

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:

1	PART 1
2	LINE-ITEM APPROPRIATIONS
3	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 AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions..... 2.0

Full-time equated classified positions..... 433.0

GROSS APPROPRIATION..... \$ 71,819,300

Interdepartmental grant revenues:

IDG-MDELEG (LCC), liquor quality testing fees..... 197,600

IDG-MDEQ, biosolids..... 100,000

Total interdepartmental grants and intradepartmental

transfers 297,600

ADJUSTED GROSS APPROPRIATION..... \$ 71,521,700

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	Agriculture 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	Horticulture fund.....	72,800
11	Industry support funds.....	535,300
12	Licensing and inspection fee.....	4,188,800
13	Migrant housing inspection fee.....	114,200
14	Migrant labor housing fund.....	29,000
15	Nonretail liquor fees.....	716,800
16	Refined petroleum fund.....	3,870,900
17	Testing fees.....	447,500
18	Grain dealer's fee fund.....	522,500
19	Weights and measures regulation fees.....	745,100
20	Total other state restricted revenues.....	29,163,000
21	State general fund/general purpose.....	\$ 28,002,700
22	Sec. 102. EXECUTIVE	
23	Full-time equated unclassified positions.....	2.0
24	Full-time equated classified positions.....	10.0
25	Commissions and boards.....	\$ 23,700
26	Unclassified positions.....	213,400
27	Executive direction--8.0 FTE positions.....	1,050,400

1	Emergency management--2.0 FTE positions		<u>243,700</u>
2	GROSS APPROPRIATION.....	\$	1,531,200
3	Appropriated from:		
4	Special revenue funds:		
5	Industry support funds.....		40,500
6	Nonretail liquor fees.....		8,800
7	State general fund/general purpose.....	\$	1,481,900
8	Sec. 103. DEPARTMENTWIDE		
9	Full-time equated classified positions..... 16.0		
10	Rent and building occupancy charges.....	\$	991,800
11	Operational services--15.0 FTE positions.....		981,200
12	Statistical reporting service--1.0 FTE positions.....		158,200
13	Accounting service center.....		<u>878,400</u>
14	GROSS APPROPRIATION.....	\$	3,009,600
15	Appropriated from:		
16	Federal revenues:		
17	USDA - multiple grants.....		224,600
18	EPA - multiple grants.....		174,100
19	HHS-FDA.....		43,300
20	Special revenue funds:		
21	Private - commodity group.....		88,000
22	Agriculture 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.....		315,000
27	State general fund/general purpose.....	\$	1,922,800

1 **Sec. 104. FOOD AND DAIRY**

2	Full-time equated classified positions.....	101.0	
3	Food safety and quality assurance--81.0 FTE positions		\$ 9,931,500
4	Milk safety and quality assurance--20.0 FTE positions		<u>3,037,900</u>
5	GROSS APPROPRIATION.....		\$ 12,969,400
6	Appropriated from:		
7	Federal revenues:		
8	USDA - multiple grants.....		234,900
9	HHS-FDA.....		451,600
10	Special revenues funds:		
11	Consumer and industry food safety education fund.....		290,200
12	Dairy and food safety fund.....		3,006,600
13	State general fund/general purpose.....		\$ 8,986,100

14 **Sec. 105. ANIMAL INDUSTRY**

15	Full-time equated classified positions.....	64.0	
16	Animal disease prevention and response--64.0 FTE		
17	positions		\$ <u>9,039,500</u>
18	GROSS APPROPRIATION.....		\$ 9,039,500
19	Appropriated from:		
20	Federal revenues:		
21	USDA - multiple grants.....		1,233,500
22	HHS-FDA.....		40,600
23	Special revenue funds:		
24	Animal welfare fund.....		144,500
25	Licensing and inspection fees.....		113,100
26	State general fund/general purpose.....		\$ 7,507,800

