

Act No. 253
Public Acts of 2008
Approved by the Governor*
July 17, 2008
Filed with the Secretary of State
July 18, 2008
EFFECTIVE DATE: July 18, 2008

*Item Vetoes

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Cooperative resources management initiative program \$ 1,000,000 (Page 4)

Sec. 110. FAIRS AND EXPOSITIONS

Building and track improvement - county and state fairs \$ 480,000 (Page 5)
Purses and supplements - fairs/licensed tracks \$ 2,601,300
Licensed tracks - light horse racing..... \$ 144,900
Standardbred breeders' awards..... \$ 1,063,600
Standardbred purses and supplements - licensed tracks \$ 1,963,900
Standardbred sire stakes \$ 889,100
Thoroughbred sire stakes \$ 911,000
Standardbred training and stabling \$ 39,500
Thoroughbred program \$ 2,634,200
Thoroughbred owners' awards \$ 136,100
Distribution of outstanding winning tickets \$ 768,300

Sec. 802.

Entire Section. (Page 13)

Sec. 803.

Entire Section. (Page 13)

Sec. 804.

Entire Section. (Page 13)

Sec. 807.

Entire Section. (Page 14)

Sec. 811.

Entire Section. (Page 14)

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Rep. Espinoza

ENROLLED HOUSE BILL No. 5807

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 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	594.5	
GROSS APPROPRIATION		\$ 107,814,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		10,539,200
ADJUSTED GROSS APPROPRIATION		\$ 97,275,100
Federal revenues:		
Total federal revenues		16,121,900
Special revenue funds:		
Total local revenues		0
Total private revenues		237,200
Total other state restricted revenues		48,427,400
State general fund/general purpose		\$ 32,488,600

FUND SOURCE SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	594.5	
GROSS APPROPRIATION		\$ 107,814,300
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations		8,878,700
IDG from MDEQ, aquifer protection and dispute resolution		50,000
IDG from MDEQ, biosolids		92,500
IDG from MDEQ, MAEAP		159,100
IDG from MDEQ, type II well survey		17,000
IDG from DHS, food bank		150,000
IDG from MDLEG (LCC), liquor quality testing fees		191,900
IDG from MDNR, district forestry and wildlife program		1,000,000
Total interdepartmental grants and intradepartmental transfers		10,539,200
ADJUSTED GROSS APPROPRIATION		\$ 97,275,100
Federal revenues:		
DAG, multiple grants		12,637,300
EPA, multiple grants		1,753,300
HHS-FDA		1,077,700
United States department of labor		400,000
Corporation for national and community services		253,600
Total federal revenues		16,121,900
Special revenue funds:		
Private - commodity group		89,200
Private - slow-the-spread foundation		148,000
Total private revenues		237,200
Agricultural preservation fund		3,400,000
Agriculture equine industry development fund		12,548,400
Agriculture pollution prevention fund		100
Cervidae licensing and inspection fees		75,000
Commodity inspection fees		1,084,000
Dairy and food safety fund		2,728,300
Gasoline inspection and testing fund		2,620,700
Freshwater protection fund		5,174,300
Horticulture fund		79,700
Industry support funds		697,900
Licensing and inspection fees		4,038,400
Migratory labor housing		25,000
Nonretail liquor fees		678,600
Refined petroleum fund		3,339,000
State services fee fund		9,185,700
Testing fees		434,500
Upper Peninsula state fair revenue		1,382,500
Consumer and industry food safety education fund		260,500
Weights and measures regulation fees		674,800
Total other state restricted revenues		48,427,400
State general fund/general purpose		\$ 32,488,600

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	37.5	
Commission and boards		\$ 32,800
Unclassified positions—6.0 FTE positions		354,000
Executive direction—10.0 FTE positions		922,600
Management services—24.0 FTE positions		1,725,800
Agricultural statistics—1.0 FTE position		143,700
Emergency management—2.5 FTE positions		243,300
Internal audit services		263,700
GROSS APPROPRIATION		\$ 3,685,900

Appropriated from:	
Private funds:	
Private - commodity group	\$ 78,400
Special revenue funds:	
Gasoline inspection and testing fund	61,200
Industry support funds.....	34,200
Nonretail liquor fees	8,800
Refined petroleum fund.....	50,400
State services fee fund	502,500
Upper Peninsula state fair revenue	9,000
State general fund/general purpose	\$ 2,941,400

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges.....	\$ 1,471,500
GROSS APPROPRIATION.....	\$ 1,471,500

Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	106,500
EPA, multiple grants.....	64,900
HHS-FDA	14,000
Special revenue funds:	
Agricultural preservation fund	23,900
Freshwater protection fund.....	10,100
Licensing and inspection fees.....	63,300
Nonretail liquor fees	8,400
Refined petroleum fund.....	114,000
State services fee fund	313,200
State general fund/general purpose	\$ 753,200

