

SENATE 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

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amounts listed in this part are appropriated for the department of

agriculture for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 593.5

GROSS APPROPRIATION..... \$ 104,855,000

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 11,339,200

ADJUSTED GROSS APPROPRIATION..... \$ 93,515,800

Federal revenues:

Total federal revenues..... 14,861,000

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 237,200

Total other state restricted revenues..... 45,927,400

State general fund/general purpose..... \$ 32,490,200

FUND SOURCE SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 593.5

GROSS APPROPRIATION..... \$ 104,855,000

Interdepartmental grant revenues:

IDG from MDCH, local public health operations..... 8,878,700

IDG from MDEQ, aquifer protection and dispute

resolution 50,000

1	IDG from MDEQ, biosolids.....	92,500
2	IDG from MDEQ, MAEAP.....	159,100
3	IDG from MDEQ, type II well survey.....	17,000
4	IDG from DHS, food bank.....	150,000
5	IDG from MDLEG (LCC), liquor quality testing fees....	191,900
6	IDG from MDNR, district forestry and wildlife program	1,800,000
7	Total interdepartmental grants and intradepartmental	
8	transfers	11,339,200
9	ADJUSTED GROSS APPROPRIATION.....	\$ 93,515,800
10	Federal revenues:	
11	DAG, multiple grants.....	11,376,400
12	EPA, multiple grants.....	1,753,300
13	HHS-FDA.....	1,077,700
14	United States department of labor.....	400,000
15	Corporation for national and community services	253,600
16	Total federal revenues.....	14,861,000
17	Special revenue funds:	
18	Private - commodity group.....	89,200
19	Private - slow-the-spread foundation.....	148,000
20	Total private revenues.....	237,200
21	Agricultural preservation fund.....	900,000
22	Agriculture equine industry development fund.....	12,548,400
23	Agriculture pollution prevention fund.....	100
24	Cervidae licensing and inspection fees.....	75,000
25	Commodity inspection fees.....	1,084,000
26	Dairy and food safety fund.....	2,728,300
27	Gasoline inspection and testing fund.....	2,620,700

1	Freshwater protection fund.....	5,174,300
2	Horticulture fund.....	79,700
3	Industry support funds.....	697,900
4	Licensing and inspection fees.....	4,038,400
5	Migratory labor housing.....	25,000
6	Nonretail liquor fees.....	678,600
7	Refined petroleum fund.....	3,339,000
8	State services fee fund.....	9,185,700
9	Testing fees.....	434,500
10	Upper Peninsula state fair revenue.....	1,382,500
11	Consumer and industry food safety education fund.....	260,500
12	Weights and measures regulation fees.....	674,800
13	Total other state restricted revenues.....	45,927,400
14	State general fund/general purpose.....	\$ 32,490,200
15	Sec. 102. EXECUTIVE	
16	Full-time equated unclassified positions..... 6.0	
17	Full-time equated classified positions..... 37.5	
18	Commission and boards.....	\$ 32,800
19	Unclassified positions--6.0 FTE positions.....	354,000
20	Executive direction--10.0 FTE positions.....	923,900
21	Management services--24.0 FTE positions.....	1,728,800
22	Agricultural statistics--1.0 FTE positions.....	143,800
23	Emergency management--2.5 FTE positions.....	243,300
24	Internal audit services.....	<u>263,700</u>
25	GROSS APPROPRIATION.....	\$ 3,690,300
26	Appropriated from:	
27	Private funds:	

1	Private - commodity group.....		78,400
2	Special revenue funds:		
3	Gasoline inspection and testing fund.....		61,200
4	Industry support funds.....		34,200
5	Nonretail liquor fees.....		8,800
6	Refined petroleum fund.....		50,400
7	State services fee fund.....		502,500
8	Upper Peninsula state fair revenue.....		9,000
9	State general fund/general purpose.....	\$	2,945,800
10	Sec. 103. DEPARTMENTWIDE		
11	Rent and building occupancy charges.....	\$	<u>1,471,500</u>
12	GROSS APPROPRIATION.....	\$	1,471,500
13	Appropriated from:		
14	Federal revenues:		
15	DAG, multiple grants.....		106,500
16	EPA, multiple grants.....		64,900
17	HHS-FDA.....		14,000
18	Special revenue funds:		
19	Agricultural preservation fund.....		23,900
20	Freshwater protection fund.....		10,100
21	Licensing and inspection fees.....		63,300
22	Nonretail liquor fees.....		8,400
23	Refined petroleum fund.....		114,000
24	State services fee fund.....		313,200
25	State general fund/general purpose.....	\$	753,200
26	Sec. 104. FOOD AND DAIRY		
27	Full-time equated classified positions.....		115.0

