

**SUBSTITUTE FOR
HOUSE BILL NO. 5807**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2009; 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

1 amounts listed in this part are appropriated for the department of
 2 agriculture for the fiscal year ending September 30, 2009, from the
 3 funds indicated in this part. The following is a summary of the
 4 appropriations in this part:

5 **DEPARTMENT OF AGRICULTURE**

6 APPROPRIATION SUMMARY:

7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	593.5	
9	GROSS APPROPRIATION.....		\$ 104,943,200
10	Interdepartmental grant revenues:		
11	IDG from MDCH, local public health operations		8,878,700
12	IDG from MDLEG (LCC), liquor quality testing fees		191,900
13	IDG from MDEQ, aquifer protection and dispute		
14	resolution		50,000
15	IDG from MDEQ, biosolids.....		92,500
16	IDG from MDEQ, MAEAP.....		159,100
17	IDG from MDEQ, type II well survey.....		17,000
18	IDG from DHS, food bank.....		150,000
19	Total interdepartmental grants and intradepartmental		
20	transfers		9,539,200
21	ADJUSTED GROSS APPROPRIATION.....		\$ 95,404,000
22	Federal revenues:		
23	Corporation for national and community services		253,600
24	DAG, multiple grants.....		11,376,400
25	EPA, multiple grants.....		1,753,300
26	HHS-FDA.....		1,077,700
27	United States department of labor.....		400,000

1	Total federal revenues.....	14,861,000
2	Special revenue funds:	
3	Total local revenues.....	0
4	Private - slow-the-spread foundation.....	148,000
5	Private - commodity group revenue.....	89,200
6	Total private revenues.....	237,200
7	Agricultural preservation fund.....	900,000
8	Agriculture equine industry development fund.....	12,548,400
9	Agriculture pollution prevention fund.....	100
10	Commodity inspection fees.....	1,084,000
11	Consumer and industry food safety education fund.....	260,500
12	Dairy and food safety fund.....	2,728,300
13	Freshwater protection fund.....	5,174,300
14	Gasoline inspection and testing fund.....	2,620,700
15	Horticulture fund.....	79,700
16	Industry support funds.....	697,900
17	Licensing and inspection fees.....	4,038,400
18	Migratory labor housing fund.....	25,000
19	Nonretail liquor fees.....	678,600
20	Refined petroleum fund.....	3,339,000
21	State services fee fund.....	9,185,700
22	Testing fees.....	434,500
23	Upper Peninsula state fair revenue.....	1,382,500
24	Weights and measures regulation fees.....	674,800
25	Total other state restricted revenues.....	45,852,400
26	State general fund/general purpose.....	\$ 34,453,400
27	Sec. 102. EXECUTIVE	

1	Full-time equated unclassified positions.....	6.0	
2	Full-time equated classified positions.....	37.5	
3	Commissions and boards.....		\$ 32,800
4	Unclassified positions--6.0 FTE positions.....		354,000
5	Executive direction--10.0 FTE positions.....		923,900
6	Management services--24.0 FTE positions.....		1,728,800
7	Statistical reporting service--1.0 FTE positions.....		143,800
8	Emergency management--2.5 FTE positions.....		243,300
9	Internal audit services.....		<u>263,700</u>
10	GROSS APPROPRIATION.....		\$ 3,690,300
11	Appropriated from:		
12	Special revenue funds:		
13	Private - commodity group revenue.....		78,400
14	Gasoline inspection and testing fund.....		61,200
15	Industry support funds.....		34,200
16	Nonretail liquor fees.....		8,800
17	Refined petroleum fund.....		50,400
18	State services fee fund.....		502,500
19	Upper Peninsula state fair revenue.....		9,000
20	State general fund/general purpose.....		\$ 2,945,800
21	Sec. 103. DEPARTMENTWIDE		
22	Rent and building occupancy charges.....		\$ <u>1,471,500</u>
23	GROSS APPROPRIATION.....		\$ 1,471,500
24	Appropriated from:		
25	Federal revenues:		
26	DAG, multiple grants.....		106,500
27	EPA, multiple grants.....		64,900

1	HHS-FDA.....		14,000
2	Special revenue funds:		
3	Agricultural preservation fund.....		23,900
4	Freshwater protection fund.....		10,100
5	Licensing and inspection fees.....		63,300
6	Nonretail liquor fees.....		8,400
7	Refined petroleum fund.....		114,000
8	State services fee fund.....		313,200
9	State general fund/general purpose.....	\$	753,200
10	Sec. 104. FOOD AND DAIRY		
11	Full-time equated classified positions.....	115.0	
12	Food safety and quality assurance--115.0 FTE positions	\$	12,642,500
13	Local public health operations.....		<u>8,878,700</u>
14	GROSS APPROPRIATION.....	\$	21,521,200
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDG from MDCH, local public health operations.....		8,878,700
18	Federal revenues:		
19	DAG, multiple grants.....		27,100
20	HHS-FDA.....		380,300
21	Special revenue funds:		
22	Consumer and industry food safety education fund.....		260,500
23	Dairy and food safety fund.....		2,728,300
24	State general fund/general purpose.....	\$	9,246,300
25	Sec. 105. ANIMAL INDUSTRY		
26	Full-time equated classified positions.....	70.0	
27	Animal health and welfare--21.5 FTE positions.....	\$	2,309,900

