

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5642

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; 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

4

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6

7

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, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

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2

For Fiscal Year Ending  
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1	<b>DEPARTMENT OF AGRICULTURE</b>	
2	APPROPRIATION SUMMARY:	
3	Full-time equated unclassified positions.....	6.0
4	Full-time equated classified positions.....	629.5
5	GROSS APPROPRIATION.....	\$ 110,364,400
6	Interdepartmental grant revenues:	
7	IDG from MDCH, federal bioterrorism funds.....	1,500,000
8	IDG from MDCH, local public health operations.....	8,977,500
9	IDG from MDCIS (LCC), liquor quality testing fees....	164,000
10	IDG from MDCIS (LCC), nonretail liquor license fees..	612,300
11	IDG from MDEQ, biosolids.....	80,000
12	IDG from MDEQ, right to farm.....	105,000
13	IDG from MDEQ, type II well survey.....	15,000
14	IDG from MDNR, district forestry and wildlife program	1,000,000
15	Total interdepartmental grants and intradepartmental	
16	transfers.....	12,453,800
17	ADJUSTED GROSS APPROPRIATION.....	\$ 97,910,600
18	Federal revenues:	
19	DAG, multiple grants.....	3,923,800
20	DAG-NRCS.....	250,000
21	EPA, multiple grants.....	2,210,000
22	HHS-FDA.....	255,700
23	Total federal revenues.....	6,639,500
24	Special revenue funds:	
25	Total local revenues.....	0
26	Private - oil company overcharge settlement.....	997,600

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1	Private - slow-the-spread foundation.....	130,000
2	Total private revenues.....	1,127,600
3	Agriculture equine industry development fund.....	12,417,000
4	Agriculture pollution prevention fund.....	100
5	Agricultural preservation fund.....	700,000
6	Civil penalties.....	40,300
7	Commodity inspection fees.....	991,500
8	Gasoline inspection and testing fund.....	1,565,800
9	Groundwater and freshwater protection fund.....	4,674,100
10	Industry support funds.....	300,000
11	Licensing and inspection fees.....	5,207,000
12	Michigan state fair revenue.....	5,372,400
13	Pseudorabies and swine brucellosis fund.....	20,000
14	State services fee fund.....	6,224,000
15	Testing fees.....	232,500
16	Upper Peninsula state fair revenue.....	1,224,300
17	Weights and measures regulation fees.....	323,400
18	Total other state restricted revenues.....	39,292,400
19	State general fund/general purpose..... \$	50,851,100
20	<b>Sec. 102. EXECUTIVE</b>	
21	Full-time equated unclassified positions.....6.0	
22	Full-time equated classified positions.....57.0	
23	Commission and boards..... \$	63,300
24	Unclassified positions--6.0 FTE positions.....	488,200
25	Executive direction--4.0 FTE positions.....	525,700
26	Management services--48.0 FTE positions.....	3,697,200

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For Fiscal Year Ending  
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1	Statistical reporting service--5.0 FTE positions.....	435,100
2	Cooperative extension service.....	4,000,000
3	Agriculture experiment station.....	4,000,000
4	Animal health diagnostic lab.....	<u>3,000,000</u>
5	GROSS APPROPRIATION..... \$	16,209,500
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDCH, federal bioterrorism funds.....	1,500,000
9	IDG from MDCIS (LCC), nonretail liquor license fees..	8,800
10	Special revenue funds:	
11	Gasoline inspection and testing fund.....	47,800
12	Licensing and inspection fees.....	62,100
13	Michigan state fair revenue.....	80,500
14	State services fee fund.....	160,500
15	Upper Peninsula state fair revenue.....	9,000
16	State general fund/general purpose..... \$	14,340,800
17	<b>Sec. 103. DEPARTMENTWIDE</b>	
18	Rent and building occupancy charges..... \$	<u>1,856,200</u>
19	GROSS APPROPRIATION..... \$	1,856,200
20	Appropriated from:	
21	Special revenue funds:	
22	State services fee fund.....	304,600
23	State general fund/general purpose..... \$	1,551,600
24	<b>Sec. 104. FOOD AND DAIRY</b>	
25	Full-time equated classified positions.....116.0	
26	Food safety and quality assurance--116.0 FTE	
27	positions..... \$	10,242,700

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1	Local public health operations.....	<u>8,977,500</u>
2	GROSS APPROPRIATION..... \$	19,220,200
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from MDCH, local public health operations.....	8,977,500
6	Federal revenues:	
7	DAG, multiple grants.....	22,700
8	HHS-FDA.....	186,700
9	Special revenue funds:	
10	Civil penalties.....	40,300
11	Licensing and inspection fees.....	2,555,400
12	State general fund/general purpose..... \$	7,437,600
13	<b>Sec. 105. ANIMAL INDUSTRY</b>	
14	Full-time equated classified positions.....54.0	
15	Animal health and welfare--25.5 FTE positions..... \$	2,265,400
16	Bovine tuberculosis program--28.5 FTE positions.....	<u>3,469,100</u>
17	GROSS APPROPRIATION..... \$	5,734,500
18	Appropriated from:	
19	Federal revenues:	
20	HHS-FDA.....	9,000
21	Special revenue funds:	
22	Licensing and inspection fees.....	176,500
23	Pseudorabies and swine brucellosis fund.....	20,000
24	State general fund/general purpose..... \$	5,529,000
25	<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>	
26	Full-time equated classified positions.....132.3	

