

**SUBSTITUTE FOR  
SENATE BILL NO. 169**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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:**

<b>1</b>	PART 1
<b>2</b>	LINE-ITEM APPROPRIATIONS
<b>3</b>	FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2012, 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..... 2.0

Full-time equated classified positions..... 441.0

GROSS APPROPRIATION..... \$ 72,219,300

Interdepartmental grant revenues:

IDG from LARA (LCC), liquor quality testing fees ..... 197,600

IDG from MDNRE, biosolids..... 100,000

Total interdepartmental grants and intradepartmental

transfers ..... 297,600

ADJUSTED GROSS APPROPRIATION..... \$ 71,921,700

Federal revenues:

USDA, multiple grants..... 10,873,300

EPA, multiple grants..... 1,635,700

HHS-FDA..... 1,203,900

United States department of labor..... 471,800

Total federal revenues..... 14,184,700

Special revenue funds:

Total local revenues..... 0

Private - slow-the-spread foundation..... 83,300

Private - commodity group revenue..... 88,000

Total private revenues..... 171,300

1	Agricultural preservation fund.....	2,031,100
2	Agriculture equine industry development fund.....	3,773,300
3	Agriculture pollution prevention fund.....	100
4	Animal welfare fund.....	144,500
5	Commodity inspection fees.....	832,400
6	Consumer and industry food safety education fund.....	290,200
7	Dairy and food safety fund.....	3,006,600
8	Freshwater protection fund.....	5,094,100
9	Gasoline inspection and testing fund.....	2,747,800
10	Grain dealer fee fund.....	222,500
11	Horticulture fund.....	72,800
12	Industry support funds.....	535,300
13	Licensing and inspection fees.....	4,188,800
14	Migrant housing inspection fees.....	114,200
15	Migratory labor housing fund.....	29,000
16	Nonretail liquor fees.....	716,800
17	Refined petroleum fund.....	3,870,900
18	Testing fees.....	447,500
19	Weights and measures regulation fees.....	745,100
20	Total other state restricted revenues.....	28,863,000
21	State general fund/general purpose.....	\$ 28,702,700
22	<b>Sec. 102. EXECUTIVE</b>	
23	Full-time equated unclassified positions..... 2.0	
24	Full-time equated classified positions..... 26.0	
25	Commissions and boards.....	\$ 23,800
26	Unclassified positions--2.0 FTE positions.....	213,300
27	Executive direction--8.0 FTE positions.....	1,050,600

1	Management services--15.0 FTE positions .....	981,100
2	Statistical reporting service--1.0 FTE positions .....	158,300
3	Emergency management--2.0 FTE positions .....	243,600
4	Accounting service center.....	<u>878,300</u>
5	GROSS APPROPRIATION.....	\$ 3,549,000
6	Appropriated from:	
7	Special revenue funds:	
8	Private - commodity group revenue .....	88,000
9	Industry support funds.....	40,500
10	Nonretail liquor fees.....	8,800
11	Refined petroleum fund.....	57,800
12	State general fund/general purpose .....	\$ 3,353,900
13	<b>Sec. 103. DEPARTMENTWIDE</b>	
14	Rent and building occupancy charges .....	\$ <u>991,900</u>
15	GROSS APPROPRIATION.....	\$ 991,900
16	Appropriated from:	
17	Federal revenues:	
18	USDA, multiple grants.....	224,600
19	EPA, multiple grants.....	174,100
20	HHS-FDA.....	43,300
21	Special revenue funds:	
22	Agricultural preservation fund.....	22,700
23	Freshwater protection fund.....	33,500
24	Licensing and inspection fees.....	156,800
25	Nonretail liquor fees.....	28,800
26	Refined petroleum fund.....	257,200
27	State general fund/general purpose .....	\$ 50,900