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions.....	115.0
Food safety and quality assurance—115.0 FTE positions	\$ 12,598,000
Local public health operations.....	8,878,700
GROSS APPROPRIATION.....	\$ 21,476,700

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCH, local public health operations	8,878,700
Federal revenues:	
DAG, multiple grants.....	27,100
HHS-FDA	380,300
Special revenue funds:	
Consumer and industry food safety education fund.....	260,500
Dairy and food safety fund	2,728,300
State general fund/general purpose	\$ 9,201,800

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions.....	70.0
Animal health and welfare—21.5 FTE positions	\$ 2,382,200
Bovine tuberculosis program—48.5 FTE positions.....	7,425,200
GROSS APPROPRIATION.....	\$ 9,807,400

Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	1,143,000
HHS-FDA	72,100
Special revenue funds:	
Agriculture equine industry development fund.....	712,000
Cervidae licensing and inspection fees	75,000

		For Fiscal Year Ending Sept. 30, 2009
Licensing and inspection fees.....	\$	106,900
State general fund/general purpose	\$	7,698,400

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions.....	134.5	
Pesticide and plant pest management—110.0 FTE positions	\$	12,173,000
Emerald ash borer control program—24.5 FTE positions		5,191,400
GROSS APPROPRIATION.....	\$	17,364,400
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....		6,679,300
EPA, multiple grants.....		891,500
HHS-FDA		68,300
Special revenue funds:		
Private - slow-the-spread foundation.....		148,000
Commodity inspection fees		1,084,000
Horticulture fund.....		79,700
Industry support funds.....		340,900
Licensing and inspection fees.....		3,660,500
State general fund/general purpose	\$	4,412,200

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions.....	52.0	
Environmental stewardship—27.0 FTE positions.....	\$	2,811,500
Groundwater and freshwater protection program—15.0 FTE positions		5,472,500
Farmland and open space preservation—9.0 FTE positions.....		985,500
Water withdrawal assessment program—1.0 FTE position		130,000
Technical assistance match		300,000
Cooperative resources management initiative program		1,000,000
Agriculture pollution prevention program.....		1,000,100
Local conservation districts.....		916,800
Migrant labor housing.....		425,100
Aquifer protection program.....		50,000
GROSS APPROPRIATION.....	\$	13,091,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDEQ, aquifer protection and dispute resolution.....		50,000
IDG from MDEQ, biosolids.....		92,500
IDG from MDEQ, MAEAP		159,100
IDG from MDEQ, type II well survey		17,000
IDG from MDNR, district forestry and wildlife program		1,000,000
Federal revenues:		
DAG, multiple grants.....		1,000,000
EPA, multiple grants.....		445,700
Corporation for national and community services.....		253,600
United States department of labor		400,000
Special revenue funds:		
Agricultural preservation fund		875,900
Agriculture pollution prevention fund		100
Freshwater protection fund.....		5,164,100
Migratory labor housing.....		25,000
State general fund/general purpose	\$	3,608,500

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions.....	131.0	
Laboratory services—63.0 FTE positions	\$	6,318,800
USDA monitoring program—17.0 FTE positions		2,134,200
Consumer protection program—51.0 FTE positions		5,135,200
GROSS APPROPRIATION.....	\$	13,588,200

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), liquor quality testing fees	\$ 189,100
Federal revenues:	
DAG, multiple grants.....	2,156,200
EPA, multiple grants	351,200
HHS-FDA	543,000
Special revenue funds:	
Gasoline inspection and testing fund	2,532,500
Licensing and inspection fees	75,100
Refined petroleum fund	3,174,600
State services fee fund	519,700
Testing fees.....	434,500
Weights and measures regulation fees.....	674,800
State general fund/general purpose	\$ 2,937,500

Sec. 109. AGRICULTURE DEVELOPMENT

Full-time equated classified positions.....	9.0
Agriculture development—6.0 FTE positions.....	\$ 1,072,000
Grape and wine program—3.0 FTE positions.....	717,100
Export market development program.....	50,000
Michigan agricultural surplus system.....	630,500
GROSS APPROPRIATION.....	\$ 2,469,600

Appropriated from:	
Interdepartmental grant revenues:	
IDG from DHS, food bank	150,000
Federal revenues:	
DAG, multiple grants.....	275,200
Special revenue funds:	
Private - commodity group	10,800
Industry support funds.....	311,900
Nonretail liquor fees	660,900
State services fee fund	350,700
State general fund/general purpose	\$ 710,100