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1	Pesticide and plant pest management--132.3 FTE		
2	positions.....	\$	12,924,100
3	Michigan State University.....		210,000
4	Orchard or vineyard removal.....		<u>1,100</u>
5	GROSS APPROPRIATION.....	\$	13,135,200
6	Appropriated from:		
7	Federal revenues:		
8	DAG, multiple grants.....		1,952,200
9	EPA, multiple grants.....		1,510,000
10	HHS-FDA.....		60,000
11	Special revenue funds:		
12	Private - slow-the-spread foundation.....		130,000
13	Commodity inspection fees.....		991,500
14	Licensing and inspection fees.....		2,413,000
15	State general fund/general purpose.....	\$	6,078,500
16	<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>		
17	Full-time equated classified positions.....55.0		
18	Environmental stewardship--38.0 FTE positions.....	\$	3,281,000
19	Groundwater and freshwater protection program--10.0		
20	FTE positions.....		5,174,000
21	Farmland and open space preservation--7.0 FTE		
22	positions.....		699,800
23	Cooperative resources management initiative program..		1,000,000
24	Agriculture pollution prevention program.....		100
25	Energy conservation program.....		138,000
26	Local conservation districts.....		1,955,400

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1	Migrant labor housing.....	551,100
2	Open space development rights easements payments.....	<u>50,000</u>
3	GROSS APPROPRIATION..... \$	12,849,400
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from MDEQ, biosolids.....	80,000
7	IDG from MDEQ, right to farm.....	105,000
8	IDG from MDEQ, type II well survey.....	15,000
9	IDG from MDNR, district forestry and wildlife program	1,000,000
10	Federal revenues:	
11	DAG-NRCS.....	250,000
12	EPA, multiple grants.....	400,000
13	Special revenue funds:	
14	Private - oil company overcharge settlement.....	193,900
15	Agricultural preservation fund.....	699,800
16	Agriculture pollution prevention fund.....	100
17	Groundwater and freshwater protection fund.....	4,674,000
18	Industry support funds.....	40,000
19	State general fund/general purpose..... \$	5,391,600
20	<b>Sec. 108. LABORATORY PROGRAM</b>	
21	Full-time equated classified positions.....135.0	
22	Laboratory analysis program--73.5 FTE positions..... \$	6,321,500
23	USDA monitoring program--19.0 FTE positions.....	1,824,000
24	Consumer protection program--42.5 FTE positions.....	<u>3,232,500</u>
25	GROSS APPROPRIATION..... \$	11,378,000
26	Appropriated from:	

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1	Interdepartmental grant revenues:	
2	IDG from MDCIS (LCC), liquor quality testing fees....	161,500
3	Federal revenues:	
4	DAG, multiple grants.....	1,844,400
5	EPA, multiple grants.....	300,000
6	Special revenue funds:	
7	Private - oil company overcharge settlement.....	803,700
8	Agriculture equine industry development fund.....	509,100
9	Gasoline inspection and testing fund.....	1,491,800
10	Testing fees.....	232,500
11	Weights and measures regulation fees.....	323,400
12	State general fund/general purpose..... \$	5,711,600
13	<b>Sec. 109. MARKET DEVELOPMENT</b>	
14	Full-time equated classified positions.....21.5	
15	Marketing and emergency management--15.5 FTE	
16	positions..... \$	2,005,600
17	Agriculture development--6.0 FTE positions.....	742,400
18	Export market development program.....	200,100
19	Food bank.....	795,600
20	Grown in Michigan.....	1,100
21	Northwest Michigan horticultural research station....	1,100
22	Southwestern Michigan tourist council - taste of	
23	Michigan.....	60,400
24	Future farmers of America.....	<u>60,000</u>
25	GROSS APPROPRIATION..... \$	3,866,300
26	Appropriated from:	