1	Bovine tuberculosis program--48.5 FTE positions	<u>8,892,000</u>
2	GROSS APPROPRIATION.....	\$ 11,201,900
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	Federal revenues:	
6	DAG, multiple grants.....	1,132,100
7	HHS-FDA.....	72,100
8	Special revenue funds:	
9	Agriculture equine industry development fund.....	2,183,600
10	Licensing and inspection fees.....	106,900
11	State general fund/general purpose.....	\$ 7,707,200
12	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
13	Full-time equated classified positions..... 134.5	
14	Pesticide and plant pest management--110.0 FTE	
15	positions	\$ 12,186,900
16	Emerald ash borer control program--24.5 FTE positions	<u>5,191,400</u>
17	GROSS APPROPRIATION.....	\$ 17,378,300
18	Appropriated from:	
19	Federal revenues:	
20	DAG, multiple grants.....	6,679,300
21	EPA, multiple grants.....	891,500
22	HHS-FDA.....	68,300
23	Special revenue funds:	
24	Private - slow-the-spread foundation.....	148,000
25	Commodity inspection fees.....	1,084,000
26	Horticulture fund.....	79,700
27	Industry support funds.....	340,900

1	Licensing and inspection fees.....		3,660,500
2	State general fund/general purpose.....	\$	4,426,100
3	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
4	Full-time equated classified positions.....	51.0	
5	Environmental stewardship--27.0 FTE positions.....	\$	2,844,900
6	Groundwater and freshwater protection program--15.0		
7	FTE positions		5,472,500
8	Farmland and open space preservation--9.0 FTE		
9	positions		985,500
10	Technical assistance match.....		300,000
11	Agriculture pollution prevention program.....		1,000,100
12	Cooperative resources management initiative program..		1,000,000
13	Local conservation districts.....		916,800
14	Migrant labor housing.....		425,100
15	Aquifer protection program.....		50,000
16	GROSS APPROPRIATION.....	\$	12,994,900
17	Appropriated from:		
18	Interdepartmental grant revenues:		
19	IDG from MDEQ, aquifer protection and dispute		
20	resolution		50,000
21	IDG from MDEQ, biosolids.....		92,500
22	IDG from MDEQ, MAEAP.....		159,100
23	IDG from MDEQ, type II well survey.....		17,000
24	Federal revenues:		
25	Corporation for national and community services.....		253,600
26	DAG, multiple grants.....		1,000,000
27	EPA, multiple grants.....		445,700

1	United States department of labor.....		400,000
2	Special revenue funds:		
3	Agricultural preservation fund.....		875,900
4	Agriculture pollution prevention fund.....		100
5	Freshwater protection fund.....		5,164,100
6	Migratory labor housing fund.....		25,000
7	State general fund/general purpose.....	\$	4,511,900
8	Sec. 108. LABORATORY PROGRAM		
9	Full-time equated classified positions..... 131.0		
10	Laboratory services--63.0 FTE positions.....	\$	6,344,600
11	USDA monitoring--17.0 FTE positions.....		2,134,200
12	Consumer protection program--51.0 FTE positions.....		<u>5,135,200</u>
13	GROSS APPROPRIATION.....	\$	13,614,000
14	IDG from MDLEG (LCC), liquor quality testing fees....		189,100
15	Federal revenues:		
16	DAG, multiple programs.....		2,156,200
17	EPA, multiple programs.....		351,200
18	HHS-FDA.....		543,000
19	Special revenue funds:		
20	Gasoline inspection and testing fund.....		2,532,500
21	Licensing and inspection fees.....		75,100
22	Refined petroleum fund.....		3,174,600
23	State services fee fund.....		519,700
24	Testing fees.....		434,500
25	Weights and measures regulation fees.....		674,800
26	State general fund/general purpose.....	\$	2,963,300
27	Sec. 109. AGRICULTURE DEVELOPMENT		