1	<b>Sec. 104. INFORMATION AND TECHNOLOGY</b>		
2	Information technology services and projects .....	\$	<u>1,303,400</u>
3	GROSS APPROPRIATION.....	\$	1,303,400
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG from LARA (LCC), liquor quality testing fees .....		2,800
7	Special revenue funds:		
8	Agricultural preservation fund.....		200
9	Agriculture equine industry development fund.....		93,600
10	Freshwater protection fund.....		100
11	Gasoline inspection testing fund.....		27,400
12	Licensing and inspection fees.....		28,300
13	Nonretail liquor fees.....		500
14	State general fund/general purpose .....	\$	1,150,500
15	<b>Sec. 105. FOOD AND DAIRY</b>		
16	Full-time equated classified positions..... 104.0		
17	Food safety and quality assurance--81.0 FTE positions	\$	9,931,600
18	Milk safety and quality assurance--23.0 FTE positions		<u>3,037,900</u>
19	GROSS APPROPRIATION.....	\$	12,969,500
20	Appropriated from:		
21	Federal revenues:		
22	USDA, multiple grants.....		234,900
23	HHS-FDA.....		451,600
24	Special revenue funds:		
25	Consumer and industry food safety education fund .....		290,200
26	Dairy and food safety fund.....		3,006,600
27	State general fund/general purpose .....	\$	8,986,200

1     **Sec. 106. ANIMAL INDUSTRY**

2     Full-time equated classified positions..... 64.0

3     Animal disease prevention and response--64.0 FTE

4     positions ..... \$ 8,889,400

5     GROSS APPROPRIATION..... \$ 8,889,400

6     Appropriated from:

7     Federal revenues:

8     USDA, multiple grants..... 1,233,500

9     HHS-FDA..... 40,600

10    Special revenue funds:

11    Animal welfare fund..... 144,500

12    Licensing and inspection fees..... 113,100

13    State general fund/general purpose..... \$ 7,357,700

14    **Sec. 107. PESTICIDE AND PLANT PEST MANAGEMENT**

15    Full-time equated classified positions..... 99.0

16    Pesticide and plant pest management--88.0 FTE

17    positions ..... \$ 10,612,700

18    Emerald ash borer control program--7.0 FTE positions . 1,822,600

19    Producer security/grain dealers--4.0 FTE positions ... 543,400

20    GROSS APPROPRIATION..... \$ 12,978,700

21    Appropriated from:

22    Federal revenues:

23    USDA, multiple grants..... 2,942,100

24    EPA, multiple grants..... 738,800

25    HHS-FDA..... 109,200

26    Special revenue funds:

27    Private - slow-the-spread foundation..... 83,300

1	Commodity inspection fees.....	832,400
2	Grain dealers fee fund.....	222,500
3	Horticulture fund.....	72,800
4	Industry support funds.....	336,300
5	Licensing and inspection fees.....	3,808,700
6	State general fund/general purpose.....	\$ 3,832,600
7	<b>Sec. 108. ENVIRONMENTAL STEWARDSHIP</b>	
8	Full-time equated classified positions.....	43.0
9	Environmental stewardship--18.0 FTE positions.....	\$ 6,133,800
10	Michigan agriculture environmental assurance program--	
11	3.0 FTE positions .....	552,600
12	Farmland and open space preservation--9.0 FTE	
13	positions .....	958,200
14	Local conservation districts.....	100
15	Migrant labor housing--6.0 FTE positions.....	1,162,300
16	Right-to-farm--3.0 FTE positions.....	519,000
17	Intercounty drain--4.0 FTE positions.....	<u>425,000</u>
18	GROSS APPROPRIATION.....	\$ 9,751,000
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	IDG from MDNRE, biosolids.....	100,000
22	Federal revenues:	
23	USDA, multiple grants.....	1,000,000
24	EPA, multiple grants.....	361,200
25	United States department of labor.....	471,800
26	Special revenue funds:	
27	Agricultural preservation fund.....	958,200

1	Agriculture pollution prevention fund.....	100
2	Freshwater protection fund.....	5,060,500
3	Migrant housing inspection fees.....	114,200
4	Migratory labor housing fund.....	29,000
5	State general fund/general purpose.....	\$ 1,656,000
6	<b>Sec. 109. LABORATORY PROGRAM</b>	
7	Full-time equated classified positions.....	94.0
8	Laboratory services--42.0 FTE positions.....	\$ 5,564,600
9	USDA monitoring--13.0 FTE positions.....	2,452,000
10	Consumer protection program--39.0 FTE positions.....	<u>5,571,300</u>
11	GROSS APPROPRIATION.....	\$ 13,587,900
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from LARA (LCC), liquor quality testing fees.....	194,800
15	Federal revenues:	
16	USDA, multiple grants.....	2,474,700
17	EPA, multiple grants.....	361,600
18	HHS-FDA.....	559,200
19	Special revenue funds:	
20	Agriculture equine industry development fund.....	557,800
21	Gasoline inspection and testing fund.....	2,720,400
22	Licensing and inspection fees.....	81,900
23	Refined petroleum fund.....	3,555,900
24	Testing fees.....	447,500
25	Weights and measures regulation fees.....	745,100
26	State general fund/general purpose.....	\$ 1,889,000
27	<b>Sec. 110. AGRICULTURE DEVELOPMENT</b>	