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1	Interdepartmental grant revenues:	
2	IDG from MDCIS (LCC), nonretail liquor license fees..	603,000
3	Federal revenues:	
4	DAG, multiple grants.....	100,000
5	Special revenue funds:	
6	Industry support funds.....	260,000
7	State general fund/general purpose..... \$	2,903,300
8	<b>Sec. 110. FAIRS AND EXPOSITIONS</b>	
9	Full-time equated classified positions.....22.0	
10	Michigan state fair operations--9.0 FTE positions.... \$	5,110,200
11	Upper Peninsula state fair--8.0 FTE positions.....	1,382,300
12	Fairs and racing--5.0 FTE positions.....	612,500
13	Building and track improvement - county and state	
14	fairs.....	963,200
15	Premiums - county and state fairs.....	1,614,000
16	Purses and supplements - fairs/licensed tracks.....	2,969,000
17	Standardbred Fedele Fauri futurity.....	98,400
18	Standardbred Michigan futurity.....	98,400
19	Quarterhorse programs.....	48,300
20	Quarterhorse programs breeders' awards.....	5,000
21	Licensed tracks-light horse racing.....	93,500
22	Standardbred breeders' awards.....	1,503,200
23	Standardbred purses and supplements-licensed tracks..	336,700
24	Standardbred sire stakes.....	1,259,400
25	Thoroughbred sire stakes.....	1,259,400
26	Standardbred training and stabling.....	53,200

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1	Thoroughbred program.....	2,203,900
2	Thoroughbred owners' awards.....	189,600
3	Distribution of outstanding winning tickets.....	500,000
4	Horse shows.....	100,000
5	Fairs and festivals promotion.....	<u>60,000</u>
6	GROSS APPROPRIATION..... \$	20,460,200
7	Appropriated from:	
8	Special revenue funds:	
9	Agriculture equine industry development fund.....	10,618,000
10	Michigan state fair revenue.....	5,203,100
11	State services fee fund.....	3,156,800
12	Upper Peninsula state fair revenue.....	1,214,400
13	State general fund/general purpose..... \$	267,900
14	<b>Sec. 111. OFFICE OF RACING COMMISSIONER</b>	
15	Full-time equated classified positions.....36.7	
16	Office of racing commissioner--36.7 FTE positions.... \$	<u>3,747,700</u>
17	GROSS APPROPRIATION..... \$	3,747,700
18	Appropriated from:	
19	Special revenue funds:	
20	Agriculture equine industry development fund.....	1,147,700
21	State services fee fund.....	2,600,000
22	State general fund/general purpose..... \$	0
23	<b>Sec. 112. INFORMATION TECHNOLOGY</b>	
24	Information technology services and projects..... \$	<u>1,907,300</u>
25	GROSS APPROPRIATION..... \$	1,907,300
26	Appropriated from:	

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1	Interdepartmental grant revenues:	
2	IDG from MDCIS (LCC), liquor quality testing fees....	2,500
3	IDG from MDCIS (LCC), nonretail liquor license fees..	500
4	Federal revenues:	
5	DAG, multiple grants.....	4,500
6	Special revenue funds:	
7	Agricultural preservation fund.....	200
8	Agriculture equine industry development fund.....	142,200
9	Gasoline inspection and testing fund.....	26,200
10	Groundwater and freshwater protection fund.....	100
11	Michigan state fair revenue.....	88,800
12	State services fee fund.....	2,100
13	Upper Peninsula state fair revenue.....	900
14	State general fund/general purpose..... \$	1,639,300
15	<b>Sec. 113. EARLY RETIREMENT SAVINGS</b>	
16	Early retirement savings..... \$	_____
	(100)	
17	GROSS APPROPRIATION..... \$	
	(100)	
18	Appropriated from:	
19	State general fund/general purpose..... \$	
	(100)	

20

21

22

PART 2

23

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

25

26

27

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$90,143,500.00 and state spending

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1 from state resources to be paid to local units of government for fiscal  
2 year 2002-2003 is \$3,855,400.00. The itemized statement below identifies  
3 appropriations from which spending to units of local government will  
4 occur:

5 DEPARTMENT OF AGRICULTURE

6	Groundwater and freshwater protection program.....	\$	1,800,000
7	Local conservation districts.....		<u>1,955,400</u>
8	TOTAL.....	\$	3,855,400

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

11 Sec. 203. As used in this act:

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

13 (b) "DAG-NRCS" means the United States department of agriculture -  
14 natural resources conservation service.

15 (c) "Department" means the department of agriculture.

16 (d) "Director" means the director of the department.

17 (e) "EPA" means the United States environmental protection agency.

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

19 (g) "HHS-FDA" means the United States department of health and  
20 human services - food and drug administration.

21 (h) "IDG" means interdepartmental grant.

22 (i) "MDCH" means the Michigan department of community health.

23 (j) "MDCIS (LCC)" means the Michigan department of consumer and  
24 industry services - liquor control commission.

25 (k) "MDEQ" means the Michigan department of environmental quality.

26 (l) "MDNR" means the Michigan department of natural resources.

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1       Sec. 204. The department of civil service shall bill departments  
2 and agencies at the end of the first fiscal quarter for the 1% charge  
3 authorized by section 5 of article XI of the state constitution of 1963.  
4 Payments shall be made for the total amount of the billing by the end of  
5 the second fiscal quarter.

6       Sec. 205. (1) A hiring freeze is imposed on the state classified  
7 civil service. State departments and agencies are prohibited from hiring  
8 any new full-time state classified civil service employees and prohibited  
9 from filling any vacant state classified civil service positions. This  
10 hiring freeze does not apply to internal transfers of classified employ-  
11 ees from 1 position to another within a department.

12       (2) The state budget director shall grant exceptions to this hiring  
13 freeze when the state budget director believes the hiring freeze will  
14 result in rendering a state department or agency unable to deliver basic  
15 services, cause a loss of revenue to the state, result in the inability  
16 of the state to receive federal funds, or would necessitate additional  
17 expenditures that exceed any savings from maintaining a vacancy. The  
18 state budget director shall report quarterly to the chairpersons of the  
19 senate and house of representatives standing committees on appropriations  
20 the number of exceptions to the hiring freeze approved during the previ-  
21 ous quarter and the reasons to justify the exception.

22       (3) The hiring freeze does not apply to the animal industry  
23 program.

24       Sec. 206. (1) In addition to the funds appropriated in part 1,  
25 there is appropriated an amount not to exceed \$5,000,000.00 for federal  
26 contingency funds. These funds are not available for expenditure until  
27 they have been transferred to another line item in this act under

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1 section 393(2) of the management and budget act, 1984 PA 431,  
2 MCL 18.1393.

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

9 (3) In addition to the funds appropriated in part 1, there is appro-  
10 priated an amount not to exceed \$100,000.00 for local contingency funds.  
11 These funds are not available for expenditure until they have been trans-  
12 ferred to another line item in this act under section 393(2) of the man-  
13 agement and budget act, 1984 PA 431, MCL 18.1393.

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

19 Sec. 207. At least 60 days before beginning any effort to privat-  
20 ize, the department shall submit a complete project plan to the appropri-  
21 ate senate and house of representatives appropriations subcommittees and  
22 the senate and house fiscal agencies. The plan shall include the cri-  
23 teria under which the privatization initiative will be evaluated. The  
24 evaluation shall be completed and submitted to the appropriate senate and  
25 house of representatives appropriations subcommittees and the senate and  
26 house fiscal agencies within 30 months.

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1       Sec. 208. Unless otherwise specified, the department shall use the  
2 internet to fulfill the reporting requirements of this act. This may  
3 include transmission of reports via electronic mail to the recipients  
4 identified for each reporting requirement, or it may include placement of  
5 reports on an internet or intranet site. Quarterly, the department shall  
6 provide to the appropriations subcommittees members, the fiscal agencies,  
7 and the state budget office an electronic and paper copy listing of the  
8 reports submitted during the most recent 3-month period along with the  
9 internet or intranet site of each report, if any.

10       Sec. 209. Funds appropriated in part 1 shall not be used for the  
11 purchase of foreign goods or services, or both, if competitively priced  
12 and of comparable quality American goods or services, or both, are  
13 available.

14       Sec. 210. The director of each department receiving appropriations  
15 in part 1 shall take all reasonable steps to ensure businesses in  
16 deprived and depressed communities compete for and perform contracts to  
17 provide services or supplies, or both. Each director shall strongly  
18 encourage firms with which the department contracts to subcontract with  
19 certified businesses in depressed and deprived communities for services,  
20 supplies, or both.

21       Sec. 211. (1) The unexpended and unobligated balance of any state  
22 restricted fund or account remaining at the end of the fiscal year shall  
23 revert back to the state restricted fund or account from which appropri-  
24 ated and be available for appropriation for the next fiscal year.  
25 Appropriations that revert to a state restricted fund or account pursuant  
26 to this section shall not revert to the general fund of this state.

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

5       (3) The revenues collected in the agriculture equine industry devel-  
6 opment fund in fiscal year 2001-2002 shall not lapse but shall be carried  
7 forward to fund appropriations made pursuant to this act and subsequent  
8 acts.

9       Sec. 212. (1) Of the funds appropriated in part 1, the department  
10 may provide for indemnity as provided for pursuant to the animal industry  
11 act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed  
12 \$100,000.00 per order from any line item for the fiscal year ending  
13 September 30, 2003. Before the department provides for an indemnifica-  
14 tion under this section, the department shall report the reason for the  
15 indemnification, the amount of the indemnification, and to whom the  
16 indemnification is to be paid. The report shall be given to each member  
17 of the house and senate appropriations subcommittees on agriculture and  
18 to the senate and house fiscal agencies and the state budget director.

19       (2) The department of agriculture shall make an indemnification pay-  
20 ment for the fair market value of livestock that is killed by a wolf or  
21 coyote, if the kill is verified by the department of natural resources.  
22 The fair market value of the livestock shall be determined pursuant to  
23 the indemnification procedures prescribed in the animal industry act,  
24 1988 PA 466, MCL 287.701 to 287.747. In addition to the funds appropri-  
25 ated in part 1, the department of agriculture is authorized to expend the  
26 funds received from the department of natural resources to reimburse the



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1 department of agriculture for all indemnification payments made pursuant  
2 to this subsection.

