterly reports on the department's efforts
23 to change the department's computer software and hardware as necessary to
24 perform properly in the year 2000 and beyond. These reports shall iden-
25 tify actual progress in comparison to the department's approved work plan
26 for these efforts.

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1 (2) The department may present progress billings to the department
2 of management and budget for the costs incurred in changing computer
3 software and hardware as necessary to perform properly in the year 2000
4 and beyond. At the time progress billings are presented for reimburse-
5 ment, the department shall identify and forward as appropriate the fund-
6 ing sources that should support the work performed.

7 Sec. 208. As used in this act:

8 (a) "DAG" means the United States department of agriculture.

9 (b) "DAG-AMS" means the United States department of agriculture -
10 agriculture marketing service.

11 (c) "DAG-APHIS" means the United States department of agriculture -
12 animal plant health inspection service.

13 (d) "DAG-ERS-ARED" means the United States department of
14 agriculture - economic research service - agriculture and rural economy
15 division.

16 (e) "DAG-FS" means the United States department of agriculture -
17 forest service.

18 (f) "Department" means the department of agriculture.

19 (g) "Director" means the director of the department.

20 (h) "EPA-OECA" means the United States environmental protection
21 agency - office of enforcement and compliance assistance.

22 (i) "EPA-OW" means the United States environmental protection
23 agency - office of water.

24 (j) "EPA-RCRA" means the United States environmental protection
25 agency - resource conservation and recovery act.

26 (k) "FTE" means full-time equated.

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1 (1) "GREEN" means generating research and extension to meet
2 environmental and economic needs.

3 (m) "HHS-FDA" means the United States department of health and
4 human services - food and drug administration.

5 (n) "IDG" means interdepartmental grant.

6 (o) "MDCIS (LCC)" means the Michigan department of consumer and
7 industry services - liquor control commission.

8 (p) "MDEQ" means the Michigan department of environmental quality.

9 Sec. 209. (1) The unexpended and unobligated balance of any state
10 restricted fund or account remaining at the end of the fiscal year shall
11 revert back to the state restricted fund or account from which appropri-
12 ated and be available for appropriation for the next fiscal year.

13 Appropriations that revert to a state restricted fund or account pursuant
14 to this section shall not revert to the general fund of this state.

15 (2) A state restricted revenue fund or account that receives reve-
16 nues in excess of expenditures made from that state restricted revenue
17 fund or account shall not have the excess revenue revert to the general
18 fund of this state.

19 (3) The revenues collected in the agriculture equine industry devel-
20 opment fund in fiscal year 1997-98 shall not lapse but shall be carried
21 forward to fund appropriations made pursuant to this act and subsequent
22 acts.

23 Sec. 210. (1) Of the funds appropriated in part 1, the department
24 may provide for indemnity as provided for pursuant to the animal industry
25 act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed
26 \$10,000.00 per order from any line item for the fiscal year ending
27 September 30, 1999. Before the department provides for an

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1 indemnification under this section, the department shall report the
2 reason for the indemnification, the amount of the indemnification, and to
3 whom the indemnification is to be paid. The report shall be given to
4 each member of the house and senate appropriations subcommittees on agri-
5 culture and to the senate and house fiscal agencies.

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

12 Sec. 212. Money appropriated in part 1 shall not be used for the
13 purchase of foreign goods or services when competitively priced and of
14 comparable quality American goods or services are available.

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

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

22 Sec. 215. Of the funds appropriated in part 1 that are other than
23 line-item grants, the department shall not provide grants to local gov-
24 ernment agencies, institutions of higher education, or nonprofit organi-
25 zations unless the department provides notice of the grant to the house
26 and senate appropriations subcommittees on agriculture at least 10 days
27 before the grant is issued. The grants shall be used to support research

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1 or other related activities for the purpose of enhancing the agricultural
2 industries in this state.

3 Sec. 216. The legislature will not fund non-fair or
4 non-horse-racing grants or projects from revenues from simulcasting in
5 fiscal year 1999-2000.