27 **Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT**

1	Full-time equated classified positions.....	99.0	
2	Pesticide and plant pest management--88.0 FTE		
3	positions		\$ 10,612,700
4	Emerald ash borer control program--7.0 FTE positions .		1,822,500
5	Producer security/grain dealers--4.0 FTE positions ...		<u>543,400</u>
6	GROSS APPROPRIATION.....		\$ 12,978,600
7	Appropriated from:		
8	Federal revenues:		
9	USDA - multiple grants.....		2,942,100
10	EPA - multiple grants.....		738,800
11	HHS-FDA.....		109,200
12	Special revenue funds:		
13	Private - slow the spread foundation.....		83,300
14	Commodity inspection fees.....		832,400
15	Horticulture fund.....		72,800
16	Industry support funds.....		336,300
17	Grain dealer's fee fund.....		522,500
18	Licensing and inspection fees.....		3,808,700
19	State general fund/general purpose.....		\$ 3,532,500
20	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
21	Full-time equated classified positions.....	39.0	
22	Michigan agricultural environmental assurance program--3.0 FTE		
23	positions		\$ 264,700
24	Groundwater and freshwater protection program--18.0		
25	FTE positions		5,421,600
26	Farmland and open space preservation--9.0 FTE		
27	positions		958,300

1	Agriculture pollution prevention program.....	1,000,000
2	Local conservation districts.....	100
3	Migrant labor housing--6.0 FTE positions.....	1,162,400
4	Right-to-farm--3.0 FTE positions.....	<u>518,900</u>
5	GROSS APPROPRIATION.....	\$ 9,326,000
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG-MDEQ, biosolids.....	100,000
9	Federal revenues:	
10	USDA - multiple grants.....	1,000,000
11	EPA - multiple grants.....	361,200
12	United states department of labor.....	471,800
13	Special revenue funds:	
14	Agriculture preservation fund.....	958,200
15	Agriculture pollution prevention fund.....	100
16	Freshwater protection fund.....	5,060,500
17	Migrant housing inspection fees.....	114,200
18	Migratory labor housing fund.....	29,000
19	State general fund/general purpose.....	\$ 1,231,000
20	Sec. 108. LABORATORY PROGRAM	
21	Full-time equated classified positions.....	94.0
22	Laboratory services--42.0 FTE positions.....	\$ 5,564,700
23	USDA monitoring program--13.0 FTE positions.....	2,451,900
24	Consumer protection program--39.0 FTE positions.....	<u>5,571,400</u>
25	GROSS APPROPRIATION.....	\$ 13,588,000
26	Appropriated from:	
27	Interdepartmental grant revenues:	

1	IDG-MDELEG (LCC), liquor quality testing fees	194,800
2	Federal revenues:	
3	USDA - multiple grants	2,474,700
4	EPA - multiple grants	361,600
5	HHS-FDA	559,200
6	Special revenue funds:	
7	Agriculture equine industry development fund	557,800
8	Gasoline inspection and testing fund	2,720,400
9	Licensing and inspection fees	81,900
10	Refined petroleum fund	3,555,900
11	Testing fees	447,500
12	Weights and measures regulation fees	745,100
13	State general fund/general purpose	\$ 1,889,100
14	Sec. 109. AGRICULTURAL DEVELOPMENT	
15	Full-time equated classified positions	7.0
16	Agricultural development--4.0 FTE positions	\$ 1,915,200
17	Grape and wine program--3.0 FTE positions	<u>736,400</u>
18	GROSS APPROPRIATION	\$ 2,651,600
19	Appropriated from:	
20	Federal revenues:	
21	USDA - multiple grants	1,513,500
22	Special revenue funds:	
23	Industry support funds	158,500
24	Nonretail liquor fees	678,700
25	State general fund/general purpose	\$ 300,900
26	Sec. 110. FAIRS AND EXPOSITIONS	
27	Full-time equated classified positions	3.0