1	Full-time equated classified positions.....	8.0		
2	Agriculture development--5.0 FTE positions.....		\$	2,040,300
3	Grape and wine program--3.0 FTE positions.....			<u>736,300</u>
4	GROSS APPROPRIATION.....		\$	2,776,600
5	Appropriated from:			
6	Federal revenues:			
7	USDA, multiple grants.....			1,513,500
8	Special revenue funds:			
9	Industry support funds.....			158,500
10	Nonretail liquor fees.....			678,700
11	State general fund/general purpose.....		\$	425,900
12	<b>Sec. 111. FAIRS AND EXPOSITIONS</b>			
13	Full-time equated classified positions.....	3.0		
14	Fairs and racing--3.0 FTE positions.....		\$	331,300
15	Purses and supplements - fairs/licensed tracks.....			611,400
16	Licensed tracks - light horse racing.....			34,100
17	Standardbred breeders' awards.....			250,000
18	Standardbred purses and supplements - licensed tracks			461,600
19	Standardbred sire stakes.....			209,000
20	Standardbred training and stabling.....			9,300
21	Thoroughbred owners' awards.....			31,900
22	Thoroughbred supplements - licensed tracks.....			309,600
23	Thoroughbred breeder's awards.....			309,600
24	Thoroughbred sire stakes.....			214,100
25	Distribution of outstanding winning tickets.....			<u>350,000</u>
26	GROSS APPROPRIATION.....		\$	3,121,900
27	Appropriated from:			

1	Special revenue funds:	
2	Agriculture equine industry development fund.....	3,121,900
3	State general fund/general purpose.....	\$ 0
4	<b>Sec. 112. CAPITAL OUTLAY</b>	
5	Farmland and open space development acquisition.....	\$ <u>2,300,000</u>
6	GROSS APPROPRIATION.....	\$ 2,300,000
7	Appropriated from:	
8	Federal revenues:	
9	USDA, multiple grants.....	1,250,000
10	Special revenue funds:	
11	Agriculture preservation fund.....	1,050,000
12	State general fund/general purpose.....	\$ 0

13 PART 2

14 PROVISIONS CONCERNING APPROPRIATIONS

15 FOR FISCAL YEAR 2011-2012

16 GENERAL SECTIONS

17 Sec. 201. Pursuant to section 30 of article IX of the state

18 constitution of 1963, total state spending from state resources

19 under part 1 for fiscal year 2011-2012 is \$57,565,700.00 and state

20 spending from state resources to be paid to local units of

21 government for fiscal year 2011-2012 is \$1,500,000.00. The itemized

22 statement below identifies appropriations from which spending to

23 local units of government will occur:

24 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

25	Environmental protection.....	\$ <u>1,500,000</u>
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1 TOTAL..... \$ 1,500,000

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

5 Sec. 203. As used in this act:

6 (a) "Department" means the department of agriculture and rural  
7 development.

8 (b) "Director" means the director of the department.

9 (c) "EPA" means the United States environmental protection  
10 agency.

11 (d) "FTE" means full-time equated.

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

14 (f) "IDG" means interdepartmental grant.

15 (g) "LARA" means the Michigan department of licensing and  
16 regulatory affairs.

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

19 (i) "USDA" means the United States department of agriculture.

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

25 Sec. 206. (1) In addition to the funds appropriated in part 1,  
26 there is appropriated an amount not to exceed \$5,000,000.00 for  
27 federal contingency funds. These funds are not available for

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

4 (2) In addition to the funds appropriated in part 1, there is  
5 appropriated an amount not to exceed \$6,000,000.00 for state  
6 restricted contingency funds. These funds are not available for  
7 expenditure until they have been transferred to another line item  
8 in this act under section 393(2) of the management and budget act,  
9 1984 PA 431, MCL 18.1393.

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

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

22 Sec. 207. (1) The department shall maintain a searchable  
23 website accessible by the public at no cost that includes, but is  
24 not limited to, all of the following:

25 (a) Fiscal year-to-date expenditures by category.

26 (b) Fiscal year-to-date expenditures by appropriation unit.