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions.....	15.5
Upper Peninsula state fair—6.0 FTE positions.....	\$ 1,372,600
Fairs, racing and producer security—9.5 FTE positions	1,154,600
Building and track improvement - county and state fairs	480,000
Premiums - county and state fairs	1,614,000
Purses and supplements - fairs/licensed tracks	2,601,300
Licensed tracks - light horse racing.....	144,900
Standardbred breeders' awards.....	1,063,600
Standardbred purses and supplements - licensed tracks	1,963,900
Standardbred sire stakes	889,100
Thoroughbred sire stakes	911,000
Standardbred training and stabling	39,500
Thoroughbred program	2,634,200
Thoroughbred owners' awards.....	136,100
Distribution of outstanding winning tickets	768,300
GROSS APPROPRIATION.....	\$ 15,773,100

Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	11,631,900
Industry support funds.....	10,900
Licensing and inspection fees.....	132,600
State services fee fund	2,625,100
Upper Peninsula state fair revenue	1,372,600
State general fund/general purpose	\$ 0

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions.....	30.0	
Office of racing commissioner—30.0 FTE positions.....	\$	3,811,000
GROSS APPROPRIATION.....	\$	3,811,000
Appropriated from:		
Special revenue funds:		
State services fee fund		3,811,000
State general fund/general purpose	\$	0

Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	1,525,000
GROSS APPROPRIATION.....	\$	1,525,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees		2,800
Special revenue funds:		
Agricultural preservation fund		200
Agriculture equine industry development fund.....		204,500
Gasoline inspection and testing fund		27,000
Freshwater protection fund.....		100
Nonretail liquor fees		500
State services fee fund		1,063,500
Upper Peninsula state fair revenue		900
State general fund/general purpose	\$	225,500

Sec. 113. CAPITAL OUTLAY

Farmland and open space development acquisition	\$	3,750,000
GROSS APPROPRIATION.....	\$	3,750,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....		1,250,000
Special revenue funds:		
Agricultural preservation fund		2,500,000
State general fund/general purpose	\$	0

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 \$80,916,000.00 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

Groundwater and freshwater protection program	\$	1,500,000
Local conservation districts		916,800
TOTAL	\$	2,416,800

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "Department" means the department of agriculture.

- (c) "Director" means the director of the department.
- (d) "DHS" means the department of human services.
- (e) "EPA" means the United States environmental protection agency.
- (f) "FTE" means full-time equated.
- (g) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (h) "IDG" means interdepartmental grant.
- (i) "MAEAP" means the Michigan agriculture environmental assurance program.
- (j) "MDCH" means the Michigan department of community health.
- (k) "MDEQ" means the Michigan department of environmental quality.
- (l) "MDLEG (LCC)" means the Michigan department of labor and economic growth - liquor control commission.
- (m) "USDA" means the United States department of agriculture.

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

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

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

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

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

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

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

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock killed by a wolf, coyote, or cougar, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.745. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

Sec. 214. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department

provides notice of the grant to the house and senate appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

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

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

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

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

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

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

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

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

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

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

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

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

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

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

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

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

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

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

(3) As used in this section:

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

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

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

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

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

Sec. 234. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

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

EXECUTIVE

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

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (d) Pesticide and plant pest management bean inspection and grading services.
- (e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (g) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (h) Laboratory support test samples for other agencies and organizations.
- (i) Fruit and vegetable inspection at shipping and termination points and processing plants.

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

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

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

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

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

FOOD AND DAIRY

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

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

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

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

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

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

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

ANIMAL INDUSTRY

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

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

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

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

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

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

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

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

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

Sec. 460. All appropriations from the agriculture equine industry development fund shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the fiscal year ending September 30, 2009 to a level lower than the amount appropriated in part 1.

LABORATORY SERVICES

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

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 551. It is the intent of the legislature that the department work with the fruit and vegetable industry to ensure the development of a sustainable system of third-party inspections of fruits and vegetables.

ENVIRONMENTAL STEWARDSHIP

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

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

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

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

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

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

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

AGRICULTURE DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

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

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

FAIRS AND EXPOSITIONS

Sec. 801. Within 60 days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. The report shall identify actual revenue and fund balance through the preceding fiscal quarter and estimated revenue and fund balance through the end of the fiscal year. The report shall identify simulcast racing revenue generated by each licensed track, license fees, and revenue generated from the casino wagering tax.

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

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

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

Sec. 805. On November 1, 2008 and April 1, 2009, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on the spending targets or budgeted amounts from the agriculture equine industry development fund by line item for the fiscal year

ending September 30, 2009. The report shall compare the spending targets to the appropriated amounts for each line item.

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

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

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

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

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

OFFICE OF RACING COMMISSIONER

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

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

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

CAPITAL OUTLAY

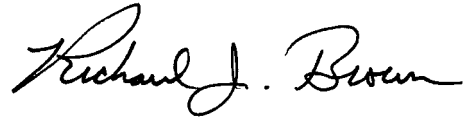
Sec. 1001. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

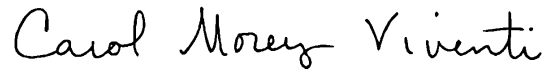
(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1003. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

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Governor