6 Sec. 221. By December 1, 1998, the department shall provide the
7 house and senate appropriations subcommittees on agriculture and the
8 house and fiscal agencies a report that outlines programs funded under
9 this act. The report shall provide explanation of the activities and
10 personnel funded with each line item, consistent with the format of this
11 act.

12 **EXECUTIVE**

13 Sec. 301. The appropriations in section 102 may be used for per
14 diem payments to members of boards, committees, and commissions for a
15 full day's board, committee, or commission work at which a quorum is
16 present; for attending a hearing as authorized by the respective board,
17 committee, or commission; or for performing official business as autho-
18 rized by the respective board, committee, or commission. The per diem
19 payments shall be at a rate as follows:

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

23 Sec. 302. The department may receive and expend revenue and use
24 that revenue to cover necessary expenses related to publications, audit
25 and licensing functions, livestock sales, certification of nursery stock,

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1 bean inspection services, and laboratory analyses as specified in the
2 following:

3 (a) Management services publications.

4 (b) Management services audit and licensing functions.

5 (c) Upper Peninsula state fair livestock sales.

6 (d) Pesticide and plant pest management propagation and certifica-
7 tion of virus free foundation stock.

8 (e) Pesticide and plant pest management bean inspection and grading
9 services.

10 (f) Laboratory support testing for testing horses in draft horse
11 pulling contests at county fairs when local jurisdictions request state
12 assistance.

13 (g) Laboratory support analyses to determine foreign substances in
14 horses engaged in racing or pulling contests at tracks.

15 (h) Laboratory support analysis of food, livestock, and agricultural
16 products for disease, toxic materials, foreign products for disease,
17 toxic materials, foreign substances, and quality standards.

18 (i) Laboratory support analysis of liming samples.

19 (j) Laboratory support analysis of feed and fertilizer samples.

20 (k) Laboratory support test samples for other agencies and
21 organizations.

22 (l) Fruit and vegetable inspection at shipping and termination
23 points and processing plants.

24 Sec. 303. Of the funds appropriated in section 102 for statistical
25 reporting service, \$120,000.00 shall be used for ongoing rotational crop
26 surveys of fruit, vegetables, and nursery stock, including Christmas
27 trees and ornamental plants. The survey shall begin with fruit in the

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1 first year, vegetables in the second year, and nursery stock in the third
2 year. The rotational cycle of the survey shall continue in the fourth
3 and subsequent years. The survey shall include existing
4 plantings/acreage, new plantings/acreage, production, and number of
5 growers.

6 Sec. 304. The appropriation in section 102 for an environmental
7 technology research grant is allocated to the Michigan biotechnology
8 institute, pending receipt of matching federal funds, for the development
9 and implementation of innovative technologies to be used for environmen-
10 tally safe products, biodegradable chemicals, environmental cleanup, and
11 waste stream minimization projects in Michigan.

12 Sec. 305. (1) From the appropriation in section 102 for project
13 GREEN, \$5,000,000.00 is allocated for a grant to an institution of
14 higher education for the purpose of research and/or extension programs
15 designed to address critical regulatory, food safety, economic, and envi-
16 ronmental problems faced by Michigan's plant-based agriculture, forestry,
17 and processing industries.

18 (2) A consortium of interested parties consisting of, but not
19 limited to, representatives from the department, institutions of higher
20 education, and agricultural commodity groups shall develop the research
21 and/or extension program priorities described in subsection (1).

22 (3) Any unexpended balance of the money allocated in subsection (1)
23 is considered a work project and shall be carried forward into the suc-
24 ceeding fiscal year.

25 (4) Not later than November 1, 1999, the grantee under subsection
26 (1) shall submit to the house and senate appropriations subcommittees on
27 agriculture and to the house and senate fiscal agencies a report for the

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1 immediately preceding fiscal year regarding project GREEN projects. The
2 report shall include, but is not limited to, the dollar amount of each
3 project and a review of each project's performance and accomplishments.

4 (5) Indirect costs in excess of 1% shall not be charged by an admin-
5 istering agency or grantee against grants funded under the allocation in
6 subsection (1).

7 Sec. 306. (1) From the appropriation in section 102 for project
8 GREEN, \$400,000.00 is allocated for the Michigan agriculture export ini-
9 tiative and shall be expended by the department only as grants to state
10 government agencies, local government agencies, institutions of higher
11 education, and/or nonprofit organizations for the purpose of increasing
12 the competitiveness of Michigan's agricultural products in international
13 markets.

14 (2) Two export action teams, each consisting of, but not limited to,
15 representatives from the department, local government, institutions of
16 higher education, and agricultural commodity groups, shall be established
17 to develop the research and/or extension program priorities and recommend
18 to the department which grants/projects shall be funded under this
19 section. The \$400,000.00 allocated in subsection (1) shall be expended
20 only if it is augmented by funding from agricultural commodity groups.

21 (3) One export action team established by subsection (2) shall focus
22 its efforts on commodities grown in southwest Michigan, and the other
23 export action team shall focus its efforts on commodities grown in the
24 thumb region of Michigan. Each export action team shall give the highest
25 priority to commodities that have significant export potential and/or
26 have identifiable barriers to export markets.

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1 (4) The department shall not expend money allocated in subsection
2 (1) until the department executes a grant agreement with each grantee.
3 The grant agreement shall include a list of the projects funded, a
4 description of each project, and the dollar amount to be granted to each
5 subgrantee, if applicable, for each project. The department shall pro-
6 vide notice of all grants to the house and senate appropriations subcom-
7 mittees on agriculture and to the house and senate fiscal agencies.

8 (5) Any unexpended balance of the money allocated in subsection (1)
9 is considered a work project and shall be carried forward into the suc-
10 ceeding fiscal year.

11 (6) Not later than November 1, 1999, the department shall submit to
12 the house and senate appropriations subcommittees on agriculture and to
13 the house and senate fiscal agencies a report for the immediately preced-
14 ing fiscal year regarding the Michigan agriculture export initiative
15 grants. The report shall include, but is not limited to, an accounting
16 of each grant/subgrant awarded; a listing of the commodities, interna-
17 tional markets, and/or trade barriers addressed; and a summary of new
18 products, services, strategies, and/or processes that help Michigan agri-
19 cultural exporters gain a competitive edge or satisfy a new market
20 niche.

21 (7) Indirect costs in excess of 1% shall not be charged by an admin-
22 istering agency against grants funded under the allocation in subsection
23 (1).

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1 ADMINISTRATIVE SERVICES

2 Sec. 401. Indirect costs may not be charged against the future
3 farmers of America grant in section 103 by any administering agency.

4 Sec. 402. It is the intent of the legislature in appropriating
5 funds for the Upper Peninsula state fair that the Upper Peninsula state
6 fair shall continue to strive toward self-sufficiency.

7 Sec. 403. A county fair, district fair, 4-H fair, or state fair
8 receiving funds in section 103 to be used for prizes or awards, in whole
9 or in part, as a condition precedent to the receiving of the funds for
10 those purposes, shall publish the rules relative to the prizes, awards,
11 and deadlines for entries eligible for the funds in their official pre-
12 mium books or lists relative to the prizes or awards. An aggrieved
13 exhibitor may make a written complaint to the fair within 10 days after
14 the fair ends. If the fair has not satisfactorily settled the grievance
15 within 45 days after it is submitted to the fair, the aggrieved person
16 may file the complaint with the department and the department shall
17 investigate the complaint and make a finding of fact regarding the com-
18 plaint and take appropriate action regarding the complaint.

19 Sec. 404. Of the amount appropriated in section 103 for purses and
20 supplements - fairs/licensed tracks, a sufficient amount is appropriated
21 to provide for overnight purse supplements pursuant to the horse racing
22 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

23 Sec. 405. Of the amount appropriated in section 103 for premiums,
24 \$11,400.00 shall be expended as a grant for the Michigan horse show asso-
25 ciation - fall youth show at the Michigan exposition and fairgrounds.

26 Sec. 406. From the appropriations for premiums - county and state
27 fairs in section 103, \$120,000.00 shall be awarded through a competitive

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1 grant program to local, regional, or state fairs or expositions to
2 promote youth involvement and adult exhibitions in the animal agriculture
3 industry. Appropriate exhibition classes for youth shall be developed
4 that encourage a production exhibit for which premium awards may be
5 paid. The age for youth exhibitors shall be determined by the standards
6 of the association requesting the grant or, if standards do not exist,
7 the age for youth exhibitors shall be ages 9 through 21. Implementation
8 of the latest technologies into the evaluation of the animals shall be
9 encouraged in the production exhibit. Adult exhibitions should focus on
10 the performance or end product, or both, with the appropriate technolo-
11 gies used to enhance placings and the awarding of premiums.

12 PESTICIDE AND PLANT PEST MANAGEMENT

13 Sec. 501. Of the funds appropriated in section 104 to the pesticide
14 and plant pest management division, up to \$100,000.00 may be made avail-
15 able to the Michigan cooperative extension service for the purpose of
16 training of applicators. Reimbursement shall be based on actual expendi-
17 tures and revenue availability.

18 Sec. 502. From the appropriation in section 104 for the disease and
19 pesticide intervention fund program, the department shall utilize these
20 funds as needed to respond to plant pest diseases.

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1 LABORATORY PROGRAM

2 Sec. 551. If House Bill Nos. 5294 and 5399 of the 89th Legislature
3 are enacted into law, there is appropriated an IDG from MDEQ from the oil
4 and gas regulatory fund created in section 61525b of the natural
5 resources and environmental protection act, 1994 PA 451, MCL 324.61525b,
6 an amount not to exceed \$180,000.00 to purchase meter calibration equip-
7 ment to be used by the department's laboratory division for the purpose
8 of monitoring oil and gas well meters on state owned land.

9 ENVIRONMENTAL STEWARDSHIP

10 Sec. 601. (1) From the amount appropriated in section 108 for the
11 energy conservation program, \$50,000.00 shall be allocated to Michigan
12 State University for improved technology for energy conservation in
13 Michigan.

14 (2) The funds remaining in section 108 for the energy conservation
15 program after the allocation in subsection (1) shall be distributed on an
16 equal basis to all local soil conservation districts for local energy
17 conservation programs.

18 Sec. 602. The amount appropriated in section 108 for grants to
19 local soil conservation districts shall be used for providing financial
20 assistance to all soil conservation districts in order to permit the dis-
21 tricts to engage in programs that conserve soil resources and prevent and
22 control soil erosion. All grants to local soil conservation districts
23 shall be allocated according to a formula approved by the commission of
24 agriculture. Any soil conservation district that allows payment for

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1 expenses to the district associate directors shall be considered
2 ineligible to receive grant money.

3 Sec. 603. (1) The department may expend the amount appropriated in
4 section 108 for migrant labor housing grants for construction of new
5 migrant labor housing. Project grants shall not exceed \$2,000.00 per
6 unit. An applicant is not eligible for more than a \$10,000.00 grant in
7 any fiscal year. Units shall be equivalent in construction to units
8 approved by the DAG-rural development agency for low interest construc-
9 tion loans and shall be not less than 484 square feet in size and be
10 self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a
11 lavatory, and bathing facilities.

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

14 Sec. 604. (1) From the amounts appropriated in section 108 for
15 migrant labor housing, no less than \$100,000.00 shall be allocated to a
16 private, nonprofit entity for the purpose of providing matching grants
17 for the improvement or new construction of migrant labor housing. The
18 terms or requirements imposed on a recipient of a grant awarded for
19 migrant labor housing improvement or new construction by a private, non-
20 profit entity shall be no less stringent than those imposed by the
21 department on recipients of similar grants awarded by the department. An
22 entity receiving funds under this section shall use no greater than 7% of
23 the state allocation for the administration of this program.

24 (2) A private nonprofit entity that receives an allocation to admin-
25 ister a migrant labor housing construction grant program shall give pri-
26 ority to grant applicants who are on the department's waiting list of
27 applicants for migrant labor housing construction grants. The applicants

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1 for migrant labor construction grants administered by a nonprofit entity
2 who are on the department's waiting list shall be served in the order in
3 which they reside on the department's waiting list.

4 Sec. 605. From the section 108 appropriation for local soil conser-
5 vation districts, \$300,000.00 shall be allocated for district forestry
6 programs to assist private forest land development. Allocations to dis-
7 tricts will be made in accordance with a plan developed by the department
8 of agriculture in cooperation with the forest management division of the
9 department of natural resources.

10 **MARKET DEVELOPMENT**

11 Sec. 701. Within the appropriations in section 109 for market
12 development, \$434,000.00 is for the grape and wine industry council, from
13 which the department may provide grants for the purposes as described in
14 section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL
15 436.1303.

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

21 Sec. 703. (1) The \$100,000.00 appropriated in section 109 for the
22 grown in Michigan program is to provide competitive grants to Michigan
23 nonprofit organizations to raise in-state consumer awareness of Michigan
24 grown commodities.

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

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

6 (b) The number of consumers made aware of the benefits of Michigan
7 grown commodities.

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

10 (d) The amount of the match.

11 (3) A grant made under this section shall not be less than \$5,000.00
12 or more than \$25,000.00.

13 (4) Each grant shall be matched equally with grantees' funds.

14 In-kind contributions shall not be considered as matching funds.

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

19 AGRICULTURE EQUINE INDUSTRY DEVELOPMENT

20 Sec. 801. The racing commissioner may pay rewards of not more than
21 \$5,800.00 to a person who provides information that results in the arrest
22 and conviction on a felony or misdemeanor charge for a crime that
23 involves the horse racing industry. A reward paid pursuant to this sec-
24 tion shall be paid out of the office of racing commissioner line item.

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1 Sec. 802. The department shall submit a report each month for the
2 fiscal year ending September 30, 1999 to the state budget director, the
3 senate and house standing committees on appropriations, and the senate
4 and house fiscal agencies that sets forth the simulcasting revenues gen-
5 erated in the preceding month by each licensed track and the amount
6 received from license fees.

7 Sec. 803. (1) The appropriation of \$292,100.00 in section 110 for
8 standardbred purses and supplements - licensed tracks is intended to pro-
9 vide state purse supplements for 4 races at state licensed pari-mutuel
10 horse racing tracks. The purse supplements are to be used for races com-
11 prised only of Michigan bred horses segregated into a 4-year-old colt
12 trot division, a 4-year-old filly trot division, a 4-year-old colt pace
13 division, and a 4-year-old filly pace division.

14 (2) The appropriation in section 110 for licensed tracks - light
15 horse racing shall be allocated as follows:

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

18 Sec. 804. Included in the appropriation made in section 110 for the
19 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred
20 breeders and owners association to conduct a thoroughbred yearling show.
21 The Michigan united thoroughbred breeders and owners association shall
22 submit to the department an itemized list of expenses showing that the
23 expenses of the yearling show were paid.

24 Sec. 805. From the funds appropriated in section 110 for thorough-
25 bred owners' awards, the department shall develop a program to provide
26 for thoroughbred owners' awards that will be given to owners of

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1 Michigan-bred horses finishing first in nonrestricted races at licensed
2 pari-mutuel tracks in Michigan.

3 Sec. 807. Of the \$78,800.00 appropriated in section 110 for the
4 draft horse show, \$28,300.00 shall be made available for the Michigan
5 dynamometers association, \$46,500.00 shall be made available for the
6 Michigan draft horse breeders association, and \$4,000.00 shall be used
7 for advertisement and promotion of an annual Great Lakes international
8 draft horse show.