27 (c) Fiscal year-to-date payments to a selected vendor,

1 including the vendor name, payment date, payment amount, and  
2 payment description.

3 (d) The number of active department employees by job  
4 classification.

5 (e) Job specifications and wage rates.

6 (2) The department may develop and operate its own website to  
7 provide this information or may reference the state's central  
8 transparency website as the source for this information.

9 Sec. 208. Unless otherwise specified, the departments shall  
10 use the Internet to fulfill the reporting requirements of this act.  
11 This requirement may include transmission of reports via electronic  
12 mail to the recipients identified for each reporting requirement,  
13 or it may include placement of reports on an Internet or Intranet  
14 site.

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

25 Sec. 211. Amounts appropriated in part 1 for information  
26 technology may be designated as work projects and carried forward  
27 to support technology projects under the direction of the

1 department of technology, management, and budget. Funds designated  
2 in this manner are not available for expenditure until approved as  
3 work projects under section 451a of the management and budget act,  
4 1984 PA 431, MCL 18.1451a.

5       Sec. 212. The department and agencies receiving appropriations  
6 in part 1 shall receive and retain copies of all reports funded  
7 from appropriations in part 1. Federal and state guidelines for  
8 short-term and long-term retention of records shall be followed.  
9 The department may electronically retain copies of reports unless  
10 otherwise required by federal and state guidelines.

11       Sec. 214. From the funds appropriated in part 1 for  
12 information technology, departments and agencies shall pay user  
13 fees to the department of technology, management, and budget for  
14 technology-related services and projects. The user fees shall be  
15 subject to provisions of an interagency agreement between the  
16 department and agencies and the department of technology,  
17 management, and budget.

18       Sec. 215. The department shall not take disciplinary action  
19 against an employee for communicating with a member of the  
20 legislature or his or her staff.

21       Sec. 228. Not later than November 15, the department shall  
22 prepare and transmit a report that provides for estimates of the  
23 total general fund/general purpose appropriation lapses at the  
24 close of the fiscal year. This report shall summarize the projected  
25 year-end general fund/general purpose appropriation lapses by major  
26 departmental program or program areas. The report shall be  
27 transmitted to the office of the state budget, the chairpersons of

1 the senate and house of representatives standing committees on  
2 appropriations, and the senate and house fiscal agencies.

3 Sec. 229. Within 14 days after the release of the executive  
4 budget recommendation, the department shall provide the state  
5 budget director, the senate and house appropriations chairs, the  
6 senate and house appropriations subcommittees on [insert department  
7 name], respectively, and the senate and house fiscal agencies with  
8 an annual report on estimated state restricted fund balances, state  
9 restricted fund projected revenues, and state restricted fund  
10 expenditures for the fiscal years ending September 30, 2011 and  
11 September 30, 2012.

#### 12 **EXECUTIVE**

13 Sec. 301. (1) Pursuant to the appropriations in part 1, the  
14 department may receive and expend revenue and use that revenue to  
15 cover necessary expenses related to publications, audit and  
16 licensing functions, livestock sales, certification of nursery  
17 stock, and laboratory analyses as specified in the following:

18 (a) Management services publications.

19 (b) Management services audit and licensing functions.

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

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

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

26 (f) Laboratory support analyses to determine foreign

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

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

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

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

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

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

22 Sec. 302. Of the funds appropriated in part 1 that are other  
23 than line-item grants, the department shall not provide grants to  
24 local government agencies, institutions of higher education, or  
25 nonprofit organizations unless the department provides notice of  
26 the grant to the senate and house appropriations subcommittees on  
27 agriculture at least 10 days before the grant is issued. The grants



1 shall be used to support research or other related activities for  
2 the purpose of enhancing the agricultural industries in this state.

3 **FOOD AND DAIRY**

4 Sec. 402. Not later than April 1, 2012, the department shall  
5 provide a report to the senate and house appropriations  
6 subcommittees on agriculture and the senate and house fiscal  
7 agencies describing significant food-borne outbreaks and  
8 emergencies, including any enforcement actions taken related to  
9 food safety during the 2010-2011 fiscal year.