3 (3) All indemnification payments for individual livestock or domes-  
4 tic animals within a herd, flock, or school shall be made pursuant to  
5 section 14 of the animal industry act, 1988 PA 466, MCL 287.714, based on  
6 100% of the fair market value of that type of livestock or domestic  
7 animal, not to exceed \$4,000.00.

8 (4) For those payments made from January 1, 1998, through October  
9 31, 2000, the department shall calculate the difference between what was  
10 paid for every herd, flock, or school and the rate paid subsequent to  
11 October 31, 2000.

12 (5) The department shall use bovine TB work project revenue to  
13 implement this section.

14 Sec. 213. When the department applies to the department of manage-  
15 ment and budget with a request for a transfer of appropriations or for a  
16 supplemental appropriation, the department shall provide the senate and  
17 house fiscal agencies with the same information that the department pro-  
18 vides the department of management and budget relative to the request for  
19 transfer or supplemental.

20 Sec. 214. Of the funds appropriated in part 1 that are other than  
21 line-item grants, the department shall not provide grants to local gov-  
22 ernment agencies, institutions of higher education, or nonprofit organi-  
23 zations unless the department provides notice of the grant to the house  
24 and senate appropriations subcommittees on agriculture at least 10 days  
25 before the grant is issued. The grants shall be used to support research  
26 or other related activities for the purpose of enhancing the agricultural  
27 industries in this state.

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1       Sec. 215. The legislature will not fund nonfair or nonhorse racing  
2 grants or projects from revenues from simulcasting in fiscal year  
3 2002-2003.

4       Sec. 216. The unexpended and unencumbered balance of revenue depos-  
5 ited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279,  
6 MCL 431.320, for the fiscal year ending September 30, 2003, shall be  
7 appropriated to the Michigan agriculture equine industry development fund  
8 for distribution as set forth in section 20 of the horse racing law of  
9 1995, 1995 PA 279, MCL 431.320.

10       Sec. 219. From the funds appropriated in part 1 for information  
11 technology, the department shall pay user fees to the department of  
12 information technology for technology related services and projects.  
13 Such user fees shall be subject to provisions of an interagency agreement  
14 between the department and the department of information technology.

15       Sec. 220. Amounts appropriated in part 1 for information technology  
16 may be designated as work projects and carried forward to support tech-  
17 nology projects under the direction of the department of information  
18 technology. Funds designated in this manner are not available for expen-  
19 diture until approved as work projects under section 451a of the manage-  
20 ment and budget act, 1984 PA 431, MCL 18.1451a.

21       Sec. 223. The negative appropriation in part 1 for early retirement  
22 savings represents savings from the state's 2002 early retirement  
23 program. Not later than November 15, 2002, the state budget director  
24 shall request legislative transfers under section 393(2) of the manage-  
25 ment and budget act, 1984 PA 431, MCL 18.1393, to apply the early retire-  
26 ment savings to the appropriated line items affected by the early  
27 retirement program.

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**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
(d) Michigan state fair council.....	50.00 per day
(e) Grape and wine industry council.....	50.00 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.

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1       (f) Laboratory support testing for testing horses in draft horse  
2 pulling contests at county fairs when local jurisdictions request state  
3 assistance.

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

6       (h) Laboratory support analysis of food, livestock, and agricultural  
7 products for disease, foreign products for disease, toxic materials, for-  
8 eign substances, and quality standards.

9       (i) Laboratory support test samples for other agencies and  
10 organizations.

11       (j) Fruit and vegetable inspection at shipping and termination  
12 points and processing plants.

13       Sec. 303. Of the funds appropriated in part 1 for statistical  
14 reporting service, \$90,000.00 shall be used for surveys which include,  
15 but are not limited to, fruit, vegetables, and nursery stock, which  
16 encompasses Christmas trees and ornamental plants. The director of the  
17 Michigan department of agriculture is given authority to include other  
18 agricultural surveys such as turfgrass in the 3- to 5-year rotation. The  
19 survey shall include information such as existing plantings/acreage, new  
20 plantings/acreage, production, and number of growers.

21       Sec. 304. The appropriation in part 1 for the animal health diag-  
22 nostic lab is supported, in part, by federal bioterrorism funds received  
23 by the Michigan department of community health. The funds in part 1  
24 received from the Michigan department of community health shall be used  
25 to support those operations of the animal health diagnostic laboratory at  
26 Michigan State University related to testing for biological agents of  
27 mass destruction.

**1 FOOD AND DAIRY**

2       Sec. 401. (1) The department shall monitor restaurant inspection  
3 and licensing functions carried out by local health departments to ensure  
4 uniform application and enforcement of minimum program requirements. On  
5 or before April 1, 2003, the department shall report to the senate and  
6 house appropriations subcommittees on agriculture, the senate and house  
7 fiscal agencies, and the state budget director on local health department  
8 conformance with minimum program requirements.

9       (2) If a local unit of government incurs additional costs resulting  
10 from its efforts to control a significant food-borne outbreak, the direc-  
11 tor shall seek additional resources to reimburse the local unit of gov-  
12 ernment for these additional costs. The director shall involve the local  
13 health officer of the jurisdiction affected in all aspects of the control  
14 of any food-borne outbreak.

15       Sec. 402. Not later than April 1, 2003, the department shall pro-  
16 vide a report to the house and senate appropriations subcommittees on  
17 agriculture and the house and senate fiscal agencies describing signifi-  
18 cant food-borne outbreaks and emergencies including any enforcement  
19 actions taken related to food safety during the 2001-2002 fiscal year.

20       Sec. 403. The department, in conjunction with the department of  
21 community health, shall assure that a process is in place that requires a  
22 local unit of government to obtain prior approval from the department  
23 before any reallocation or redistribution of program funds appropriated  
24 in section 104.

**1 ANIMAL INDUSTRY**

2       Sec. 450. From the funds appropriated in section 105 for the bovine  
3 tuberculosis program, the department of agriculture shall reimburse the  
4 department of natural resources for those costs associated with monitor-  
5 ing and testing wildlife for bovine tuberculosis that are necessary to  
6 support the department of agriculture goals and are jointly agreed to by  
7 the department of agriculture and the department of natural resources to  
8 be in excess of efforts necessary to effectively plan and execute the  
9 eradication of bovine tuberculosis from Michigan's wild free-ranging deer  
10 herd.

11       Sec. 451. From the funds appropriated in section 101 for bovine  
12 tuberculosis, the department shall pay for all whole herd testing costs  
13 to achieve and maintain split-state status requirements. These costs  
14 include producer assistance, indemnity, and compensation for injury caus-  
15 ing death or downer to animals.

**16 PESTICIDE AND PLANT PEST MANAGEMENT**

17       Sec. 501. Of the funds appropriated in section 106 to the pesticide  
18 and plant pest management division, up to \$100,000.00 may be made avail-  
19 able to the Michigan cooperative extension service for the purpose of  
20 training of applicators. Reimbursement shall be based on actual expendi-  
21 tures and revenue availability.

22       Sec. 503. The department is authorized to enter into a cooperative  
23 agreement with a nonprofit foundation or agency associated with the gypsy  
24 moth slow-the-spread program in order to receive funds for managing plant  
25 pests.

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1       Sec. 504. The appropriation in section 106 for orchard or vineyard  
2 removal shall be used by the department to assist growers with the  
3 removal of abandoned orchards or vineyards in order to mitigate disease  
4 and plant pest infestation. Funds shall only be expended by the depart-  
5 ment if the following criteria are met:

6       (a) Another landowner, orchard operator, or other impacted person  
7 has filed a complaint with the department.

8       (b) The orchard/vineyard has not been managed to effectively control  
9 identified pests.

10       (c) The unmanaged orchard/vineyard poses a risk to neighboring  
11 orchards based on distance criteria developed by Michigan State  
12 University extension.

13       (d) The department will work cooperatively with Michigan State  
14 University extension or a commodity group representative to assure that  
15 the removal is necessary and appropriate.

16       (e) A letter is sent by the department to the landowner indicating  
17 the problem and the need to properly manage the orchard/vineyard or  
18 remove it.

19       (f) The department will work cooperatively with the landowner and  
20 may place a lien for the cost of removal against the property.

21 **ENVIRONMENTAL STEWARDSHIP**

22       Sec. 601. The funds appropriated in section 107 for the energy con-  
23 servation program shall be distributed on a competitive basis that will  
24 be based on statewide energy conservation criteria.

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1       Sec. 602. The department may expend the amount appropriated for  
2 migrant labor housing grants for construction of new migrant labor  
3 housing. Beginning October 1, 2002, project grants shall not exceed  
4 \$5,000.00 per unit. Beginning October 1, 2002, an applicant is not eli-  
5 gible for more than a \$20,000.00 grant in any fiscal year.

6       Sec. 603. The department shall apply for all federal funds for  
7 which it is eligible that can be used to support the migrant labor hous-  
8 ing program.

9       Sec. 604. The appropriation in section 107 for local conservation  
10 districts shall be allocated in the following manner:

11       (a) Of the total appropriation, \$130,000.00 shall be allocated for  
12 local conservation district training.

13       (b) Of the total appropriation, each local conservation district  
14 meeting the minimum grant requirements shall receive a grant of  
15 \$20,000.00 to support basic operations, unless the district resides in a  
16 county consisting of multiple districts, in which case a \$20,000.00 grant  
17 shall be divided equally among the districts in that county. The amount  
18 of money allocated under this subdivision shall not be used by local con-  
19 servation districts to replace any money received from local sources.