1	Fairs and racing--3.0 FTE positions	\$	331,200
2	Purses - fairs/licensed tracks		611,500
3	Licensed tracks - light horse racing		34,000
4	Standardbred breeders' awards		250,100
5	Standardbred supplements - licensed tracks		461,500
6	Standardbred sire stakes		209,100
7	Standardbred training and stabling		9,200
8	Thoroughbred owners' awards		32,000
9	Thoroughbred supplements - licensed tracks		309,500
10	Thoroughbred breeders' awards		309,700
11	Thoroughbred sire stakes		214,000
12	Distribution of outstanding winning tickets		<u>350,100</u>
13	GROSS APPROPRIATION	\$	3,121,900
14	Appropriated from:		
15	Special revenue funds:		
16	Agriculture equine industry development fund		3,121,900
17	State general fund/general purpose	\$	0
18	Sec. 111. INFORMATION AND TECHNOLOGY		
19	Information technology services and projects	\$	<u>1,303,500</u>
20	GROSS APPROPRIATION	\$	1,303,500
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG-DELEG (LCC), liquor quality testing fee		2,800
24	Special revenue funds:		
25	Agriculture preservation fund		200
26	Agriculture equine industry development fund		93,600
27	Gasoline inspection testing fund		27,400

1	Freshwater protection fund.....	100
2	Licensing and inspection fees.....	28,300
3	Nonretail liquor fees.....	500
4	State general fund/general purpose.....	\$ 1,150,600
5	Sec. 112. CAPITAL OUTLAY	
6	Farmland and open space development acquisition.....	\$ <u>2,300,000</u>
7	GROSS APPROPRIATION.....	\$ 2,300,000
8	Appropriated from:	
9	Federal revenues:	
10	USDA - multiple grants.....	1,250,000
11	Special revenue funds:	
12	Agriculture preservation fund.....	1,050,000
13	State general fund/general purpose.....	\$ 0

14 PART 2

15 PROVISIONS CONCERNING APPROPRIATIONS

16 FOR FISCAL YEAR 2011-2012

17 GENERAL SECTIONS

18 Sec. 201. Pursuant to section 30 of article IX of the state
 19 constitution of 1963, total state spending from state resources
 20 under part 1 for fiscal year 2011-2012 is \$57,165,700.00 and state
 21 spending from state resources to be paid to local units of
 22 government for fiscal year 2011-2012 is \$1,500,000.00. The itemized
 23 statement below identifies appropriations from which spending to
 24 local units of government will occur:

25 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

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

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

6 Sec. 203. As used in this act:

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

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

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

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

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

15 (f) "IDG" means interdepartmental grant.

16 (g) "MDELEG" means the Michigan department of energy, labor,
 17 and economic growth.

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

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

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

26 Sec. 209. Funds appropriated in part 1 shall not be used for
 27 the purchase of foreign goods or services, or both, if

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

9 Sec. 212. (1) Of the funds appropriated in part 1, the
10 department may provide for indemnity as provided for pursuant to
11 the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not
12 to exceed \$100,000.00 per order from any line item for the fiscal
13 year ending September 30, 2012. Before the department provides for
14 an indemnification under this section, the department shall report
15 the reason for the indemnification, the amount of the
16 indemnification, and to whom the indemnification is to be paid. The
17 report shall be given to each member of the senate and house
18 appropriations subcommittees on agriculture and to the senate and
19 house fiscal agencies and to the state budget director.

20 (2) The department of agriculture and rural development shall
21 make an indemnification payment for the fair market value of
22 livestock killed by a wolf, coyote, or cougar, if the kill is
23 verified by the department of natural resources. The fair market
24 value of the livestock shall be determined pursuant to the
25 indemnification procedures prescribed in the animal industry act,
26 1988 PA 466, MCL 287.701 to 287.745. In addition to the funds
27 appropriated in part 1, the department of agriculture and rural

1 development is authorized to expend the funds received from the
2 department of natural resources to reimburse the department of
3 agriculture and rural development for all indemnification payments
4 made 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 senate and house 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. 215. From the funds appropriated in part 1, the
14 department shall use an amount not to exceed \$10,000.00 to develop,
15 post, and maintain, on a publicly accessible Internet site, all
16 expenditures made by the agency within a fiscal year. The posting
17 must include the purpose for which each expenditure is made. The
18 department shall not be required to hire additional employees to
19 comply with this section.

20 Sec. 220. Amounts appropriated in part 1 for information
21 technology may be designated as work projects and carried forward
22 to support technology projects under the direction of the
23 department of technology, management, and budget. Funds designated
24 in this manner are not available for expenditure until approved as
25 work projects under section 451a of the management and budget act,
26 1984 PA 431, MCL 18.1451a.

27 Sec. 228. (1) In addition to the funds appropriated in part 1,

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

6 (2) In addition to the funds appropriated in part 1, there is
7 appropriated an amount not to exceed \$6,000,000.00 for state
8 restricted contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in this act under section 393(2) of the management and budget act,
11 1984 PA 431, MCL 18.1393.

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

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

24 **EXECUTIVE**

25 Sec. 302. (1) Pursuant to the appropriations in part 1, the
26 department may receive and expend revenue and use that revenue to

1 cover necessary expenses related to publications, audit and
2 licensing functions, livestock sales, certification of nursery
3 stock, and laboratory analyses as specified in the following:

4 (a) Management services publications.

5 (b) Management services audit and licensing functions.

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

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

9 (e) Laboratory support testing for testing horses in draft
10 horse pulling contests at county fairs when local jurisdictions
11 request state assistance.

12 (f) Laboratory support analyses to determine foreign
13 substances in horses engaged in racing or pulling contests at
14 tracks.

15 (g) Laboratory support analyses of food, livestock, and
16 agricultural products for disease, foreign products for disease,
17 toxic materials, foreign substances, and quality standards.

18 (h) Laboratory support test samples for other agencies and
19 organizations.

20 (i) Fruit and vegetable inspection at shipping and termination
21 points and processing plants.

22 (2) The department shall notify the senate and house
23 appropriations subcommittees on agriculture and the senate and
24 house fiscal agencies 30 days prior to proposing changes in fees
25 authorized under this section or under section 5 of 1915 PA 91, MCL
26 285.35.

27 (3) Annually, before February 1, the department shall provide

1 a report to the senate and house appropriations subcommittees on
2 agriculture and the senate and house fiscal agencies detailing all
3 the fees charged by the department under the authorization provided
4 in this section, including, but not limited to, rates, number of
5 individuals paying each fee, and the revenue generated by each fee
6 in the previous fiscal year.

7 **FOOD AND DAIRY**

8 Sec. 401. The department shall monitor restaurant inspection
9 and licensing functions carried out by local health departments to
10 ensure uniform application and enforcement of minimum program
11 requirements.

12 Sec. 402. Not later than April 1, 2012, the department shall
13 provide a report to the senate and house appropriations
14 subcommittees on agriculture and the senate and house fiscal
15 agencies describing significant food-borne outbreaks and
16 emergencies, including any enforcement actions taken related to
17 food safety during the 2009-2010 fiscal year.

18 **ANIMAL INDUSTRY**

19 Sec. 450. From the funds appropriated in section 105 for the
20 bovine tuberculosis program, the department shall reimburse the
21 department of natural resources for those costs associated with
22 monitoring and testing wildlife for bovine tuberculosis that are
23 necessary to support the department goals and are jointly agreed to
24 by the department and the department of natural resources to be in
25 excess of efforts necessary to effectively plan and execute the

1 eradication of bovine tuberculosis from Michigan's wild free-
2 ranging deer herd.

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

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

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

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

23 Sec. 457. On or before October 15, 2011, and on a quarterly
24 basis thereafter, the department shall report to the senate and
25 house agriculture committees, the senate and house appropriations
26 subcommittees on agriculture, and the senate and house fiscal
27 agencies on the department's progress toward meeting the USDA

1 requirements as outlined in the March 2007 bovine TB program
2 review. The report shall include, but is not limited to,
3 information and data on: wildlife risk mitigation plan
4 implementation in the modified accredited zone; implementation of a
5 movement certificate process; progress toward annual surveillance
6 test requirements set out in the June 2007 MOU; compliance efforts
7 and rates for animals crossing the Mackinac Bridge; efforts to work
8 with slaughter facilities in Michigan, as well as those that
9 slaughter a significant number of animals from Michigan;
10 educational programs and information for Michigan's livestock
11 community; any other item the legislature should be aware of that
12 will promote or hinder efforts to achieve bovine TB-free status for
13 Michigan.

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

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

25 **PESTICIDE AND PLANT PEST MANAGEMENT**

26 Sec. 551. It is the intent of the legislature that the

1 department work with the fruit and vegetable industry to ensure the
2 development of a sustainable system of third-party inspections of
3 fruits and vegetables.

4 Sec. 553. From the funds appropriated in part 1 for pesticide
5 and plant pest management, not less than \$200,000.00 shall be used
6 for the purpose to ensure that Michigan commodities receive
7 departmental inspections required by other governments to ship
8 commodities out of Michigan. The department shall devise a plan to
9 provide these required government inspections in a timely manner.

10 **ENVIRONMENTAL STEWARDSHIP**

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

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

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

21 **AGRICULTURE DEVELOPMENT**

22 Sec. 706. Not later than April 1, 2012, the department shall
23 provide a report to the senate and house appropriations
24 subcommittees on agriculture and the senate and house fiscal
25 agencies describing the department's agriculture development and

1 export market development activities. The report shall identify
2 grants awarded during the prior fiscal year, including a
3 description of federal or private funds made available as a result
4 of department activities.

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

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

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

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

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

20 Sec. 711. In accordance with chapter 8B of the Michigan
21 strategic fund act, 1984 PA 270, MCL 125.2089 to 125.2089d, it is
22 the intent of the legislature that the Michigan strategic fund, its
23 employees, contract employees, and individuals working on its
24 behalf collaborate with the Michigan department of agriculture and
25 rural development to promote business development of Michigan
26 agricultural products to achieve outcomes that include, but are not
27 limited to, increases in export sales, increases in the number of

1 retailers carrying Michigan commodities both within and outside of
2 this state, and increased sales of Michigan products at chain
3 grocers.

4 **FAIRS AND EXPOSITIONS**

5 Sec. 801. All appropriations from the agricultural equine
6 industry development fund shall be spent on equine-related
7 purposes. No funds from the agriculture equine industry development
8 fund shall be expended for nonequine-related purposes without prior
9 approval of the legislature.

10 Sec. 802. All appropriations from the agriculture equine
11 industry development fund, except for the racing commission and
12 laboratory analysis program appropriations, shall be reduced
13 proportionately if revenues to the agriculture equine industry
14 development fund decline during the fiscal year ending September
15 30, 2011 to a level lower than the amounts appropriated in section
16 108.

17 Sec. 803. In the event there is no live thoroughbred race meet
18 in 2011 or 2012, all purse money and program money appropriated for
19 the thoroughbred industry in fiscal year 2010-2011 and fiscal year
20 2011-2012 shall be held in escrow for a period not to exceed 18
21 months, or until a thoroughbred race meet license is applied for
22 and granted by the Michigan gaming control board. In the event
23 there is no thoroughbred meet in 2011 or 2012, the purse pool
24 distribution order to be issued by the Michigan gaming control
25 board in 2012 that delineates distribution between the thoroughbred
26 meet that has been held at pinnacle race course and the joint

1 thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the
2 same distribution formula as issued in 2011, with the thoroughbred
3 portion being held in escrow.

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

1 **CAPITAL OUTLAY**

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

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

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

20 PART 2A

21 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

22 FOR FISCAL YEAR 2012-2013

23 **GENERAL SECTIONS**

24 Sec. 1201. It is the intent of the legislature to provide
25 appropriations for the fiscal year ending on September 30, 2013 for

1 the line items listed in part 1. The fiscal year 2012-2013
2 appropriations are anticipated to be the same as those for fiscal
3 year 2011-2012, except that the line items will be adjusted for
4 changes in caseload and related costs, federal fund match rates,
5 economic factors, and available revenue. These adjustments will be
6 determined after the January 2012 consensus revenue estimating
7 conference. The January 2012 consensus revenue estimating
8 conference shall include estimates for fiscal year 2011-2012,
9 fiscal year 2012-2013, and fiscal year 2013-2014 for the following:

10 (a) State revenue.

11 (b) Prison population and correction expenditures.

12 (c) Annual percentage growth in the school aid basic
13 foundation allowance.

14 (d) Medicaid expenditures.

15 (e) Human service caseloads and expenditures.