10 **ANIMAL INDUSTRY**

11 Sec. 450. From the funds appropriated in section 106 for the  
12 bovine tuberculosis program, the department shall reimburse the  
13 department of natural resources for those costs associated with  
14 monitoring and testing wildlife for bovine tuberculosis that are  
15 necessary to support the department goals and are jointly agreed to  
16 by the department and the department of natural resources to be in  
17 excess of efforts necessary to effectively plan and execute the  
18 eradication of bovine tuberculosis from Michigan's wild free-  
19 ranging deer herd.

20 Sec. 451. From the funds appropriated in section 106 for  
21 bovine tuberculosis, the department shall pay for all whole herd  
22 testing costs and individual animal testing costs in the modified  
23 accredited zone to maintain split-state status requirements. These  
24 costs include indemnity and compensation for injury causing death  
25 or downer to animals.

1       Sec. 453. (1) Of the funds appropriated in part 1, the  
2 department may provide for indemnity as provided for pursuant to  
3 the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not  
4 to exceed \$100,000.00 per order from any line item for the fiscal  
5 year ending September 30, 2012. Before the department provides for  
6 an indemnification under this section, the department shall report  
7 the reason for the indemnification, the amount of the  
8 indemnification, and to whom the indemnification is to be paid. The  
9 report shall be given to each member of the senate and house  
10 appropriations subcommittees on agriculture and to the senate and  
11 house fiscal agencies and to the state budget director.

12       (2) The department of agriculture and rural development shall  
13 make an indemnification payment for the fair market value of  
14 livestock killed by a wolf, coyote, or cougar, if the kill is  
15 verified by the department of natural resources. The fair market  
16 value of the livestock shall be determined pursuant to the  
17 indemnification procedures prescribed in the animal industry act,  
18 1988 PA 466, MCL 287.701 to 287.745. In addition to the funds  
19 appropriated in part 1, the department of agriculture and rural  
20 development is authorized to expend the funds received from the  
21 department of natural resources to reimburse the department of  
22 agriculture and rural development for all indemnification payments  
23 made pursuant to this subsection.

24       Sec. 454. The department shall use its resources to  
25 collaborate with the United States department of agriculture to  
26 obtain TB-free status for the area of the Lower Peninsula that is  
27 zoned as modified accredited advanced. The department shall also

1 aggressively work toward eradicating bovine TB in the modified  
2 accredited zone. The department shall also convene a workgroup to  
3 work toward eradicating bovine TB in the modified accredited zone.

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

9       Sec. 457. On or before October 15, 2011, and on a quarterly  
10 basis thereafter, the department shall report to the senate and  
11 house agriculture committees, the senate and house appropriations  
12 subcommittees on agriculture, and the senate and house fiscal  
13 agencies on the department's progress toward meeting the USDA  
14 requirements as outlined in the March 2007 bovine TB program  
15 review. The report shall include, but is not limited to,  
16 information and data on: wildlife risk mitigation plan  
17 implementation in the modified accredited zone; implementation of a  
18 movement certificate process; progress toward annual surveillance  
19 test requirements set out in the June 2007 MOU; efforts to work  
20 with slaughter facilities in Michigan, as well as those that  
21 slaughter a significant number of animals from Michigan;  
22 educational programs and information for Michigan's livestock  
23 community; any other item the legislature should be aware of that  
24 will promote or hinder efforts to achieve bovine TB-free status for  
25 Michigan.

26       Sec. 458. From the funds appropriated in section 106 for  
27 animal industry, the department shall provide inspection and

1 testing of aquaculture facilities and aquaculture researchers as  
2 provided under section 7 of the Michigan aquaculture development  
3 act, 1996 PA 199, MCL 286.877. It is the intent of the legislature  
4 that the department shall work with aquaculture facilities and  
5 aquaculture researchers to identify, contain, and eradicate viral  
6 hemorrhagic septicemia in this state.

7 **PESTICIDE AND PLANT PEST MANAGEMENT**

8 Sec. 551. (1) It is the intent of the legislature that the  
9 department work with the fruit and vegetable industry to ensure the  
10 development of a sustainable system of third-party inspections of  
11 fruits and vegetables.

12 (2) From the funds appropriated in part 1 for pesticide and  
13 plant pest management, not less than \$200,000.00 shall be used for  
14 the purpose to ensure that Michigan commodities receive  
15 departmental inspections required by other governments to ship  
16 commodities out of Michigan. The department shall devise a plan to  
17 provide these required government inspections in a timely manner.