1	Food safety and quality assurance--115.0 FTE positions	\$	12,642,500
2	Local public health operations		<u>8,878,700</u>
3	GROSS APPROPRIATION	\$	21,521,200
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG from MDCH, local public health operations		8,878,700
7	Federal revenues:		
8	DAG, multiple grants		27,100
9	HHS-FDA		380,300
10	Special revenue funds:		
11	Consumer and industry food safety education fund		260,500
12	Dairy and food safety fund		2,728,300
13	State general fund/general purpose	\$	9,246,300
14	Sec. 105. ANIMAL INDUSTRY		
15	Full-time equated classified positions		
16	Animal health and welfare--21.5 FTE positions	\$	2,384,900
17	Bovine tuberculosis program--48.5 FTE positions		<u>7,708,300</u>
18	GROSS APPROPRIATION	\$	10,093,200
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	Federal revenues:		
22	DAG, multiple grants		1,132,100
23	HHS-FDA		72,100
24	Special revenue funds:		
25	Agriculture equine industry development fund		1,000,000
26	Cervidae licensing and inspection fees		75,000
27	Licensing and inspection fees		106,900

1	State general fund/general purpose	\$	7,707,100
2	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
3	Full-time equated classified positions.....		134.5
4	Pesticide and plant pest management--110.0 FTE		
5	positions	\$	12,186,800
6	Emerald ash borer control program--24.5 FTE positions		5,191,400
7	Fruit and vegetable processing inspections		<u>100</u>
8	GROSS APPROPRIATION.....	\$	17,378,300
9	Appropriated from:		
10	Federal revenues:		
11	DAG, multiple grants.....		6,679,300
12	EPA, multiple grants.....		891,500
13	HHS-FDA.....		68,300
14	Special revenue funds:		
15	Private - slow-the-spread foundation.....		148,000
16	Commodity inspection fees.....		1,084,000
17	Horticulture fund.....		79,700
18	Industry support funds.....		340,900
19	Licensing and inspection fees.....		3,660,500
20	State general fund/general purpose	\$	4,426,100
21	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
22	Full-time equated classified positions.....		51.0
23	Environmental stewardship--27.0 FTE positions	\$	2,844,900
24	Groundwater and freshwater protection program--15.0		
25	FTE positions		5,472,500
26	Farmland and open space preservation--9.0 FTE		
27	positions		985,500

1	Technical assistance match.....	300,000	
2	Cooperative resources management initiative program..	1,800,000	
3	Agriculture pollution prevention program.....	1,000,100	
4	Local conservation districts.....	916,800	
5	Migrant labor housing.....	425,100	
6	Aquifer protection program.....	50,000	
7	GROSS APPROPRIATION.....	\$	13,794,900
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	IDG from MDEQ, aquifer protection and dispute		
11	resolution	50,000	
12	IDG from MDEQ, biosolids.....	92,500	
13	IDG from MDEQ, MAEAP.....	159,100	
14	IDG from MDEQ, type II well survey.....	17,000	
15	IDG from MDNR, district forestry and wildlife program	1,800,000	
16	Federal revenues:		
17	DAG, multiple grants.....	1,000,000	
18	EPA, multiple grants.....	445,700	
19	Corporation for national and community services	253,600	
20	United States department of labor.....	400,000	
21	Special revenue funds:		
22	Agricultural preservation fund.....	875,900	
23	Agriculture pollution prevention fund.....	100	
24	Freshwater protection fund.....	5,164,100	
25	Migratory labor housing.....	25,000	
26	State general fund/general purpose	\$	3,511,900
27	Sec. 108. LABORATORY PROGRAM		

1	Full-time equated classified positions.....	131.0	
2	Laboratory services--63.0 FTE positions		\$ 6,344,600
3	USDA monitoring program--17.0 FTE positions		2,134,200
4	Consumer protection program--51.0 FTE positions		<u>5,135,200</u>
5	GROSS APPROPRIATION.....		\$ 13,614,000
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from MDLEG (LCC), liquor quality testing fees		189,100
9	Federal revenues:		
10	DAG, multiple grants.....		2,156,200
11	EPA, multiple grants.....		351,200
12	HHS-FDA.....		543,000
13	Special revenue funds:		
14	Gasoline inspection and testing fund.....		2,532,500
15	Licensing and inspection fees.....		75,100
16	Refined petroleum fund.....		3,174,600
17	State services fee fund.....		519,700
18	Testing fees.....		434,500
19	Weights and measures regulation fees.....		674,800
20	State general fund/general purpose		\$ 2,963,300
21	Sec. 109. AGRICULTURE DEVELOPMENT		
22	Full-time equated classified positions.....	9.0	
23	Agriculture development--6.0 FTE positions		\$ 1,072,800
24	Grape and wine program--3.0 FTE positions		717,100
25	Export market development program.....		50,000
26	Michigan agricultural surplus system.....		<u>630,500</u>
27	GROSS APPROPRIATION.....		\$ 2,470,400

1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG from DHS, food bank.....		150,000
4	Federal revenues:		
5	DAG, multiple grants.....		275,200
6	Special revenue funds:		
7	Private - commodity group.....		10,800
8	Industry support funds.....		311,900
9	Nonretail liquor fees.....		660,900
10	State services fee fund.....		350,700
11	State general fund/general purpose.....	\$	710,900
12	Sec. 110. FAIRS AND EXPOSITIONS		
13	Full-time equated classified positions.....	15.5	
14	Upper Peninsula state fair--6.0 FTE positions.....	\$	1,372,600
15	Fairs, racing and producer security--9.5 FTE positions		1,154,600
16	Building and track improvement - county and state		
17	fairs		100
18	Premiums - county and state fairs.....		1,614,000
19	Purses and supplements - fairs/licensed tracks.....		2,646,100
20	Licensed tracks - light horse racing.....		147,400
21	Standardbred breeders' awards.....		1,081,900
22	Standardbred purses and supplements - licensed tracks		1,997,700
23	Standardbred sire stakes.....		904,400
24	Thoroughbred sire stakes.....		926,700
25	Standardbred training and stabling.....		40,200
26	Thoroughbred program.....		2,679,600
27	Thoroughbred owners' awards.....		138,400

1	Distribution of outstanding winning tickets	<u>781,500</u>
2	GROSS APPROPRIATION.....	\$ 15,485,200
3	Appropriated from:	
4	Special revenue funds:	
5	Agriculture equine industry development fund	11,343,900
6	Industry support funds	10,900
7	Licensing and inspection fees	132,600
8	State services fee fund	2,625,100
9	Upper Peninsula state fair revenue	1,372,600
10	State general fund/general purpose	\$ 100
11	Sec. 111. OFFICE OF RACING COMMISSIONER	
12	Full-time equated classified positions.....	30.0
13	Office of racing commissioner--30.0 FTE positions	\$ <u>3,811,000</u>
14	GROSS APPROPRIATION.....	\$ 3,811,000
15	Appropriated from:	
16	Special revenue funds:	
17	State services fee fund	3,811,000
18	State general fund/general purpose	\$ 0
19	Sec. 112. INFORMATION TECHNOLOGY	
20	Information technology services and projects	\$ <u>1,525,000</u>
21	GROSS APPROPRIATION.....	\$ 1,525,000
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG from MDLEG (LCC), liquor quality testing fees	2,800
25	Special revenue funds:	
26	Agricultural preservation fund	200
27	Agriculture equine industry development fund	204,500

1	Gasoline inspection and testing fund.....	27,000
2	Freshwater protection fund.....	100
3	Nonretail liquor fees.....	500
4	State services fee fund.....	1,063,500
5	Upper Peninsula state fair revenue.....	900
6	State general fund/general purpose.....	\$ 225,500

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 **GENERAL SECTIONS**

10 Sec. 201. Pursuant to section 30 of article IX of the state
 11 constitution of 1963, total state spending from state resources
 12 under part 1 for fiscal year 2008-2009 is \$78,417,600.00 and state
 13 spending from state resources to be paid to local units of
 14 government for fiscal year 2008-2009 is \$2,416,800.00. The itemized
 15 statement below identifies appropriations from which spending to
 16 local units of government will occur:

17 DEPARTMENT OF AGRICULTURE

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

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

24 Sec. 203. As used in this act:

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

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

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

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

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

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

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

9 (h) "IDG" means interdepartmental grant.

10 (i) "MAEAP" means the Michigan agriculture environmental
11 assurance program.

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

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

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

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

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

23 Sec. 205. (1) A hiring freeze is imposed on the state
24 classified civil service. State departments and agencies are
25 prohibited from hiring any new full-time state classified civil
26 service employees and prohibited from filling any vacant state
27 classified civil service positions. This hiring freeze does not

1 apply to internal transfers of classified employees from 1 position
2 to another within a department.

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

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

20 Sec. 209. Funds appropriated in part 1 shall not be used for
21 the purchase of foreign goods or services, or both, if
22 competitively priced and of comparable quality American goods or
23 services, or both, are available. Preference should be given to
24 goods or services, or both, manufactured or provided by Michigan
25 businesses, if they are competitively priced and of comparable
26 quality. In addition, preference should be given to goods or
27 services, or both, that are manufactured or provided by Michigan

1 businesses owned and operated by veterans, if they are
2 competitively priced and of comparable quality.

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

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

21 (2) The department of agriculture shall make an
22 indemnification payment for the fair market value of livestock
23 killed by a wolf, coyote, or cougar, if the kill is verified by the
24 department of natural resources. The fair market value of the
25 livestock shall be determined pursuant to the indemnification
26 procedures prescribed in the animal industry act, 1988 PA 466, MCL
27 287.701 to 287.745. In addition to the funds appropriated in part

1 1, the department of agriculture is authorized to expend the funds
2 received from the department of natural resources to reimburse the
3 department of agriculture for all indemnification payments made
4 pursuant to this subsection.

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

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

19 Sec. 220. Amounts appropriated in part 1 for information
20 technology may be designated as work projects and carried forward
21 to support technology projects under the direction of the
22 department of information technology. Funds designated in this
23 manner are not available for expenditure until approved as work
24 projects under section 451a of the management and budget act, 1984
25 PA 431, MCL 18.1451a.

26 Sec. 223. (1) Due to the current budgetary problems in this
27 state, out-of-state travel shall be limited to situations in which

1 1 or more of the following conditions apply:

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

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

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

10 (d) The travel is necessary to comply with federal
11 requirements.

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

14 (f) The travel is financed entirely by federal or nonstate
15 funds.

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

22 (3) Not later than January 1 of each year, each department
23 shall prepare a travel report listing all travel by classified and
24 unclassified employees outside this state in the immediately
25 preceding fiscal year that was funded in whole or in part with
26 funds appropriated in the department's budget. The report shall be
27 submitted to the chairs and members of the house and senate

1 appropriations committees, the fiscal agencies, and the state
2 budget director. The report shall include the following
3 information:

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

6 (b) The destination of each travel occurrence.

7 (c) The dates of each travel occurrence.

8 (d) A brief statement of the reason for each travel
9 occurrence.

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

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

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

21 Sec. 225. In recognition of the important role it can play in
22 attracting large-scale agricultural events, it is the intent of the
23 legislature that the department of agriculture, in conjunction with
24 interested parties, explore opportunities to expand the facilities
25 and size of the Michigan State University pavilion for agriculture
26 and livestock education.

27 Sec. 227. On or before April 1, 2009, the department shall

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

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

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

22 (3) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$100,000.00 for local
24 contingency funds. These funds are not available for expenditure
25 until 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,
27 MCL 18.1393.

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

7 Sec. 229. (1) The department shall report no later than April
8 1, 2009 on each specific policy change made by the department to
9 implement a public act affecting that department that took effect
10 during the preceding calendar year. The department shall report to
11 the house and senate appropriations subcommittees on the budget for
12 the department, the joint committee on administrative rules, and
13 the senate and house fiscal agencies.

14 (2) Funds appropriated in part 1 shall not be used by the
15 department to adopt a rule that will apply to a small business and
16 that will have a disproportionate economic impact on small
17 businesses because of the size of those businesses if the
18 department fails to reduce the disproportionate economic impact of
19 the rule on small businesses as provided under section 40 of the
20 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

21 (3) As used in this section:

22 (a) "Rule" means that term as defined under section 7 of the
23 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

24 (b) "Small business" means that term as defined under section
25 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
26 24.207a.

27 Sec. 230. Funds appropriated in part 1 shall not be used by a

1 principal executive department, state agency, or authority to hire
2 a person to provide legal services that are the responsibility of
3 the attorney general. This prohibition does not apply to legal
4 services for bonding activities and for those activities that the
5 attorney general authorizes.

6 Sec. 231. From the funds appropriated in part 1 for salaries
7 and benefits, the department shall provide funding in the pesticide
8 and plant pest management, food and dairy, animal industry,
9 environmental stewardship and laboratory divisions for not less
10 than 315 employees who provide direct service to the public or
11 substantially support the work of those who provide direct service.
12 Expenditures shall be made so that these divisions continue to
13 provide service to protect the public health, safety, and welfare
14 and environment.

15 Sec. 232. From the funds appropriated in part 1, the director
16 shall implement continuous improvement efficiency mechanisms in the
17 programs administered by the department. The continuous improvement
18 efficiency mechanisms shall identify changes made in programs to
19 increase efficiency and reduce expenditures in the programs. On
20 March 31, 2009 and September 30, 2009, the director shall submit a
21 report to the state budget director, the senate and house
22 appropriation subcommittees, and the senate and house fiscal
23 agencies on the progress made toward increased efficiencies in
24 departmental programs. At a minimum, each report shall include
25 information on the program review process, the type of improvement
26 mechanisms implemented, and actual and projected expenditure
27 savings as a result of the increased program efficiencies.

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

6 Sec. 234. The department shall not approve the travel of more
7 than 1 departmental employee to a specific professional development
8 conference or training seminar that is located outside of this
9 state. The only exception to this travel restriction involves a
10 professional development conference or training seminar that is
11 funded by a federal or private funding source and requires more
12 than 1 person from a department to attend.

13 Sec. 235. Available funds from the appropriation in part 1 may
14 be provided to the C.S. Mott group for sustainable food systems at
15 Michigan State University to plan for and coordinate a matched
16 savings tool for Michigan's emerging farmers and to leverage
17 federal funds for the purpose of developing and enhancing local
18 markets for Michigan agricultural products.

19 **EXECUTIVE**

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

25 (a) Management services publications.

26 (b) Management services audit and licensing functions.

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

3 (d) Pesticide and plant pest management bean inspection and
4 grading services.

5 (e) Laboratory support testing for testing horses in draft
6 horse pulling contests at county fairs when local jurisdictions
7 request state assistance.

8 (f) Laboratory support analyses to determine foreign
9 substances in horses engaged in racing or pulling contests at
10 tracks.

11 (g) Laboratory support analyses of food, livestock, and
12 agricultural products for disease, foreign products for disease,
13 toxic materials, foreign substances, and quality standards.

14 (h) Laboratory support test samples for other agencies and
15 organizations.

16 (i) Fruit and vegetable inspection at shipping and termination
17 points and processing plants.

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

23 (3) Annually, before February 1, the department shall provide
24 a report to the senate and house of representatives appropriations
25 subcommittees on agriculture and the senate and house fiscal
26 agencies detailing all the fees charged by the department under the
27 authorization provided in this section, including, but not limited

1 to, rates, number of individuals paying each fee, and the revenue
2 generated by each fee in the previous fiscal year.

3 Sec. 304. (1) To ensure motor fuel quality and quantity, the
4 department shall maintain the motor fuel quality program and shall
5 not reduce program level of effort below that of the 2006-2007
6 fiscal year. Notwithstanding the provisions of section 205, the
7 department shall maintain field and laboratory staff for the motor
8 fuel quality program.

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

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

18 FOOD AND DAIRY

19 Sec. 401. (1) The department shall monitor restaurant
20 inspection and licensing functions carried out by local health
21 departments to ensure uniform application and enforcement of
22 minimum program requirements. On or before April 1, 2009, the
23 department shall report to the senate and house appropriations
24 subcommittees on agriculture, the senate and house fiscal agencies,
25 and the state budget director on local health department
26 conformance with minimum program requirements.

1 (2) If a local unit of government incurs additional costs
2 resulting from its efforts to control a significant food-borne
3 outbreak, the director shall seek additional resources to reimburse
4 the local unit of government for these additional costs. The
5 director shall involve the local health officer of the jurisdiction
6 affected in all aspects of the control of any food-borne outbreak.

7 Sec. 402. Not later than April 1, 2009, the department shall
8 provide a report to the house and senate appropriations
9 subcommittees on agriculture and the house and senate fiscal
10 agencies describing significant food-borne outbreaks and
11 emergencies including any enforcement actions taken related to food
12 safety during the 2007-2008 fiscal year.

13 Sec. 403. The department, in conjunction with the department
14 of community health, shall assure that a process is in place that
15 requires a local unit of government to obtain prior approval from
16 the department before any reallocation or redistribution of program
17 funds appropriated in section 104.

18 Sec. 404. From the funds appropriated in section 104 for food
19 safety and quality assurance, not less than \$150,000.00 from the
20 consumer and industry food safety education fund shall be expended
21 for purposes required under section 4117 of the food law of 2000,
22 2000 PA 92, MCL 289.4117, including the statewide training and
23 education to consumers on food safety and the training and
24 education on food safety to food service establishment employees
25 and department employees and agents who enforce section 4117 of the
26 food law of 2000, 2000 PA 92, MCL 289.4117.

27 Sec. 406. Notwithstanding the provisions of section 205, the

1 department is authorized to fill open positions in the food and
2 dairy inspection program.

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

8 **ANIMAL INDUSTRY**

9 Sec. 450. From the funds appropriated in section 105 for the
10 bovine tuberculosis program, the department shall reimburse the
11 department of natural resources for those costs associated with
12 monitoring and testing wildlife for bovine tuberculosis that are
13 necessary to support the department goals and are jointly agreed to
14 by the department and the department of natural resources to be in
15 excess of efforts necessary to effectively plan and execute the
16 eradication of bovine tuberculosis from Michigan's wild free-
17 ranging deer herd.

18 Sec. 451. From the funds appropriated in section 105 for
19 bovine tuberculosis, the department shall pay for all whole herd
20 testing costs and individual animal testing costs in the modified
21 accredited zone to maintain split-state status requirements. These
22 costs include indemnity and compensation for injury causing death
23 or downer to animals.

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

1 Sec. 454. The department shall use its resources to
2 collaborate with the United States department of agriculture to
3 obtain TB-free status for the area of the Lower Peninsula that is
4 zoned as modified accredited advanced. The department shall also
5 aggressively work toward eradicating bovine TB in the modified
6 accredited zone.

7 Sec. 455. The department shall prepare a plan to provide for
8 cattle without official identification that may arrive at a
9 saleyard. If an animal arrives untagged at a saleyard without
10 official identification, the saleyard may charge a fee for the tag
11 and for application. The tag may be purchased by and identified to
12 the saleyard. The saleyard shall maintain records for all animals
13 tagged on its premises. The department plan shall be in compliance
14 with the "Michigan Bovine TB Eradication Program - Application for
15 TB Free/Modified Accredited Status", April 2007.

16 Sec. 456. Of the funds appropriated in part 1, no funds shall
17 be used to enforce the mandatory electronic animal identification
18 program for any domestic animals other than cattle until specific
19 procedures and guidelines for electronic animal identification are
20 outlined in statute.

21 Sec. 457. On or before October 15, 2008, and on a quarterly
22 basis thereafter, the department shall report to the senate and
23 house agriculture committees, the senate and house appropriations
24 subcommittees on agriculture, and the senate and house fiscal
25 agencies on the department's progress toward meeting the USDA
26 requirements as outlined in the March 2007 bovine TB program
27 review. The report shall include, but is not limited to,

1 information and data on: wildlife risk mitigation plan
2 implementation in the modified accredited zone; implementation of a
3 movement certificate process; progress toward annual surveillance
4 test requirements set out in the June 2007 MOU; compliance efforts
5 and rates for animals crossing the Mackinac Bridge; efforts to work
6 with slaughter facilities in Michigan, as well as those that
7 slaughter a significant number of animals from Michigan;
8 educational programs and information for Michigan's livestock
9 community; any other item the legislature should be aware of that
10 will promote or hinder efforts to achieve bovine TB-free status for
11 Michigan.

12 Sec. 458. From the funds appropriated in section 105 for
13 animal industry, the department shall provide inspection and
14 testing of aquaculture facilities and aquaculture researchers as
15 provided under the Michigan aquaculture development act, 1996 PA
16 199, MCL 286.877. It is the intent of the legislature that the
17 department shall work with aquaculture facilities and aquaculture
18 researchers to identify, contain, and eradicate viral hemorrhagic
19 septicemia in this state.

20 Sec. 459. Notwithstanding the provisions of section 205, the
21 department is authorized to fill open positions in the bovine
22 tuberculosis program.

23 Sec. 460. If revenues to the agriculture equine industry
24 development fund decline during the fiscal year ending September
25 30, 2009, the proportion of funds used for the bovine tuberculosis
26 eradication program shall be reduced proportionally to the decline
27 in the agriculture equine industry development fund revenue.

1 **LABORATORY SERVICES**

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

6 **ENVIRONMENTAL STEWARDSHIP**

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

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

12 (a) Of the total appropriation, each local conservation
13 district meeting the minimum grant requirements shall receive a
14 grant of \$11,605.00 to support basic operations, unless the
15 district resides in a county consisting of multiple districts, in
16 which case a \$11,605.00 grant shall be divided equally among the
17 districts in that county. The amount of money allocated under this
18 subdivision shall not be used by local conservation districts to
19 replace any money received from local sources.

20 (b) Any amount remaining from the appropriation after
21 distributions under subdivision (a) shall be allocated for local
22 conservation district training.

23 Sec. 605. From the appropriation in part 1 for technical
24 assistance match, not less than \$300,000.00 shall be used to fund
25 local conservation district technical assistance for individuals

1 with contracts under the 2002 farm bill administered by USDA's
2 natural resources conservation service. Increasing the level of
3 technical assistance will ensure producers can access the federal
4 money available under their individual contracts and quickly put
5 that money to work in Michigan.

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

9 Sec. 607. It is the intent of the legislature that the
10 department continue its activities in support of intercounty
11 drainage districts as provided in chapter 5 of the drain code of
12 1956, 1956 PA 40, MCL 280.101 to 280.106.

13 **AGRICULTURE DEVELOPMENT**

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

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

25 Sec. 706. 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 the department's agriculture development and
3 export market development activities. The report shall identify
4 grants awarded during the prior fiscal year, including a
5 description of federal or private funds made available as a result
6 of department activities.

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

12 Sec. 708. The department is authorized to receive and expend
13 funds appropriated from the agricultural development fund created
14 in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL
15 285.302.

16 Sec. 709. (1) Not later than April 1, 2009, the department
17 shall provide a report to the house and senate appropriations
18 subcommittees on agriculture and the house and senate fiscal
19 agencies describing the activities of the grape and wine industry
20 council established under section 303 of the Michigan liquor
21 control act of 1998, 1998 PA 58, MCL 436.1303.

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

23 (a) Council activities and accomplishments for the previous
24 fiscal year.

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

1 (c) Grants awarded during the prior fiscal year and the
2 results of research grant projects completed during the prior
3 fiscal year.

4 Sec. 710. The department may match external funding for
5 domestic and international marketing programs for the purpose of
6 developing new and enhancing existing export markets for Michigan
7 agricultural products.

8 Sec. 711. In accordance with chapter 8B of 1984 PA 270, MCL
9 125.2089 to 125.2089d, it is the intent of the legislature that the
10 Michigan strategic fund, its employees, contract employees, and
11 individuals working on its behalf collaborate with the Michigan
12 department of agriculture to promote business development of
13 Michigan agricultural products to achieve outcomes that include,
14 but are not limited to, increases in export sales, increases in the
15 number of retailers carrying Michigan commodities both within and
16 outside of this state, and increased sales of Michigan products at
17 chain grocers.

18 Sec. 712. In making applications for grants under the United
19 States department of agriculture specialty crop block grant
20 program, the department shall seek to obtain 20% of federal funds
21 received through the specialty crop block grant program for the
22 support of specialty crop sales at farm markets and for
23 agricultural tourism activities.

24 **FAIRS AND EXPOSITIONS**

25 Sec. 801. Within 60 days of the close of each fiscal quarter,
26 the department shall report to the state budget director, the

1 senate and house of representatives appropriations committees on
2 agriculture, and the senate and house fiscal agencies on the
3 agriculture equine industry development fund established in section
4 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. The
5 report shall identify actual revenue and fund balance through the
6 preceding fiscal quarter and estimated revenue and fund balance
7 through the end of the fiscal year. The report shall identify
8 simulcast racing revenue generated by each licensed track, license
9 fees, and revenue generated from the casino wagering tax.

10 Sec. 802. From the amount appropriated in section 110 for
11 purses and supplements - fairs/licensed tracks, \$220,000.00 is to
12 be used for state purse supplements at state licensed pari-mutuel
13 tracks for races comprised only of Michigan-bred horses segregated
14 into a 4-year-old colt trot division, a 4-year-old filly trot
15 division, a 4-year-old colt pace division, and a 4-year-old filly
16 pace division.

17 Sec. 803. Included in the appropriation made in section 110
18 for the thoroughbred program is \$23,500.00 for the Michigan united
19 thoroughbred breeders and owners association to conduct a
20 thoroughbred yearling show. The Michigan united thoroughbred
21 breeders and owners association shall submit to the department an
22 itemized list of expenses showing that the expenses of the yearling
23 show were paid.

24 Sec. 804. From the funds appropriated in section 110 for
25 thoroughbred owners' awards, awards shall be distributed pursuant
26 to section 20 of the horse racing law of 1995, 1995 PA 279, MCL
27 431.320.

1 Sec. 805. On November 1, 2008 and April 1, 2009, the
2 department shall report to the senate and house appropriations
3 subcommittees on agriculture, the senate and house fiscal agencies,
4 and the state budget director on the spending targets or budgeted
5 amounts from the agriculture equine industry development fund by
6 line item for the fiscal year ending September 30, 2009. The report
7 shall compare the spending targets to the appropriated amounts for
8 each line item.

9 Sec. 806. A county fair, district fair, 4-H fair, or state
10 fair receiving funds in section 110 to be used for prizes or
11 awards, in whole or in part, as a condition precedent to the
12 receiving of the funds for those purposes, shall publish the rules
13 relative to the prizes, awards, and deadlines for entries eligible
14 for the funds in their official premium books or lists relative to
15 the prizes or awards. An aggrieved exhibitor may make a written
16 complaint to the fair within 10 days after the fair ends. If the
17 fair has not satisfactorily settled the grievance within 45 days
18 after it is submitted to the fair, the aggrieved person may file
19 the complaint with the department and the department shall
20 investigate the complaint and make a finding of fact regarding the
21 complaint and take appropriate action regarding the complaint.

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

26 Sec. 808. Of the amount appropriated in section 110 for
27 premiums - county and state fairs, \$91,400.00 shall be expended to

1 reimburse up to 75% premiums paid to large livestock and equine
2 exhibitors in shows or exhibitions held by statewide associations
3 as defined by the department. Livestock expositions shall be
4 limited to participation in this program and prohibited from
5 participation in any state-funded premium programs. The Michigan
6 horse show association fall youth show shall be included.

7 Sec. 809. From the appropriations for premiums - county and
8 state fairs in section 110, \$40,000.00 shall be awarded through a
9 competitive grant program to local, regional, or state fairs or
10 youth education programs to promote youth involvement and adult
11 exhibitions in the animal agriculture industry.

12 Sec. 811. The funds appropriated in section 110 for
13 distribution of outstanding winning tickets are not available for
14 expenditure until they are deposited in the Michigan agriculture
15 equine industry development fund pursuant to section 2 of 1951 PA
16 90, MCL 431.252. These funds shall be expended in accordance with
17 section 2 of 1951 PA 90, MCL 431.252. The department shall provide
18 notice to the house and senate appropriations subcommittees on
19 agriculture at least 10 days before the funds are expended. This
20 notice shall include the amount that each program receives from the
21 outstanding winning ticket revenue deposited in the Michigan
22 agriculture equine industry development fund.

23 OFFICE OF RACING COMMISSIONER

24 Sec. 901. The racing commissioner may pay rewards of not more
25 than \$5,800.00 to a person who provides information that results in
26 the arrest and conviction on a felony or misdemeanor charge for a

1 crime that involves the horse racing industry. A reward paid
2 pursuant to this section shall be paid out of the office of racing
3 commissioner line item.

4 Sec. 902. In the event there is no live thoroughbred race meet
5 in 2008 or 2009, all purse money and program money appropriated for
6 the thoroughbred industry in fiscal year 2007-2008 and fiscal year
7 2008-2009 shall be held in escrow for a period not to exceed 18
8 months, or until a thoroughbred race meet license is applied for
9 and granted by the office of racing commissioner. In the event
10 there is no thoroughbred meet in 2008 or 2009, the purse pool
11 distribution order to be issued by the office of racing
12 commissioner in 2009 that delineates distribution between the
13 thoroughbred meet that has been held at Great Lakes Downs and the
14 joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be
15 the same distribution formula as issued in 2008, with the
16 thoroughbred portion being held in escrow.

17 Sec. 903. From the funds appropriated in part 1, the office of
18 racing commissioner shall conduct a financial audit of all licensed
19 pari-mutuel tracks and certified horsemen's organizations and shall
20 submit a report of the audit findings to the senate and house
21 standing committees on agricultural issues, the senate and house
22 appropriations subcommittees on agriculture, the senate and house
23 fiscal agencies, and the state budget director by February 18,
24 2009.