

Act No. 283
Public Acts of 1998
Approved by the Governor
July 26, 1998
Filed with the Secretary of State
July 27, 1998
EFFECTIVE DATE: July 27, 1998

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Reps. Jansen, Johnson, McBryde, Gilmer, Oxender, Middleton, Bobier, Godchaux,
Banks, Llewellyn, Geiger and Jellema

ENROLLED HOUSE BILL No. 5588

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0		
Full-time equated classified positions	598.5		
GROSS APPROPRIATION.....		\$	79,150,700
Interdepartmental grant revenues:			
IDG from MDCIS (LCC), liquor quality testing fees.....			150,300
IDG from MDCIS (LCC), nonretail liquor license fees.....			434,000
IDG from MDEQ, meter calibrations			180,000
IDG from MDEQ, sewer sludge fund			65,000
IDG from MDEQ, type II well survey			15,000
Total interdepartmental grants and intradepartmental transfers			844,300
ADJUSTED GROSS APPROPRIATION.....		\$	78,306,400
Federal revenues:			
DAG-AMS, cooperative agreement.....			1,154,300
DAG-APHIS, plant and animal disease and pest control			55,000
DAG-ERS-ARED.....			126,100
DAG, federal/state marketing improvement program			100,000
DAG-FS, multiple grants.....			2,111,200

		For Fiscal Year Ending Sept. 30, 1999
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		5,113,600
Special revenue funds:		
Total local revenues		0
Private - oil company overcharge settlement		711,000
Total private revenues.....		711,000
Agriculture equine industry development fund.....		14,303,900
Civil penalties.....		25,700
Commodity inspection fees		963,600
Food handler licensing fees		1,105,400
Gasoline inspection and testing fund		1,969,000
Groundwater and freshwater protection fund.....		4,506,300
Industry support funds.....		175,800
Licensing and inspection fees.....		2,679,600
Pseudorabies and swine brucellosis fund		87,100
Michigan state fair revenue		6,265,700
Testing fees.....		167,100
Upper Peninsula state fair revenue.....		927,200
Weights and measures regulation fees		305,400
Total other state restricted revenues.....		33,481,800
State general fund/general purpose	\$	39,000,000

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	10.0	
Commission and boards.....		\$ 48,500
Unclassified positions.....		463,300
Executive direction—5.0 FTE positions		488,500
Statistical reporting service—5.0 FTE positions.....		466,400
Project GREEN		4,000,000
Environmental technology research grant		1,400,000
GROSS APPROPRIATION.....		\$ 6,866,700
Appropriated from:		
Special revenue funds:		
Industry support funds.....		25,800
Michigan state fair revenue		159,500
State general fund/general purpose		\$ 6,681,400

Sec. 103. ADMINISTRATIVE SERVICES

Full-time equated classified positions	75.0	
Management services—62.0 FTE positions.....		\$ 4,669,000
Agriculture development—5.0 FTE positions.....		828,100
Property management charges		578,300
Rent.....		285,700
Upper Peninsula state fair—8.0 FTE positions		1,093,900
Future farmers of America.....		40,000
Building and track improvement - county and state fairs		753,100
Premiums - county and state fairs		1,611,200
Purses and supplements - fairs/licensed tracks		2,351,200
Standardbred Fedele Fauri futurity		78,000
Standardbred Michigan futurity		78,000
GROSS APPROPRIATION.....		\$ 12,366,500
Appropriated from:		
Federal revenues:		
DAG-ERS-ARED.....		126,100

For Fiscal Year
Ending Sept. 30,
1999

Special revenue funds:		
Agriculture equine industry development fund	\$	4,871,500
Gasoline inspection and testing fund		51,000
Licensing and inspection fees		62,100
Upper Peninsula state fair revenue		927,200
State general fund/general purpose	\$	6,328,600

Sec. 104. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	131.3	
Pesticide and plant pest management—131.3 FTE positions	\$	11,566,900
Disease and pesticide intervention fund		341,800
Michigan State University		210,000
GROSS APPROPRIATION	\$	12,118,700

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
HHS-FDA		15,400

Special revenue funds:

Commodity inspection fees		963,600
Licensing and inspection fees		2,053,000
State general fund/general purpose	\$	6,031,600

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions	26.0	
Animal health and welfare—26.0 FTE positions	\$	2,084,100
GROSS APPROPRIATION	\$	2,084,100

Appropriated from:

Federal revenues:

HHS-FDA		9,500
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Special revenue funds:

Licensing and inspection fees		32,200
Pseudorabies and swine brucellosis fund		87,100
State general fund/general purpose	\$	1,955,300