1	Full-time equated classified positions.....	9.0	
2	Agriculture development--6.0 FTE positions.....		\$ 1,072,800
3	Grape and wine program--3.0 FTE positions.....		717,100
4	Export market development program.....		50,000
5	Michigan agricultural surplus system.....		<u>630,500</u>
6	GROSS APPROPRIATION.....		\$ 2,470,400
7	Appropriated from:		
8	IDG from DHS, food bank.....		150,000
9	Federal revenues:		
10	DAG, multiple grants.....		275,200
11	Special revenue funds:		
12	Private - commodity group revenue.....		10,800
13	Industry support funds.....		311,900
14	Nonretail liquor fees.....		660,900
15	State services fee fund.....		350,700
16	State general fund/general purpose.....		\$ 710,900
17	Sec. 110. FAIRS AND EXPOSITIONS		
18	Full-time equated classified positions.....	15.5	
19	Upper Peninsula state fair--6.0 FTE positions.....		\$ 1,372,600
20	Fairs, racing and producer security--9.5 FTE positions		1,154,600
21	Premiums - county and state fairs.....		1,614,000
22	Building and track improvement - county and state		
23	fairs		963,200
24	Purses and supplements - fairs/licensed tracks		2,370,000
25	Licensed tracks - light horse racing.....		132,000
26	Standardbred breeders' awards.....		969,000
27	Standardbred purses and supplements - licensed tracks		1,789,300

1	Standardbred sire stakes.....	810,000
2	Standardbred training and stabling.....	36,000
3	Thoroughbred owners' awards.....	124,000
4	Thoroughbred program.....	2,400,000
5	Thoroughbred sire stakes.....	830,000
6	Distribution of outstanding winning tickets.....	<u>700,000</u>
7	GROSS APPROPRIATION.....	\$ 15,264,700
8	Appropriated from:	
9	Special revenue funds:	
10	Agriculture equine industry development fund.....	10,160,300
11	Industry support funds.....	10,900
12	Licensing and inspection fees.....	132,600
13	State services fee fund.....	2,625,100
14	Upper Peninsula state fair revenue.....	1,372,600
15	State general fund/general purpose.....	\$ 963,200
16	Sec. 111. OFFICE OF RACING COMMISSIONER	
17	Full-time equated classified positions..... 30.0	
18	Office of racing commissioner--30.0 FTE positions....	\$ <u>3,811,000</u>
19	GROSS APPROPRIATION.....	\$ 3,811,000
20	Appropriated from:	
21	Special revenue funds:	
22	State services fee fund.....	3,811,000
23	State general fund/general purpose.....	\$ 0
24	Sec. 112. INFORMATION AND TECHNOLOGY	
25	Information technology services and projects.....	\$ <u>1,525,000</u>
26	GROSS APPROPRIATION.....	\$ 1,525,000
27	Appropriated from:	

1	IDG from MDLEG (LCC), liquor quality testing fees	2,800
2	Special revenue funds:	
3	Agricultural preservation fund.....	200
4	Agriculture equine industry development fund.....	204,500
5	Gasoline inspection testing fund.....	27,000
6	Freshwater protection fund.....	100
7	Nonretail liquor fees.....	500
8	State services fee fund.....	1,063,500
9	Upper Peninsula state fair revenue.....	900
10	State general fund/general purpose..... \$	225,500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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 2008-2009 is \$80,305,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$2,416,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

22	Groundwater and freshwater protection program.....	\$	1,500,000
23	Local conservation districts.....		<u>916,800</u>
24	TOTAL.....	\$	2,416,800

Sec. 202. The appropriations authorized under this act are

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

3 Sec. 203. As used in this act:

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

5 (b) "Department" means the department of agriculture.

6 (c) "Director" means the director of the department.

7 (d) "DHS" means the department of human services.

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

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

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

13 (h) "IDG" means interdepartmental grant.

14 (i) "MAEAP" means the Michigan agriculture environmental
15 assurance program.

16 (j) "MDCH" means the Michigan department of community health.

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

19 (l) "MDLEG (LCC)" means the Michigan department of labor and
20 economic growth - liquor control commission.

21 (m) "USDA" means the United States department of agriculture.

22 Sec. 204. The civil service commission shall bill departments
23 and agencies at the end of the first fiscal quarter for the 1%
24 charge authorized by section 5 of article XI of the state
25 constitution of 1963. Payments shall be made for the total amount
26 of the billing by the end of the second fiscal quarter.

27 Sec. 205. (1) A hiring freeze is imposed on the state

1 classified civil service. State departments and agencies are
2 prohibited from hiring any new full-time state classified civil
3 service employees and prohibited from filling any vacant state
4 classified civil service positions. This hiring freeze does not
5 apply to internal transfers of classified employees from 1 position
6 to another within a department.

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

18 Sec. 208. Unless otherwise specified, the department shall use
19 the Internet to fulfill the reporting requirements of this act.
20 This requirement shall include transmission of reports via
21 electronic mail to the recipients identified for each reporting
22 requirement and shall include placement of reports on an Internet
23 or Intranet site.

24 Sec. 209. Funds appropriated in part 1 shall not be used for
25 the purchase of foreign goods or services, or both, if
26 competitively priced and of comparable quality American goods or
27 services, or both, are available. Preference should be given to

1 goods or services, or both, manufactured or provided by Michigan
2 businesses, if they are competitively priced and of comparable
3 quality. In addition, preference should be given to goods or
4 services, or both, that are manufactured or provided by Michigan
5 businesses owned and operated by veterans, if they are
6 competitively priced and of comparable quality.

7 Sec. 210. The director of each department receiving
8 appropriations in part 1 shall take all reasonable steps to ensure
9 businesses in deprived and depressed communities compete for and
10 perform contracts to provide services or supplies, or both. Each
11 director shall strongly encourage firms with which the department
12 contracts to subcontract with certified businesses in depressed and
13 deprived communities for services, supplies, or both.

14 Sec. 212. (1) Of the funds appropriated in part 1, the
15 department may provide for indemnity as provided for pursuant to
16 the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not
17 to exceed \$100,000.00 per order from any line item for the fiscal
18 year ending September 30, 2009. Before the department provides for
19 an indemnification under this section, the department shall report
20 the reason for the indemnification, the amount of the
21 indemnification, and to whom the indemnification is to be paid. The
22 report shall be given to each member of the house and senate
23 appropriations subcommittees on agriculture and to the senate and
24 house fiscal agencies and the state budget director.

25 (2) The department of agriculture shall make an
26 indemnification payment for the fair market value of livestock
27 killed by a wolf, coyote, or cougar, if the kill is verified by the

1 department of natural resources. The fair market value of the
2 livestock shall be determined pursuant to the indemnification
3 procedures prescribed in the animal industry act, 1988 PA 466, MCL
4 287.701 to 287.745. In addition to the funds appropriated in part
5 1, the department of agriculture is authorized to expend the funds
6 received from the department of natural resources to reimburse the
7 department of agriculture for all indemnification payments made
8 pursuant to this subsection.

9 Sec. 214. Of the funds appropriated in part 1 that are other
10 than line-item grants, the department shall not provide grants to
11 local government agencies, institutions of higher education, or
12 nonprofit organizations unless the department provides notice of
13 the grant to the house and senate appropriations subcommittees on
14 agriculture at least 10 days before the grant is issued. The grants
15 shall be used to support research or other related activities for
16 the purpose of enhancing the agricultural industries in this state.

17 Sec. 219. From the funds appropriated in part 1 for
18 information technology, the department shall pay user fees to the
19 department of information technology for technology-related
20 services and projects. The user fees shall be subject to provisions
21 of an interagency agreement between the department and the
22 department of information technology.

23 Sec. 220. Amounts appropriated in part 1 for information
24 technology may be designated as work projects and carried forward
25 to support technology projects under the direction of the
26 department of information technology. Funds designated in this
27 manner are not available for expenditure until approved as work

1 projects under section 451a of the management and budget act, 1984
2 PA 431, MCL 18.1451a.

3 Sec. 223. (1) Due to the current budgetary problems in this
4 state, out-of-state travel shall be limited to situations in which
5 1 or more of the following conditions apply:

6 (a) The travel is required by legal mandate or court order or
7 for law enforcement purposes.

8 (b) The travel is necessary to protect the health or safety of
9 Michigan citizens or visitors or to assist other states in similar
10 circumstances.

11 (c) The travel is necessary to produce budgetary savings or to
12 increase state revenues, including protecting existing federal
13 funds or securing additional federal funds.

14 (d) The travel is necessary to comply with federal
15 requirements.

16 (e) The travel is necessary to secure specialized training for
17 staff that is not available within this state.

18 (f) The travel is financed entirely by federal or nonstate
19 funds.

20 (2) If out-of-state travel is necessary but does not meet 1 or
21 more of the conditions in subsection (1), the state budget director
22 may grant an exception to allow the travel. Any exceptions granted
23 by the state budget director shall be reported on a monthly basis
24 to the house and senate appropriations committees.

25 (3) Not later than January 1 of each year, each department
26 shall prepare a travel report listing all travel by classified and
27 unclassified employees outside this state in the immediately

1 preceding fiscal year that was funded in whole or in part with
2 funds appropriated in the department's budget. The report shall be
3 submitted to the chairs and members of the house and senate
4 appropriations committees, the fiscal agencies, and the state
5 budget director. The report shall include the following
6 information:

7 (a) The name of each person receiving reimbursement for travel
8 outside this state or whose travel costs were paid by this state.

9 (b) The destination of each travel occurrence.

10 (c) The dates of each travel occurrence.

11 (d) A brief statement of the reason for each travel
12 occurrence.

13 (e) The transportation and related costs of each travel
14 occurrence, including the proportion funded with state general
15 fund/general purpose revenues, the proportion funded with state
16 restricted revenues, the proportion funded with federal revenues,
17 and the proportion funded with other revenues.

18 (f) A total of all out-of-state travel funded for the
19 immediately preceding fiscal year.

20 Sec. 224. The department shall not take disciplinary action
21 against an employee for truthfully to the best of his or her
22 knowledge communicating with a member of the legislature or his or
23 her staff.

24 Sec. 225. In recognition of the important role it can play in
25 attracting large-scale agricultural events, it is the intent of the
26 legislature that the department of agriculture, in conjunction with
27 interested parties, explore opportunities to expand the facilities

1 and size of the Michigan State University pavilion for agriculture
2 and livestock education.

3 Sec. 227. On or before April 1, 2009, the department shall
4 report to the state budget director, the senate and house of
5 representatives appropriations committees on agriculture, and the
6 senate and house fiscal agencies on the impact of major department
7 program areas on Michigan agriculture, environmental protection,
8 and consumer protection. The report shall include a comparison of
9 program expenditures with the estimated economic impact of
10 programs, either in terms of actual federal or private funds
11 leveraged or the potential economic loss of not performing the
12 program functions.

13 Sec. 228. (1) In addition to the funds appropriated in part 1,
14 there is appropriated an amount not to exceed \$5,000,000.00 for
15 federal contingency funds. These funds are not available for
16 expenditure until they have been transferred to another line item
17 in this act under section 393(2) of the management and budget act,
18 1984 PA 431, MCL 18.1393.

19 (2) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$6,000,000.00 for state
21 restricted contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item
23 in this act under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (3) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$100,000.00 for local
27 contingency funds. These funds are not available for expenditure

1 until they have been transferred to another line item in this act
2 under section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

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

10 Sec. 230. Funds appropriated in part 1 shall not be used by a
11 principal executive department, state agency, or authority to hire
12 a person to provide legal services that are the responsibility of
13 the attorney general. This prohibition does not apply to legal
14 services for bonding activities and for those activities that the
15 attorney general authorizes.

16 Sec. 231. From the funds appropriated in part 1 for salaries
17 and benefits, the department shall provide funding in the pesticide
18 and plant pest management, food and dairy, animal industry,
19 environmental stewardship and laboratory divisions for not less
20 than 315 employees who provide direct service to the public or
21 substantially support the work of those who provide direct service.
22 Expenditures shall be made so that these divisions continue to
23 provide service to protect the public health, safety, and welfare
24 and environment.

25 Sec. 232. From the funds appropriated in part 1, the director
26 shall implement continuous improvement efficiency mechanisms in the
27 programs administered by the department. The continuous improvement

House Bill No. 5807 (H-1) as amended March 19, 2008

1 efficiency mechanisms shall identify changes made in programs to
2 increase efficiency and reduce expenditures in the programs. On
3 March 31, 2009 and September 30, 2009, the director shall submit a
4 report to the state budget director, the senate and house
5 appropriation subcommittees, and the senate and house fiscal
6 agencies on the progress made toward increased efficiencies in
7 departmental programs. At a minimum, each report shall include
8 information on the program review process, the type of improvement
9 mechanisms implemented, and actual and projected expenditure
10 savings as a result of the increased program efficiencies.

[Sec. 233. From the funds appropriated in part 1, the department shall develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made.]

11 **EXECUTIVE**

12 Sec. 302. (1) The department may receive and expend revenue
13 and use that revenue to cover necessary expenses related to
14 publications, audit and licensing functions, livestock sales,
15 certification of nursery stock, bean inspection services, and
16 laboratory analyses as specified in the following:

17 (a) Management services publications.

18 (b) Management services audit and licensing functions.

19 (c) Pesticide and plant pest management propagation and
20 certification of virus free foundation stock.

21 (d) Pesticide and plant pest management bean inspection and
22 grading services.

23 (e) Laboratory support testing for testing horses in draft
24 horse pulling contests at county fairs when local jurisdictions
25 request state assistance.

26 (f) Laboratory support analyses to determine foreign

1 substances in horses engaged in racing or pulling contests at
2 tracks.

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

6 (h) Laboratory support test samples for other agencies and
7 organizations.

8 (i) Fruit and vegetable inspection at shipping and termination
9 points and processing plants.

10 (2) The department shall notify the senate and house of
11 representatives appropriations subcommittees on agriculture and the
12 senate and house fiscal agencies 30 days prior to proposing changes
13 in fees authorized under this section or under section 5 of the
14 market conditions act, 1915 PA 91, MCL 285.35.

15 (3) Annually, before February 1, the department shall provide
16 a report to the senate and house of representatives appropriations
17 subcommittees on agriculture and the senate and house fiscal
18 agencies detailing all the fees charged by the department under the
19 authorization provided in this section, including, but not limited
20 to, rates, number of individuals paying each fee, and the revenue
21 generated by each fee in the previous fiscal year.

22 Sec. 304. (1) To ensure motor fuel quality and quantity, the
23 department shall maintain the motor fuel quality program and shall
24 not reduce program level of effort below that of the 2006-2007
25 fiscal year. Notwithstanding the provisions of section 205, the
26 department shall maintain field and laboratory staff for the motor
27 fuel quality program.

1 (2) On or before January 1, 2008 and every 6 months
2 thereafter, the department shall report to the senate and house
3 appropriations subcommittees on agriculture and the senate and
4 house fiscal agencies the results of both complaint-based and
5 random-based inspections, including the number of inspections
6 performed, samples collected, and compliance rates.

7 Sec. 306. From the funds appropriated in section 102, private
8 funds for agricultural statistics shall be used to match state
9 funds at not less than 50% of study costs.

10 **FOOD AND DAIRY**

11 Sec. 401. (1) The department shall monitor restaurant
12 inspection and licensing functions carried out by local health
13 departments to ensure uniform application and enforcement of
14 minimum program requirements. On or before April 1, 2009, the
15 department shall report to the senate and house appropriations
16 subcommittees on agriculture, the senate and house fiscal agencies,
17 and the state budget director on local health department
18 conformance with minimum program requirements.

19 (2) If a local unit of government incurs additional costs
20 resulting from its efforts to control a significant food-borne
21 outbreak, the director shall seek additional resources to reimburse
22 the local unit of government for these additional costs. The
23 director shall involve the local health officer of the jurisdiction
24 affected in all aspects of the control of any food-borne outbreak.

25 Sec. 402. Not later than April 1, 2009, the department shall
26 provide a report to the house and senate appropriations

1 subcommittees on agriculture and the house and senate fiscal
2 agencies describing significant food-borne outbreaks and
3 emergencies including any enforcement actions taken related to food
4 safety during the 2007-2008 fiscal year.

5 Sec. 404. From the funds appropriated in section 104 for food
6 safety and quality assurance, not less than \$150,000.00 from the
7 consumer and industry food safety education fund shall be expended
8 for purposes required under section 4117 of the food law of 2000,
9 2000 PA 92, MCL 289.4117, including the statewide training and
10 education to consumers on food safety and the training and
11 education on food safety to food service establishment employees
12 and department employees and agents who enforce section 4117 of the
13 food law of 2000, 2000 PA 92, MCL 289.4117.

14 Sec. 406. Notwithstanding the provisions of section 205, the
15 department is authorized to fill open positions in the food and
16 dairy inspection program.

17 Sec. 407. Funds appropriated in part 1 of 2007 PA 128 for food
18 and dairy, food safety and quality assurance, shall not lapse but
19 shall continue to be available for completion of the e-inspector
20 program in accordance with the provisions of section 451a of the
21 management and budget act, 1984 PA 431, MCL 18.1451a.

22 **ANIMAL INDUSTRY**

23 Sec. 450. From the funds appropriated in section 105 for the
24 bovine tuberculosis program, the department shall reimburse the
25 department of natural resources for those costs associated with
26 monitoring and testing wildlife for bovine tuberculosis that are

1 necessary to support the department goals and are jointly agreed to
2 by the department and the department of natural resources to be in
3 excess of efforts necessary to effectively plan and execute the
4 eradication of bovine tuberculosis from Michigan's wild free-
5 ranging deer herd.

6 Sec. 451. From the funds appropriated in section 105 for
7 bovine tuberculosis, the department shall pay for all whole herd
8 testing costs and individual animal testing costs in the modified
9 accredited zone to maintain split-state status requirements. These
10 costs include indemnity and compensation for injury causing death
11 or downer to animals.

12 Sec. 452. The department shall apply for all federal and
13 private funds for which it is eligible that can be used to support
14 the bovine tuberculosis program.

15 Sec. 454. The department shall use its resources to
16 collaborate with the United States department of agriculture to
17 obtain TB-free status for the area of the Lower Peninsula that is
18 zoned as modified accredited advanced. The department shall also
19 aggressively work toward eradicating bovine TB in the modified
20 accredited zone.

21 Sec. 455. The department shall prepare a plan to provide for
22 cattle without official identification that may arrive at a
23 saleyard. If an animal arrives untagged at a saleyard without
24 official identification, the saleyard may charge a fee for the tag
25 and for application. The tag may be purchased by and identified to
26 the saleyard. The saleyard shall maintain records for all animals
27 tagged on its premises. The department plan shall be in compliance

1 with the "Michigan Bovine TB Eradication Program - Application for
2 TB Free/Modified Accredited Status", April 2007.

3 Sec. 456. Of the funds appropriated in part 1, no funds shall
4 be used to enforce the mandatory electronic animal identification
5 program for any domestic animals other than cattle until specific
6 procedures and guidelines for electronic animal identification are
7 outlined in statute.

8 Sec. 457. On or before October 15, 2008, and on a monthly
9 basis thereafter, the department shall report to the senate and
10 house agriculture committees, the senate and house appropriations
11 subcommittees on agriculture, and the senate and house fiscal
12 agencies on the department's progress toward meeting the USDA
13 requirements as outlined in the March 2007 bovine TB program
14 review. The report shall include, but is not limited to,
15 information and data on: wildlife risk mitigation plan
16 implementation in the modified accredited zone; implementation of a
17 movement certificate process; progress toward annual surveillance
18 test requirements set out in the June 2007 MOU; compliance efforts
19 and rates for animals crossing the Mackinac Bridge; efforts to work
20 with slaughter facilities in Michigan, as well as those that
21 slaughter a significant number of animals from Michigan;
22 educational programs and information for Michigan's livestock
23 community; any other item the legislature should be aware of that
24 will promote or hinder efforts to achieve bovine TB-free status for
25 Michigan.

26 Sec. 458. From the funds appropriated in section 105 for
27 animal industry, the department shall provide inspection and

1 testing of aquaculture facilities and aquaculture researchers as
2 provided under the Michigan aquaculture development act, 1996 PA
3 199, MCL 286.877. It is the intent of the legislature that the
4 department shall work with aquaculture facilities and aquaculture
5 researchers to identify, contain, and eradicate viral hemorrhagic
6 septicemia in this state.

7 Sec. 459. Notwithstanding the provisions of section 205, the
8 department is authorized to fill open positions in the bovine
9 tuberculosis program.

10 **LABORATORY SERVICES**

11 Sec. 501. From the appropriation in part 1 for laboratory
12 services, a sufficient amount is appropriated from licensing and
13 inspection fee revenue to maintain the department's animal feed
14 testing programs.

15 **ENVIRONMENTAL STEWARDSHIP**

16 Sec. 603. The department shall apply for all federal funds for
17 which it is eligible that can be used to support the migrant labor
18 housing program.

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

21 (a) Of the total appropriation, each local conservation
22 district meeting the minimum grant requirements shall receive a
23 grant of \$11,605.00 to support basic operations, unless the
24 district resides in a county consisting of multiple districts, in
25 which case a \$11,605.00 grant shall be divided equally among the

1 districts in that county. The amount of money allocated under this
2 subdivision shall not be used by local conservation districts to
3 replace any money received from local sources.

4 (b) Any amount remaining from the appropriation after
5 distributions under subdivision (a) shall be allocated for local
6 conservation district training.

7 Sec. 605. From the appropriation in part 1 for technical
8 assistance match, not less than \$300,000.00 shall be used to fund
9 local conservation district technical assistance for individuals
10 with contracts under the 2002 farm bill administered by USDA's
11 natural resources conservation service. Increasing the level of
12 technical assistance will ensure producers can access the federal
13 money available under their individual contracts and quickly put
14 that money to work in Michigan.

15 Sec. 606. The department shall actively search for all
16 possible funding sources to be used to match federal funds in the
17 USDA environmental quality incentives program.

18 Sec. 607. It is the intent of the legislature that the
19 department continue its activities in support of intercounty
20 drainage districts as provided in chapter 5 of the drain code of
21 1956, 1956 PA 40, MCL 280.101 to 280.106.

22 **AGRICULTURE DEVELOPMENT**

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

1 growers, manufacturers, or wholesalers.

2 Sec. 705. The appropriation in section 109 for the export
3 market development program shall be used to coordinate state
4 participation in the federal market access program and to leverage
5 federal and private funds for the purpose of developing new and
6 enhancing existing export markets for Michigan agricultural
7 products.

8 Sec. 706. Not later than April 1, 2009, the department shall
9 provide a report to the house and senate appropriations
10 subcommittees on agriculture and the house and senate fiscal
11 agencies describing the department's agriculture development and
12 export market development activities. The report shall identify
13 grants awarded during the prior fiscal year, including a
14 description of federal or private funds made available as a result
15 of department activities.

16 Sec. 707. In awarding grants from the agricultural development
17 fund created under the Julian-Stille value-added act, 2000 PA 322,
18 MCL 285.301 to 285.304, the department shall give due consideration
19 to the diversity of Michigan agriculture and its economic
20 importance.

21 Sec. 708. The department is authorized to receive and expend
22 funds appropriated from the agricultural development fund created
23 in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL
24 285.302.

25 Sec. 709. (1) Not later than April 1, 2009, the department
26 shall provide a report to the house and senate appropriations
27 subcommittees on agriculture and the house and senate fiscal

1 agencies describing the activities of the grape and wine industry
2 council established under section 303 of the Michigan liquor
3 control act of 1998, 1998 PA 58, MCL 436.1303.

4 (2) The report shall include all of the following:

5 (a) Council activities and accomplishments for the previous
6 fiscal year.

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

10 (c) Grants awarded during the prior fiscal year and the
11 results of research grant projects completed during the prior
12 fiscal year.

13 Sec. 710. The department may match external funding for
14 domestic and international marketing programs for the purpose of
15 developing new and enhancing existing export markets for Michigan
16 agricultural products.

17 **FAIRS AND EXPOSITIONS**

18 Sec. 801. Within 60 days of the close of each fiscal quarter,
19 the department shall report to the state budget director, the
20 senate and house of representatives appropriations committees on
21 agriculture, and the senate and house fiscal agencies on the
22 agriculture equine industry development fund established in section
23 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. The
24 report shall identify actual revenue and fund balance through the
25 preceding fiscal quarter and estimated revenue and fund balance
26 through the end of the fiscal year. The report shall identify

1 simulcast racing revenue generated by each licensed track, license
2 fees, and revenue generated from the casino wagering tax.

3 Sec. 802. From the amount appropriated in section 110 for
4 purses and supplements - fairs/licensed tracks, \$220,000.00 is to
5 be used for state purse supplements at state licensed pari-mutuel
6 tracks for races comprised only of Michigan-bred horses segregated
7 into a 4-year-old colt trot division, a 4-year-old filly trot
8 division, a 4-year-old colt pace division, and a 4-year-old filly
9 pace division.

10 Sec. 803. Included in the appropriation made in section 110
11 for the thoroughbred program is \$23,500.00 for the Michigan united
12 thoroughbred breeders and owners association to conduct a
13 thoroughbred yearling show. The Michigan united thoroughbred
14 breeders and owners association shall submit to the department an
15 itemized list of expenses showing that the expenses of the yearling
16 show were paid.

17 Sec. 804. From the funds appropriated in section 110 for
18 thoroughbred owners' awards, awards shall be distributed pursuant
19 to section 20 of the horse racing law of 1995, 1995 PA 279, MCL
20 431.320.

21 Sec. 805. The department shall notify the senate and house
22 appropriations subcommittees and the fiscal agencies of any planned
23 reductions in appropriations, allocations, or expenditures from the
24 agriculture equine industry development fund no less than 10 days
25 before such reductions are implemented.

26 Sec. 806. A county fair, district fair, 4-H fair, or state
27 fair receiving funds in section 110 to be used for prizes or

1 awards, in whole or in part, as a condition precedent to the
2 receiving of the funds for those purposes, shall publish the rules
3 relative to the prizes, awards, and deadlines for entries eligible
4 for the funds in their official premium books or lists relative to
5 the prizes or awards. An aggrieved exhibitor may make a written
6 complaint to the fair within 10 days after the fair ends. If the
7 fair has not satisfactorily settled the grievance within 45 days
8 after it is submitted to the fair, the aggrieved person may file
9 the complaint with the department and the department shall
10 investigate the complaint and make a finding of fact regarding the
11 complaint and take appropriate action regarding the complaint.

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

16 Sec. 808. Of the amount appropriated in section 110 for
17 premiums - county and state fairs, \$91,400.00 shall be expended to
18 reimburse up to 75% premiums paid to large livestock and equine
19 exhibitors in shows or exhibitions held by statewide associations
20 as defined by the department. Livestock expositions shall be
21 limited to participation in this program and prohibited from
22 participation in any state-funded premium programs. The Michigan
23 horse show association fall youth show shall be included.

24 Sec. 809. From the appropriations for premiums - county and
25 state fairs in section 110, \$40,000.00 shall be awarded through a
26 competitive grant program to local, regional, or state fairs or
27 youth education programs to promote youth involvement and adult

1 exhibitions in the animal agriculture industry.

2 Sec. 811. The funds appropriated in section 110 for
3 distribution of outstanding winning tickets are not available for
4 expenditure until they are deposited in the Michigan agriculture
5 equine industry development fund pursuant to section 2 of 1951 PA
6 90, MCL 431.252. These funds shall be expended in accordance with
7 section 2 of 1951 PA 90, MCL 431.252. The department shall provide
8 notice to the house and senate appropriations subcommittees on
9 agriculture at least 10 days before the funds are expended. This
10 notice shall include the amount that each program receives from the
11 outstanding winning ticket revenue deposited in the Michigan
12 agriculture equine industry development fund.

13 OFFICE OF RACING COMMISSIONER

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

20 Sec. 902. In the event there is no live thoroughbred race meet
21 in 2008 or 2009, all purse money and program money appropriated for
22 the thoroughbred industry in fiscal year 2007-2008 and fiscal year
23 2008-2009 shall be held in escrow for a period not to exceed 18
24 months, or until a thoroughbred race meet license is applied for
25 and granted by the office of racing commissioner. In the event
26 there is no thoroughbred meet in 2008 or 2009, the purse pool

1 distribution order to be issued by the office of racing
2 commissioner in 2009 that delineates distribution between the
3 thoroughbred meet that has been held at Great Lakes Downs and the
4 joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be
5 the same distribution formula as issued in 2008, with the
6 thoroughbred portion being held in escrow.