20       (c) Of the remaining appropriation after distributions under subdi-  
21 visions (a) through (c), additional grants, not to exceed \$20,000.00 per  
22 local conservation district, may be provided based on a formula approved  
23 by the commission of agriculture. Grants under this subdivision shall  
24 require at least a 100% cash or in-kind local match. Criteria used to  
25 distribute grants under this subdivision shall include, but are not  
26 limited to, the natural resources need, the size, and the population of  
27 the area served by each local conservation district.



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1       Sec. 605. The appropriation in section 106 for open space  
2 development rights easement payments shall be used by the department only  
3 to reimburse local units of government for lost revenues associated with  
4 open space development rights easements under section 36105(2)(e) of the  
5 natural resources and environmental protection act, 1994 PA 451, MCL  
6 36105(2)(e). Funds remaining in this account at the end of the fiscal  
7 year shall lapse to the general fund.

8   **MARKET DEVELOPMENT**

9       Sec. 701. Within the appropriations in part 1 for market develop-  
10 ment, \$603,000.00 is for the grape and wine industry council, from which  
11 the department may provide grants for the purposes as described in sec-  
12 tion 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL  
13 436.1303.

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

19       Sec. 703. (1) The appropriation in section 109 for the grown in  
20 Michigan program is to provide competitive grants to Michigan nonprofit  
21 organizations to raise in-state consumer awareness of Michigan grown  
22 commodities.

23       (2) The grants are to be made by the director on a competitive basis  
24 considering the following order of priority:

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

3 (b) The number of consumers made aware of the benefits of Michigan  
4 grown commodities.

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

7 (d) The amount of the match.

8 (3) A grant made under this section shall not be less than \$2,500.00  
9 or more than \$25,000.00.

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

12 (5) The department shall report to the house and senate appropria-  
13 tions subcommittees on agriculture and the house and senate fiscal agen-  
14 cies 10 days prior to making a grant under this section.

15 Sec. 704. Indirect costs may not be charged against the future  
16 farmers of America grant in section 109 by any administering agency.

17 Sec. 705. The appropriation in section 109 for the export market  
18 development program shall be used to coordinate state participation in  
19 the federal market access program and to leverage federal funds for the  
20 purpose of developing new and enhancing existing export markets for  
21 Michigan agricultural products.

22 Sec. 707. The department is authorized to receive and expend up to  
23 \$5,000,000.00 of utility company uncollectible allowance recovery fund  
24 resources which may be deposited into the agricultural development fund  
25 for the support of grants for value-added agricultural processing and  
26 agricultural production ventures in accordance with the Julian-Stille  
27 value-added act, 2000 PA 322, MCL 285.301 to 285.304. The agriculture

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1 development fund resources when certified as available by the department  
2 of treasury shall remain unallotted until such time as the state budget  
3 director has reviewed and approved a department submitted allotment  
4 schedule. Expenditures for support of agricultural processing and pro-  
5 duction ventures shall not exceed revenues received. Unexpended  
6 resources remaining in the fund at the end of the fiscal year shall  
7 remain in the fund and not lapse to the general fund.

8 **FAIRS AND EXPOSITIONS**

9       Sec. 801. The department shall submit a report each month to the  
10 state budget director, the senate and house appropriations subcommittees  
11 on agriculture, and the senate and house fiscal agencies that states the  
12 simulcasting revenues generated in the preceding month by each licensed  
13 track and the amount received from license fees.

14       Sec. 802. (1) The appropriation in part 1 for standardbred purses  
15 and supplements - licensed tracks is intended to provide state purse sup-  
16 plements for 4 races at state licensed pari-mutuel horse racing tracks.  
17 The purse supplements are to be used for races comprised only of  
18 Michigan-bred horses segregated into a 4-year-old colt trot division, a  
19 4-year-old filly trot division, a 4-year-old colt pace division, and a  
20 4-year-old filly pace division.

21       (2) The appropriation in part 1 for licensed tracks - light horse  
22 racing shall be allocated as follows:

23       Arabian and Appaloosa horse racing.....	\$	23,400
24       Quarter horse racing.....		70,100

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1       Sec. 803. Included in the appropriation made in part 1 for the  
2 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred  
3 breeders and owners association to conduct a thoroughbred yearling show.  
4 The Michigan united thoroughbred breeders and owners association shall  
5 submit to the department an itemized list of expenses showing that the  
6 expenses of the yearling show were paid.

7       Sec. 804. From the funds appropriated in section 110 for thorough-  
8 bred owners' awards, the department shall develop a program to provide  
9 for thoroughbred owners' awards that will be given to owners of  
10 Michigan-bred horses finishing first in nonrestricted races at licensed  
11 pari-mutuel tracks in Michigan.

12       Sec. 805. The department shall notify the senate and house appro-  
13 priations subcommittees on agriculture and the senate and house fiscal  
14 agencies of any planned reductions in appropriations, allocations, or  
15 expenditures from the agriculture equine industry development fund no  
16 less than 10 days before such reductions are implemented.

17       Sec. 806. A county fair, district fair, 4-H fair, or state fair  
18 receiving funds in section 110 to be used for prizes or awards, in whole  
19 or in part, as a condition precedent to the receiving of the funds for  
20 those purposes, shall publish the rules relative to the prizes, awards,  
21 and deadlines for entries eligible for the funds in their official pre-  
22 mium books or lists relative to the prizes or awards. An aggrieved  
23 exhibitor may make a written complaint to the fair within 10 days after  
24 the fair ends. If the fair has not satisfactorily settled the grievance  
25 within 45 days after it is submitted to the fair, the aggrieved person  
26 may file the complaint with the department and the department shall

1 investigate the complaint and make a finding of fact regarding the  
2 complaint and take appropriate action regarding the complaint.

3       Sec. 807. Of the amount appropriated in section 110 for purses and  
4 supplements - fairs/licensed tracks, a sufficient amount is appropriated  
5 to provide for overnight purse supplements pursuant to the horse racing  
6 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

7       Sec. 808. Of the amount appropriated in section 110 for premiums,  
\$11,400.00 shall be expended as a grant for the Michigan horse show  
association - fall youth show.

8       Sec. 809. From the appropriations for premiums - county and state  
9 fairs in section 110, \$120,000.00 shall be awarded through a competitive  
10 grant program to local, regional, or state fairs or expositions to pro-  
11 mote youth involvement and adult exhibitions in the animal agriculture  
12 industry. Appropriate exhibition classes for youth shall be developed  
13 that encourage a production exhibit for which premium awards may be  
14 paid. The age for youth exhibitors shall be determined by the standards  
15 of the association requesting the grant or, if standards do not exist,  
16 the age for youth exhibitors shall be ages 9 through 21. Implementation  
17 of the latest technologies into the evaluation of the animals shall be  
18 encouraged in the production exhibit. Adult exhibitions should focus on  
19 the performance or end product, or both, with the appropriate technolo-  
gies used to enhance placings and the awarding of premiums.

20       Sec. 811. The funds appropriated in section 110 for distribution of  
21 outstanding winning tickets are not available for expenditure until they  
22 are deposited in the agriculture equine industry development fund pursu-  
23 ant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be  
24 expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and  
25 only after they have been transferred to another line item in this act  
26 under section 393(2) of the management and budget act, 1984 PA 431, MCL  
27 18.1393.

1       Sec. 812. An individual or other entity that leases land, a

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2 building, or other property under the Michigan exposition and fairgrounds  
3 act, 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state  
4 grant, loan, appropriation, or other state subsidy related to the leased  
5 land, building, or other property.

6 Sec. 813. (1) On or before January 29, 2003, the department,  
7 together with the senate and house fiscal agencies and the department of  
8 management and budget, shall estimate the unreserved and unencumbered  
9 closing balance of the agriculture equine industry development fund for  
10 the fiscal year ending September 30, 2002. The estimate shall consider  
11 lapsed appropriations from the fund and any carryforward amounts desig-  
12 nated for appropriation in the fiscal year ending September 30, 2003.

13 (2) On or before February 5, 2003, the department shall request a  
14 legislative transfer in accordance with section 393 of the management and  
15 budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unre-  
16 served and unencumbered agriculture equine industry development fund bal-  
17 ance in excess of \$250,000.00. The appropriations included in the trans-  
18 fer request shall be in accordance with the requirements of section 20 of  
19 the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the same time  
20 the department forwards its transfer request to the department of manage-  
21 ment and budget, the department shall submit copies of the transfer  
22 request to the senate and house appropriations subcommittees on agricul-  
23 ture and the senate and house fiscal agencies.

24 Sec. 815. From the appropriation in section 110 for building and  
25 track improvement - county and state fairs, \$49,000.00 shall be awarded  
26 to licensed race meet operators for promotions, capital improvements, or  
27 operations at race meets which are conducted on facilities leased from

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1 county fairs. On or before December 31, 2002, the department shall  
2 report to the senate and house appropriations subcommittees on agricul-  
3 ture and the senate and house fiscal agencies on the distribution of  
4 these funds.

5 Sec. 816. The appropriation in section 110 for fairs and festivals  
6 promotion shall be used by the department to provide grants to the indus-  
7 try for statewide volunteer staff education and promotion of  
8 commodities.

9 Sec. 817. The appropriation in section 110 for horse shows shall be  
10 used by the department to provide grants to national or international  
11 equine events held at Michigan State University. The maximum grant  
12 allowed under this section shall not exceed 1/2 of an event's budgeted  
13 expenses.

14 **OFFICE OF RACING COMMISSIONER**

15 Sec. 901. The racing commissioner may pay rewards of not more than  
16 \$5,800.00 to a person who provides information that results in the arrest  
17 and conviction on a felony or misdemeanor charge for a crime that  
18 involves the horse racing industry. A reward paid pursuant to this sec-  
19 tion shall be paid out of the office of racing commissioner line item.