Sec. 106. FOOD AND DAIRY

Full-time equated classified positions	112.0	
Food safety and quality assurance—112.0 FTE positions	\$	8,371,300
GROSS APPROPRIATION	\$	8,371,300

Appropriated from:

Federal revenues:

DAG-AMS, cooperative agreement		22,500
HHS-FDA		183,600

Special revenue funds:

Civil penalties		25,700
Food handler licensing fees		1,105,400
Licensing and inspection fees		532,300
State general fund/general purpose	\$	6,501,800

Sec. 107. LABORATORY PROGRAM

Full-time equated classified positions	127.0	
Laboratory analysis program—71.5 FTE positions	\$	5,438,800
Pesticide data program—11.0 FTE positions		1,096,500
Consumer protection program—44.5 FTE positions		3,166,400
GROSS APPROPRIATION	\$	9,701,700

For Fiscal Year
Ending Sept. 30,
1999

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS (LCC), liquor quality testing fees	\$ 150,300
IDG from MDEQ, meter calibrations	180,000
Federal revenues:	
DAG-AMS, cooperative agreement.....	1,096,500
DAG-APHIS, plant and animal disease and pest control	20,400
Special revenue funds:	
Private - oil company overcharge settlement	295,900
Agriculture equine industry development fund.....	572,800
Gasoline inspection and testing fund	1,918,000
Testing fees.....	167,100
Weights and measures regulation fees	305,400
State general fund/general purpose	\$ 4,995,300

Sec. 108. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions	40.0
Environmental stewardship—30.0 FTE positions.....	\$ 2,550,500
Groundwater and freshwater protection program—10.0 FTE positions	4,506,300
Energy conservation program	363,100
Forest stewardship program.....	100,000
Local soil conservation districts.....	1,400,000
Migrant labor housing.....	315,000
GROSS APPROPRIATION.....	\$ 9,234,900

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, sewer sludge fund	65,000
IDG from MDEQ, type II well survey	15,000
Federal revenues:	
DAG-FS, multiple grants	100,000
EPA-OW, water pollution control, lake restoration cooperative agreements.....	236,300
EPA-RCRA	148,200
Special revenue funds:	
Private - oil company overcharge settlement	415,100
Groundwater and freshwater protection fund.....	4,506,300
State general fund/general purpose	\$ 3,749,000

Sec. 109. MARKET DEVELOPMENT

Full-time equated classified positions	15.5
Marketing and emergency management—15.5 FTE positions	\$ 2,160,700
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.....	\$ 3,137,900

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS (LCC), nonretail liquor license fees	434,000
Federal revenues:	
DAG, federal/state marketing improvement program	100,000
Special revenue funds:	
Industry support funds.....	150,000
State general fund/general purpose	\$ 2,453,900

Sec. 110. AGRICULTURE EQUINE INDUSTRY DEVELOPMENT

Full-time equated classified positions	39.7
Office of racing commissioner—39.7 FTE positions.....	\$ 3,609,400

		For Fiscal Year Ending Sept. 30, 1999
Quarter horse programs	\$	38,400
Licensed tracks - light horse racing.....		74,400
Standardbred breeders' awards.....		1,201,300
Standardbred purses and supplements - licensed tracks		258,800
Sire stakes program		1,954,500
Standardbred training and stabling		42,400
Thoroughbred program		1,753,600
Thoroughbred owners' awards.....		151,100
Can-Am draft horse show		78,800
GROSS APPROPRIATION.....	\$	9,162,700
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		8,859,600
State general fund/general purpose	\$	303,100
 Sec. 111. MICHIGAN STATE FAIR		
Full-time equated classified positions.....22.0		
Michigan state fair operations—22.0 FTE positions.....	\$	6,106,200
GROSS APPROPRIATION.....	\$	6,106,200
Appropriated from:		
Special revenue funds:		
Michigan state fair revenue		6,106,200
State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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 1998-99 is estimated at \$72,481,800.00 in this act and state spending from state sources paid to local units of government for fiscal year 1998-99 is estimated at \$1,713,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF AGRICULTURE

Energy conservation program	\$	313,100
Local soil conservation districts.....		1,400,000
TOTAL	\$	1,713,100

(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 state budget director, the house and senate appropriations committees, and the house and senate 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 part 1, there is appropriated an amount not to exceed \$4,000,000.00 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 part 1, there is appropriated an amount not to exceed \$6,000,000.00 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 part 1, there is appropriated an amount not to exceed \$100,000.00 for local 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.

(4) In addition to the funds appropriated in part 1, 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 state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services. The state budget director 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. (1) The department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house of representatives standing committees having jurisdiction over technology issues quarterly 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) "GREEN" means generating research and extension to meet environmental and economic needs.
- (m) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (n) "IDG" means interdepartmental grant.
- (o) "MDCIS (LCC)" means the Michigan department of consumer and industry services - liquor control commission.
- (p) "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 appropriation 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 expenditures 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 year 1997-98 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 part 1, 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, 1999. 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 house and senate 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 part 1 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.

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. 215. Of the funds appropriated in part 1 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 house and senate 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 legislature will not fund nonfair or nonhorse racing grants or projects from revenues from simulcasting in fiscal year 1999-2000.

Sec. 217. (1) The department of management and budget and each principal executive department and agency shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the department of management and budget shall provide a monthly report on all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(3) The department of management and budget shall provide a monthly listing of all bid requests or requests for proposal that were issued.

(4) Each principal executive department and agency shall provide a monthly summary listing of information that identifies any authorizations for personal service contracts that are provided to the department of civil service pursuant to delegated authority granted to each principal executive department and agency related to personal service contracts.

Sec. 218. If a department enters into a personal services contract with any temporary service agency or similar contractor that hires or subcontracts with a person who retired from employment in the department under the early retirement program under section 19f of the state employees' retirement act, 1943 PA 240, MCL 38.19f, the retired state employee shall be limited to 500 hours for professional, technical, or clerical services and 250 hours for management services. This limitation does not apply to computer technology services. This provision only applies during a 24-month period after the date of retirement. This section applies to each principal executive department and agency.

Sec. 219. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Sec. 220. Within 10 working days after formal presentation of the executive budget, the state budget director shall report to the members of the senate and house appropriations committees, and the senate and house fiscal agencies, on the amounts and sources of all capped federal funds, special revenue funds as defined in the state of Michigan's comprehensive annual financial report, and the healthy Michigan fund, and an accounting of the state departments or agencies in which the executive budget proposes to spend the funds.

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

EXECUTIVE

Sec. 301. The appropriations in section 102 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, 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 102 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. The appropriation in section 102 for an environmental technology research grant is allocated to the Michigan biotechnology institute, pending receipt of matching federal funds, for the development and implementation of innovative technologies to be used for environmentally safe products, biodegradable chemicals, environmental cleanup, and waste stream minimization projects in Michigan.

Sec. 305. (1) From the appropriation in section 102 for project GREEN, \$4,000,000.00 is allocated for a grant to an institution of higher education for the purpose of research and/or extension programs designed to address critical regulatory, food safety, economic, and environmental problems faced by Michigan's plant-based agriculture, forestry, and processing industries.

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

(3) Any unexpended balance of the money allocated in subsection (1) is considered a work project and shall be carried forward into the succeeding fiscal year.

(4) Not later than November 1, 1999, the grantee under subsection (1) shall submit to the house and senate appropriations subcommittees on agriculture and to the house and senate fiscal agencies a report for the immediately preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

(5) Indirect costs shall not be charged by an administering agency against a grant funded under the allocation in subsection (1).

ADMINISTRATIVE SERVICES

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

Sec. 402. 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.

Sec. 403. A county fair, district fair, 4-H fair, or state fair receiving funds in section 103 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 103 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 103 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 in section 103, \$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 104 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. From the appropriation in section 104 for the disease and pesticide intervention fund program, the department shall utilize these funds as needed to respond to plant pest diseases.

LABORATORY PROGRAM

Sec. 551. If House Bill Nos. 5294 and 5399 of the 89th Legislature are enacted into law, there is appropriated an IDG from MDEQ 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.

ENVIRONMENTAL STEWARDSHIP

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

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

Sec. 602. The amount appropriated in section 108 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 108 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 DAG - rural development agency for low interest construction loans and shall be not less than 484 square feet in size and be self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a 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 108 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 108 appropriation for local soil conservation districts, \$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 109 for market development, \$434,000.00 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 109 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 consumers 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 \$5,000.00 or more than \$25,000.00.

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

(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.

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, 1999 to the state budget director, the senate and house standing committees on appropriations, and 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 \$258,800.00 in section 110 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 110 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing	\$	18,600.00
Quarter horse racing	\$	55,800.00

Sec. 804. Included in the appropriation made in section 110 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 110 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.

Sec. 806. The \$78,800.00 appropriated in section 110 for the Can-Am draft horse show is to provide for the payment of up to 75% of cash premiums offered at the Can-Am draft horse show held at the Michigan state fairgrounds.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.