18 **ENVIRONMENTAL STEWARDSHIP**

19 Sec. 601. The part 1 appropriation line item environmental  
20 stewardship shall be used to support department agriculture  
21 pollution prevention programs, including groundwater and freshwater  
22 protection programs under part 87 of the Michigan natural resources  
23 and environmental protection act, 1994 PA 451, MCL 324.8701 to  
24 324.8717, and technical assistance in implementing conservation  
25 grants available under the federal farm bill of 2008.

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

4       Sec. 607. (1) It is the intent of the legislature that the  
5 department continue its activities in support of intercounty  
6 drainage districts as provided in chapter 5 of the drain code of  
7 1956, 1956 PA 40, MCL 280.101 to 280.106.

8       (2) The department shall work with representatives of  
9 intercounty drainage districts to develop a mutually agreeable  
10 method of funding department costs associated with the intercounty  
11 drainage program.

#### 12    AGRICULTURE DEVELOPMENT

13       Sec. 706. Not later than April 1, 2012, the department shall  
14 provide a report to the senate and house appropriations  
15 subcommittees on agriculture and the senate and house fiscal  
16 agencies describing the department's agriculture development and  
17 export market development activities. The report shall identify  
18 grants awarded during the prior fiscal year, including a  
19 description of federal or private funds made available as a result  
20 of department activities.

21       Sec. 709. (1) Not later than April 1, 2012, the department  
22 shall provide a report to the senate and house appropriations  
23 subcommittees on agriculture and the senate and house fiscal  
24 agencies describing the activities of the grape and wine industry  
25 council established under section 303 of the Michigan liquor  
26 control act of 1998, 1998 PA 58, MCL 436.1303.

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

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

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

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

10 **FAIRS AND EXPOSITIONS**

11 Sec. 801. All appropriations from the agricultural equine  
12 industry development fund shall be spent on equine-related  
13 purposes. No funds from the agriculture equine industry development  
14 fund shall be expended for nonequine-related purposes without prior  
15 approval of the legislature.

16 Sec. 802. All appropriations from the agriculture equine  
17 industry development fund, except for the racing commission and  
18 laboratory analysis program appropriations, shall be reduced  
19 proportionately if revenues to the agriculture equine industry  
20 development fund decline during the fiscal year ending September  
21 30, 2011 to a level lower than the amounts appropriated in section  
22 108.

23 Sec. 803. In the event there is no live thoroughbred race meet  
24 in 2011 or 2012, all purse money and program money appropriated for  
25 the thoroughbred industry in fiscal year 2010-2011 and fiscal year  
26 2011-2012 shall be held in escrow for a period not to exceed 18

1 months, or until a thoroughbred race meet license is applied for  
2 and granted by the Michigan gaming control board. In the event  
3 there is no thoroughbred meet in 2011 or 2012, the purse pool  
4 distribution order to be issued by the Michigan gaming control  
5 board in 2012 that delineates distribution between the thoroughbred  
6 meet that has been held at pinnacle race course and the joint  
7 thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the  
8 same distribution formula as issued in 2011, with the thoroughbred  
9 portion being held in escrow.

10       Sec. 804. The Michigan gaming control board shall use actual  
11 expenditure data in determining the actual regulatory costs of  
12 conducting racing dates and shall provide that data to the senate  
13 and house of representatives appropriations subcommittees on  
14 agriculture and general government and the senate and house fiscal  
15 agencies. The Michigan gaming control board shall not be reimbursed  
16 for more than the actual regulatory cost of conducting race dates.  
17 If a certified horsemen's organization funds more than the actual  
18 regulatory cost, the balance shall remain in the agriculture equine  
19 industry development fund to be used to fund subsequent race dates  
20 conducted by race meeting licensees with which the certified  
21 horsemen's organization has contracts. If a certified horsemen's  
22 organization funds less than the actual regulatory costs of the  
23 additional horse racing dates, the Michigan gaming control board  
24 shall reduce the number of future race dates conducted by race  
25 meeting licensees with which the certified horsemen's organization  
26 has contracts. Prior to the reduction in the number of authorized  
27 race dates due to budget deficits, the executive director of the

1 Michigan gaming control board shall provide notice to the certified  
2 horsemen's organizations with an opportunity to respond with  
3 alternatives. In determining actual costs, the Michigan gaming  
4 control board shall take into account that each specific breed may  
5 require different regulatory mechanisms.

6 **CAPITAL OUTLAY**

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

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

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



## PART 2A

## PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

FOR FISCAL YEAR 2012-2013

## GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference.