

**Motorcycle safety education program; grants and administration.**

Sec. 818. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third-party testers, and inspecting training sites.

**Business application modernization project.**

Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

**Receipt of gift, donation, or contribution.**

Sec. 821. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

(2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.

(3) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.

**Secretary of state branch office in Buena Vista Township; maintenance of full service.**

Sec. 824. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

**Secretary of state branch office in Milan; maintenance of full service.**

Sec. 825. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Milan.

**Branch operations; maintenance of same number in each municipality as existed on August 1, 2007.**

Sec. 826. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain the same number of secretary of state branch offices in each municipality that existed on August 1, 2007.

**Branch operations placement; guidelines.**

Sec. 827. The funds appropriated in part 1 for department of state, branch operations, are contingent upon the department complying with the following guidelines for branch office placement:

(a) The department of state shall, whenever possible, avoid leasing space for branch offices on greenfield sites or other noncentral locations that require the construction of new infrastructure to service the office or facility, except in limited circumstances when the constituency served or programs supported require the use of a noncentral or open space location.

(b) The department shall encourage public investment in this state's urban areas by locating branch offices and facilities in urban areas. As used in this section, "urban areas" means a downtown area, town centers, or central business districts.

(c) The department shall, whenever possible, locate branch offices at locations consistent with local planning and zoning and compatible with existing land uses.

(d) In selecting a site for a branch office, the department shall give priority to locations in urban areas, whenever reasonably possible and consistent with state law. In making location decisions, the department shall also give consideration to the following:

(i) Use of existing space in state-owned facilities in urban areas.

(ii) Adaptive use or rehabilitation of historic buildings or reuse of other buildings within an urban area.

(iii) Use of vacant buildings in an urban area.

(iv) Use of vacant land in an urban area.

(v) Use and rehabilitation of brownfield areas.

**DEPARTMENT OF TREASURY****OPERATIONS****Contingency funds.**

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 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 \$10,000,000.00 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 \$200,000.00 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 \$40,000.00 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.

#### **Debt service on notes and bonds; interest on interfund borrowing.**

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

#### **Collection of taxes, accounts due, and defaulted student loans; contracts with private collection agencies and law firms.**

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by each contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

#### **Investment service fee; charge against retirement funds; payment for services of money managers and other outside professionals.**

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended

for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians, and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations and the state budget office concerning the performance of each portfolio by investment advisor.

### **Financial services provided by financial institutions; payment.**

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures.

### **Sale of manuals.**

Sec. 905. (1) The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of production. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

(2) In addition to the funds appropriated in part 1, revenue received from the sale of those manuals is appropriated.

### **Audits.**

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

**Assessor certification and training fund; creation; use; fees.**

Sec. 907. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$50.00, an initial certification fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2, and \$125.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

**Home heating assistance program.**

Sec. 908. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

**Airport parking tax revenue; distribution.**

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

**Bottle deposit fund; disbursement.**

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

**Refundable income tax credits; payment.**

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

**Garnishment; payment by plaintiff.**

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

**Senior citizens' cooperative housing tax exemption program; contract with private firms to appraise and appeal assessments; audit report.**

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

#### **Ehlers internship award account; annual prize.**

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

#### **Amount appropriated to state campaign fund.**

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2006. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2007 shall revert to the general fund.

#### **Customized unclaimed property listings of nonconfidential information; availability.**

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

#### **Write-offs and advances for departmental programs; report.**

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

#### **Tax orientation workshops and seminars.**

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

#### **Auditing and collection of unclaimed property; report.**

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) From funds collected by the department of treasury under the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265, and appropriated for unclaimed property, \$51,000.00 shall be paid as annual dues to the national conference of commissioners on uniform state laws.

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

### **Payment for Sleeping Bear Dunes national lakeshore.**

Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.

### **Reimbursements to public libraries.**

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2007. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

### **Amount of Michigan transportation fund revenue collected and cost of collection; report.**

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

### **Principal residence audits; report.**

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for principal residence audits under subsection (1).

### **Providing certain user services to other departments and state agencies.**

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

**Agreements to supply data or collection services to other departments or agencies.**

Sec. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service. Any unobligated balance of the fund shall revert to the general fund of this state as of September 30.

**Accounts receivable collections services; report.**

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

**Selection of private collection agency to perform secondary collection activities.**

Sec. 930a. The department shall select a private collection agency to perform secondary collection activities in an effort to benchmark primary agency performance for all individual tax, discontinued business tax, and state agency accounts, and all active business tax accounts older than 36 months. Consistent with sound collection practices and to maximize the effectiveness of those collection activities, the department shall not select a collection agency, or related entity, that has already attempted to collect the debt in question. Any request for proposal required to implement this section shall be issued by October 1, 2007. The department shall report its progress on second placement collection activities on a quarterly basis during the fiscal year.

**Treasury fees; investment fees.**

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings during the current fiscal year. When a new restricted fund is created



starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

**Revenue received under Michigan education trust act; expenditures.**

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

**Michigan education savings program; incentive program; matching funds; availability.**

Sec. 933. (1) The \$1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.

(3) During the current fiscal year, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

**Revenues received under hospital finance authority act; expenditures.**

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

**Revenue received under shared credit rating act; expenditures.**

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

**Revenue received under Michigan higher education facilities authority; expenditures.**

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

**Revenue received under Michigan public educational facilities authority; expenditures.**

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

**Investments in early stage, university derived life science companies located in Michigan.**

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

**Standardized audit schedules.**

Sec. 941. In addition to the funds appropriated in part 1, there is appropriated up to \$570,000.00 from standardized audit schedules recovered delinquent tax collection revenues for the support of standardized audit schedule project expenses. The funding shall be used to exclusively support business tax audits related to sales tax, use tax, withholding, single business tax, and motor fuel tax obligations. Any unexpended funds at the end of the fiscal year shall lapse to the general fund.

**Mailings to taxpayers; social security numbers not included.**

Sec. 943. The department of treasury shall not include complete social security numbers in form 1099-G mailings to taxpayers.

**Conduct of 14-point review.**

Sec. 945. The assessment and certification division of the department of treasury may conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

**Assessment and training activities.**

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

**Revenue collection enhancement activities including auditing functions; use of balance for principal residence exemption compliance program.**

Sec. 947. (1) Of the \$5,267,400.00 included in part 1 for the revenue enhancement program, \$4,767,400.00 shall be used for revenue collection enhancement activities including auditing functions.

(2) The department of treasury shall submit quarterly progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

(3) The \$500,000.00 balance of the \$5,267,400.00 shall be used for the principal residence exemption compliance program. Along with other program costs, expenditures shall include the development and maintenance of a statewide web-based database created for the purpose of enforcing the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2008. Revenue generated to the state from the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$500,000.00 appropriation prior to any other allocation. Additional funds from the revenue enhancement program and carryforward appropriations may be used to support costs in excess of \$500,000.00.

(4) Unexpended appropriations of the revenue enhancement program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to enhance revenue collection activities.
- (b) The project will be accomplished by contract.
- (c) The total estimated cost of the project is \$24,600,000.00.
- (d) The tentative completion date is September 30, 2009.

#### **Number of tax returns filed online; report.**

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns and single business tax returns, filed online by Michigan residents in the immediately preceding fiscal year.

#### **Tobacco stamp technology; competitive bid; request for deduction for actual costs.**

Sec. 949. The department of treasury, together with the department of management and budget, may conduct a competitive bid for new tobacco stamp technology. Any Michigan tobacco wholesaler required to purchase or lease new stamping technology or equipment during fiscal year 2008 in order to comply with current state law and the results of the bidding process may be entitled to request a deduction from the department of treasury for actual documented costs associated with such a purchase or lease. Wholesalers affected by the outcome of the bidding process may set forth the amount of the deduction claimed for such costs in the monthly reimbursement statement submitted to the department of treasury under the tobacco products tax act and may make available for inspection upon request any documents necessary to substantiate the claimed deduction.

### **REVENUE SHARING**

#### **Constitutional revenue sharing; statutory revenue sharing; distributions; increase.**

Sec. 950. (1) The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1

for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

(2) After the distribution in subsection (1), the funds appropriated in part 1 for statutory revenue sharing shall be distributed to certain cities, villages, and townships such that the percentage change in the total statutory and constitutional revenue sharing payment made under this appropriation, from the total payment under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and section 10 of article IX of the state constitution of 1963 of the immediately preceding state fiscal year to each of those cities, villages, and townships is equal to, but does not exceed, the percentage change from the immediately preceding state fiscal year of any city, village, or township that receives a distribution under this subsection. No city, village, or township receiving a payment under this subsection shall receive more in combined constitutional and statutory payments than that city, village, or township received in combined constitutional and statutory payments during the 2006-2007 state fiscal year.

(3) If revenue collected in accordance with section 10 of article IX of the state constitution of 1963 is less than that amount appropriated in part 1 for constitutional revenue sharing, the appropriation in part 1 for statutory revenue sharing is increased by an amount equal to the appropriation in part 1 for constitutional revenue sharing less the amount of revenue collected in accordance with section 10 of article IX of the state constitution of 1963.

#### **Restoration of revenue sharing reductions; grants.**

Sec. 952. The appropriation in part 1 for special grants to cities shall be used to restore revenue sharing reductions contained in Executive Order No. 2003-23 to a city that had an emergency financial manager appointed pursuant to the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, continuously from December 10, 2003 through September 30, 2007.

#### **Expenditures from revenue sharing reserve fund; certification of amounts.**

Sec. 955. (1) There is appropriated to each county an amount equal to the amount distributed to each county for the fiscal year ending September 30, 2004, pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, adjusted by the inflation rate as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, and reduced by the amount each county is authorized to annually expend in that county's fiscal year beginning after September 30, 2004, from its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

### **LOTTERY**

#### **Implementation and operation of lottery games.**

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

**Promotional efforts directed towards individuals less than 18 years old; prohibition.**

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

**Human services bridge cards; use to purchase lottery tickets prohibited.**

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

**CASINO GAMING****Compulsive gaming prevention fund; deposits.**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

**Casino gaming oversight activities; costs.**

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

**Local revenue sharing board.**

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

**Casino gaming regulation activities; fully funding appropriation.**

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state

departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

## **MICHIGAN STRATEGIC FUND**

### **Contingency funds.**

Sec. 1001. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 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 \$1,000,000.00 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 \$700,000.00 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.

### **Economic development job training program; fund; grants.**

Sec. 1002. (1) The appropriation in part 1 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, identified for a particular business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.

(2) Not more than \$800,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers, unless a strike exceeds 3 years and good faith negotiations are ongoing.

(4) Of the total funds appropriated in part 1 for the economic development job training program grants, \$4,500,000.00 of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5). Remaining funds may be awarded to any of the entities listed in subsection (5) or businesses which create at least 100 new jobs at a single location in a period not to exceed 2 years from the date of the grant award.

(5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection or businesses which meet the criteria set in subsection (4).

(6) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.

(7) The award process will include a simple notice of intent to be reviewed to see if the application merits further consideration. If so, a full application may be submitted. Applications for all grants shall be submitted to the fund, and each application shall contain at least all of the following:

(a) The name, address, and total number of employees of each business organization whose employees are receiving job training.

(b) A description of the specific job skills that will be taught.

(c) A clear statement of the project's scope of activities and number of participants to be involved.

(d) A commitment to maintain participant records in a form and manner required by the fund.

(e) A budget which relates to the proposed activities and various program components.

(8) Priority in the fund's awarding of grants shall be based on the following criteria:

(a) Demonstrated need for the type of training offered.

(b) Creation and/or retention of high wage and high skilled level jobs within a predetermined time period. If the employer does not create or retain the number of jobs specified within the predetermined time period, the employer shall reimburse the state for the entire grant awarded under this program. The number of jobs created and retained will be verified by the employer via audit after the training is completed.

(c) Other criteria determined by the fund to be important.

(9) Participants in the economic development job training program shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college, or any other program funded with state funding. Any training provider that receives state appropriated funds shall not include in the enrollment data reported for determining state aid any student credit hours or student contact hours for a student who is a participant in the economic development job training program. Exclusions of these students is intended to avoid payment of state aid for the same individuals for whom training costs are paid for through the economic development job training program.

(10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the economic development job training program grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.

(11) For training delivered to incumbent workers, the employer receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

(12) Grant funds shall be expended on a cost reimbursement basis.

(13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under subsection (8)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

(14) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants. The report shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

(a) The amount and recipient of each grant or contract.

(b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.

(c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.

(d) The matching funds, if any, to be provided by a business organization.

(15) As a condition of receiving funds under part 1 of this act, the fund shall not expend any of the economic development job training program funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

(16) The Michigan strategic fund shall allocate \$500,000.00 for aerospace certification grants as described in this subsection. The grants shall be funded from the appropriation in part 1 for economic development job training grants or work project funds available for the defense contract coordination center, or both. The Michigan strategic fund shall report to the senate and house subcommittees on general government, the fiscal agencies, and the state budget office by January 15, 2008 on the sources of funding for this program. \$500,000.00 shall be allocated for the following purposes:

(a) \$250,000.00 shall be allocated for aerospace certification grants to assist manufacturers in becoming certified for aerospace manufacturing. Priority shall be given to ISO or TS certified companies that are members of a state of Michigan nonprofit, tax-exempt aerospace manufacturers association and have received a request for quotes or request for proposal from an aerospace company. Grant awards of up to \$10,000.00 shall be given to a qualifying company seeking such certification. As used in this section, "ISO" means international organization for standardization and "TS" means technical specification.

(b) \$250,000.00 shall be provided to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association. Funding shall be used for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

### **Michigan growth capital fund.**

Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.



(e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the senate appropriations committee subcommittee on economic development, the house appropriations committee subcommittee on general government, the senate and house fiscal agencies, and the state budget office by January 31.

### **Travel Michigan; fees to cover photographic prints, slides, videotapes, and travel product database information.**

Sec. 1004. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

### **Copyrighted slogans and images; licensing revenue.**

Sec. 1005. Travel Michigan may receive and expend private revenue related to the use of the “Michigan Great Lakes. Great Times.”, “The Upper Hand”, and “Pure Michigan” copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

### **Listing of grants.**

Sec. 1006. The fund shall submit on February 15 to the subcommittees, the state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

- (a) The name of the recipient.
- (b) The amount awarded to the recipient.
- (c) The purpose of the grant.

### **Reports; individual grants and loans.**

Sec. 1007. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan.
- (b) Business attraction, retention, and growth.
- (c) Business services.
- (d) Community development block grants.
- (e) Strategic fund administration.
- (f) Renaissance zones.
- (g) 21st Century investment program.
- (h) Business and clean air ombudsman.
- (i) Economic development job training program grants.
- (j) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 15. The report for each program in subsection (1)(a) through (j) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

**Local unit contracting with private economic development agency; interlocal agreement; language.**

Sec. 1008. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

**Purchase of options on land; conditions; consideration; “economically distressed area” defined.**

Sec. 1009. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

(a) The land is located in an economically distressed area.

(b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

(2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area’s population centers.

(3) As used in this section, “economically distressed area” means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone.

**Premiums or advertising material involving personal effects or apparel; spending prohibited.**

Sec. 1010. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

**Unexpended or unencumbered funds; use.**

Sec. 1011. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this act.

**Compliance by MEDC; duties.**

Sec. 1012. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.
- (2) If the MEDC is unable for any reason to perform duties under this act, the fund may exercise those duties.

**Staff involved in private fund-raising activities as party to grant awards or tax abatements; prohibited conduct.**

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

**Urban revitalization infrastructure program; awards; funding; notification; receipt of funds originally distributed as part of core communities fund; report.**

Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.

(4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs and to projects in proportion to the amount that local matching rates exceed 10%.

(5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

(7) No single applicant shall be awarded more than \$10,000,000.00 per project.

(8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, the fiscal agencies, and the state budget director.

(9) Funds shall not be awarded for any of the following purposes:

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

(10) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this part.

(11) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

### **Jobs created by firms receiving Michigan economic authority grants; audit.**

Sec. 1016. The Michigan economic development corporation may implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

### **Employees with annual salary more than \$80,000.00; report.**

Sec. 1017. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of \$80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2007. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

### **Receipt of federal pass-through funds; carrying forward unexpended funds.**

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The fund may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The fund shall report the amount and source of the funds to the senate appropriation subcommittee on economic development, the house appropriation subcommittee on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

### **Michigan promotion program.**

Sec. 1021. (1) From the funds appropriated in part 1 for the Michigan promotion program, \$5,700,000.00 shall be used to accelerate efforts to promote the state's tourism industry and business marketing activities. The MEDC shall work to coordinate with local tourism efforts, where appropriate.

(2) The funds are considered work project appropriations and any unencumbered or unallotted funds at year-end shall be carried forward into the succeeding fiscal year. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the funding is to promote the state's tourism industry and business marketing activities.

(b) The project shall be accomplished by contract or employees employed by the Michigan strategic fund or the Michigan economic development corporation.

(c) The total estimated cost of the project is \$5,700,000.00.

(d) The expected completion date is September 30, 2010.

(3) It is the intent of the legislature that if additional funds become available during fiscal year 2007-2008, that the appropriation for the Michigan promotion program shall be increased by \$4,300,000.00 to be distributed as described in this section.

#### **Business incubator program.**

Sec. 1022. (1) From the funds appropriated in part 1 for the business incubator program, the Michigan strategic fund shall administer competitive grants and loans that are designed to foster the creation of new jobs in competitive edge technology as defined in section 88a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a. Funding shall be awarded to grantees located in a distressed area. The Michigan strategic fund board shall ensure that \$1,000,000.00 is allocated to grantees for projects in each of the 4 qualifying distressed areas. As used in this section, "distressed area" means a local governmental unit that meets 1 of the following criteria:

(a) A city with a population greater than 750,000.

(b) A city with a population in the 2000 census between 11,000 and 12,000 and had a population loss of greater than 30% since 1970.

(c) A city with a population in the 2000 census between 124,000 and 125,000 and had a population loss greater than 35% since the 1970 census.

(d) A county with median household income from 2004 United States bureau of the census small area income and poverty estimates that is below \$28,000.00.

(2) It is the intent of the legislature that if additional funds become available during fiscal year 2007-2008, that the appropriation for the business incubator program shall be increased by \$4,000,000.00 to be distributed as described in this section.

#### **Michigan small business and technology development centers; use of funds.**

Sec. 1024. (1) From the funds appropriated in part 1 for the 21st century jobs fund program, \$1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the SBIR or STTR grant or loan matching program. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

(2) All funds available to the strategic economic investment and commercialization board from grant and loan awards from the competitive edge technology grant and loan program as created in 2005 PA 225 that are not accepted or claimed by awardees shall be allocated to the Michigan small business technology development centers to fund the federal SBIR and STTR matching grant and loan programs as provided in this section.

#### **Number of jobs created by financial or tax incentive package.**

Sec. 1025. The MEDC shall separately report the number of actual direct jobs and the number of indirect jobs that are projected to be created as a result of any financial or tax incentive package that is offered to a business. Additionally, information regarding total salaries and employer sponsored benefits shall be included if available. This includes all publications issued by the agency for marketing and public information purposes.

**Contract entered into pursuant to Michigan strategic fund board resolution 2007-079; contract amount; allocation to Lakeshore Advantage.**

Sec. 1027. (1) The Michigan strategic fund shall amend the contract entered into pursuant to Michigan strategic fund board resolution 2007-079 approved on June 27, 2007, to provide that at least \$3,000,000.00 of the \$3,400,000.00 contract amount shall be distributed not later than March 31, 2008, and that the purposes for which the funds can be used be expanded to include all types of operating expenses.

(2) If the contract is not amended as described in subsection (1) by February 28, 2008, then from the appropriation in part 1 for 21st century jobs trust fund programs, an amount of not more than \$3,000,000.00 shall be allocated to Lakeshore Advantage in fiscal year 2007-2008 to bring the total payments to that organization to \$3,000,000.00 in fiscal year 2007-2008.

**Tax breaks and incentives; award to companies that give preference to Michigan workers.**

Sec. 1029. It is the intent of the legislature that the fund only award tax breaks or other economic development incentives to companies that give preference to Michigan workers.

**Construction of ethanol plant in Watervliet township.**

Sec. 1030. The funds appropriated in part 1 to the Berrien County brownfield redevelopment authority shall be expended for a brownfield redevelopment project in Watervliet Township to construct an ethanol plant.

**McBain township, Missaukee county; use of grants and loans for infrastructure improvements.**

Sec. 1031. The funds appropriated in part 1 to McBain Township, Missaukee County, shall be used for grants and loans to the township and shall be expended by the township for infrastructure improvements.

**REVENUE STATEMENT**

**Fund balances and estimates.**

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS  
(Amounts in millions)  
Fiscal Year 2007-2008

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose .....	0110	2.1	9,657.1	46.2
General fund/special purpose.....		516.6	15,600.2	1,197.0

Special Revenue Funds:				
Countercyclical budget and				
economic stabilization .....	0111	2.1	0.0	2.2
Game and fish protection.....	0112	22.5	63.2	0.0
Michigan employment security act				
administration .....	0113	0.0	14.0	8.6
State aeronautics .....	0114	1.7	181.4	0.3
Michigan veterans' benefit trust ...	0115	0.0	5.0	0.0
State trunkline .....	0116	0.0	2,074.5	0.0
Michigan state waterways .....	0117	0.8	26.1	1.3
Blue Water Bridge.....	0118	0.0	15.7	0.0
Michigan transportation .....	0119	0.0	2,002.6	0.0
Comprehensive transportation.....	0120	0.0	320.9	0.0
School aid .....	0122	0.0	13,431.9	0.0
Marine safety.....	0123	0.1	5.3	0.0
Game and fish protection trust.....	0124	6.6	12.0	6.0
State park improvement.....	0125	1.3	40.8	0.0
Forest development .....	0126	0.0	27.3	0.0
Michigan civilian conservation				
corps endowment.....	0128	0.1	0.7	0.0
Michigan natural resources trust ...	0129	33.6	53.2	37.4
Michigan state parks endowment...	0130	8.8	16.6	6.7
Safety education and training.....	0131	2.1	7.0	1.1
Bottle deposit .....	0136	0.0	15.1	0.0
State construction code.....	0138	2.9	12.7	0.0
Children's trust .....	0139	1.8	3.8	2.2
State casino gaming.....	0140	12.5	32.8	0.0
Homeowner construction lien				
recovery .....	0141	2.9	0.6	1.8
Michigan nongame fish and				
wildlife .....	0143	0.2	0.6	0.0
Michigan merit award trust .....	0154	0.0	289.1	0.1
TOTALS.....		\$618.7	\$43,910.2	\$1,311.0

This act is ordered to take immediate effect.

Approved October 31, 2007.

Filed with Secretary of State October 31, 2007.

---

**[No. 128]**

**(SB 222)**

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 2008; 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

**Appropriations; department of agriculture.**

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, 2008, 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 .....	686.5	
GROSS APPROPRIATION .....		\$ 109,399,300
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.....		92,900
IDG from MDEQ, MAEAP .....		159,700
IDG from MDEQ, type II well survey .....		17,200
IDG from DHS, food bank .....		150,000
IDG from MDLEG (LCC), liquor quality testing fees .....		191,900
IDG from MDNR, cervid fees .....		75,000
IDG from MDNR, district forestry and wildlife program .....		1,000,000
Total interdepartmental grants and intradepartmental transfers....		10,615,400
ADJUSTED GROSS APPROPRIATION .....		\$ 98,783,900
Federal revenues:		
DAG, multiple grants.....		17,152,100
EPA, multiple grants .....		2,356,200
HHS-FDA .....		1,079,100
United States department of labor .....		400,000
Corporation for national and community services.....		253,200
Total federal revenues .....		21,240,600
Special revenue funds:		
Total local revenues.....		0
Private - commodity group .....		115,800
Private - slow-the-spread foundation.....		147,700
Total private revenues.....		263,500
Agricultural preservation fund .....		900,000
Agriculture equine industry development fund.....		12,552,000
Agriculture pollution prevention fund .....		100
Civil penalties .....		273,000
Commodity inspection fees .....		1,081,700
Gasoline inspection and testing fund.....		2,617,400
Freshwater protection fund.....		5,161,400
Horticulture fund.....		79,500
Industry support funds.....		695,900
Licensing and inspection fees .....		6,522,700
Migratory labor housing .....		25,000
Nonretail liquor fees .....		678,400



	For Fiscal Year Ending Sept. 30, 2008
Refined petroleum fund.....	\$ 3,520,400
State services fee fund .....	9,264,800
Testing fees.....	434,500
Upper Peninsula state fair revenue .....	1,380,600
Consumer and industry food safety education fund.....	260,300
Weights and measures regulation fees .....	674,000
Total other state restricted revenues .....	46,121,700
State general fund/general purpose .....	\$ 31,158,100

**Executive.**

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	46.0
Commission and boards .....	\$ 17,800
Unclassified positions.....	354,000
Executive direction—10.0 FTE positions .....	1,157,900
Management services—31.5 FTE positions.....	2,430,800
Agricultural statistics—2.0 FTE positions .....	137,600
Emergency management—2.5 FTE positions.....	242,300
Human resources optimization user charges.....	41,200
GROSS APPROPRIATION .....	\$ 4,381,600
Appropriated from:	
Private funds:	
Private - commodity group .....	75,000
Special revenue funds:	
Gasoline inspection and testing fund.....	59,700
Industry support funds.....	33,500
Nonretail liquor fees .....	8,800
Refined petroleum fund.....	239,800
State services fee fund .....	593,800
Upper Peninsula state fair revenue .....	9,000
State general fund/general purpose .....	\$ 3,362,000

**Departmentwide.**

**Sec. 103. DEPARTMENTWIDE**

Rent and building occupancy charges.....	\$ 1,570,100
GROSS APPROPRIATION .....	\$ 1,570,100
Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	113,600
EPA, multiple grants .....	69,300
HHS-FDA .....	14,900
Special revenue funds:	
Agricultural preservation fund .....	23,900
Freshwater protection fund.....	10,800
Licensing and inspection fees.....	67,500
Nonretail liquor fees .....	9,000
Refined petroleum fund.....	114,000
State services fee fund .....	335,800
State general fund/general purpose .....	\$ 811,300

For Fiscal Year  
Ending Sept. 30,  
2008

**Food and dairy.**

**Sec. 104. FOOD AND DAIRY**

Full-time equated classified positions .....	107.0		
Food safety and quality assurance—107.0 FTE positions .....		\$	12,627,600
Local public health operations.....			8,878,700
GROSS APPROPRIATION .....		\$	<u>21,506,300</u>
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDCH, local public health operations .....			8,878,700
Federal revenues:			
DAG, multiple grants.....			27,000
HHS-FDA .....			380,300
Special revenue funds:			
Civil penalties.....			273,000
Consumer and industry food safety education fund.....			260,300
Licensing and inspection fees .....			2,479,900
State general fund/general purpose .....		\$	9,207,100

**Animal industry.**

**Sec. 105. ANIMAL INDUSTRY**

Full-time equated classified positions .....	58.0		
Animal health and welfare—21.5 FTE positions .....		\$	2,407,400
Bovine tuberculosis program—36.5 FTE positions.....			7,092,200
GROSS APPROPRIATION .....		\$	<u>9,499,600</u>
Appropriated from:			
Interdepartmental grant revenues:			
IDG from DNR, cervid fees.....			75,000
Federal revenues:			
DAG, multiple grants.....			1,127,300
HHS-FDA .....			72,800
Special revenue funds:			
Agriculture equine industry development fund.....			2,183,600
Licensing and inspection fees .....			107,900
State general fund/general purpose .....		\$	5,933,000

**Pesticide and plant pest management.**

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

Full-time equated classified positions .....	228.8		
Pesticide and plant pest management—116.8 FTE positions .....		\$	13,573,200
Emerald ash borer control program—112.0 FTE positions .....			10,176,300
GROSS APPROPRIATION .....		\$	<u>23,749,500</u>
Appropriated from:			
Federal revenues:			
DAG, multiple grants.....			12,460,900
EPA, multiple grants .....			1,489,500
HHS-FDA .....			68,100
Special revenue funds:			
Private - slow-the-spread foundation.....			147,700
Commodity inspection fees .....			1,081,700

		For Fiscal Year Ending Sept. 30, 2008
Horticulture fund.....	\$	79,500
Industry support funds.....		340,300
Licensing and inspection fees.....		3,660,500
State general fund/general purpose .....	\$	4,421,300

### **Environmental stewardship.**

#### **Sec. 107. ENVIRONMENTAL STEWARDSHIP**

Full-time equated classified positions.....		44.5
Environmental stewardship—30.2 FTE positions.....	\$	2,857,300
Groundwater and freshwater protection program— 8.3 FTE positions.....		5,461,700
Farmland and open space preservation—6.0 FTE positions.....		981,600
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 .....	\$	12,992,600

#### Appropriated from:

##### Interdepartmental grant revenues:

IDG from MDEQ, aquifer protection and dispute resolution.....	50,000
IDG from MDEQ, biosolids.....	92,900
IDG from MDEQ, MAEAP .....	159,700
IDG from MDEQ, type II well survey .....	17,200
IDG from MDNR, district forestry and wildlife program .....	1,000,000

##### Federal revenues:

DAG, multiple grants.....	1,000,000
EPA, multiple grants .....	446,200
Corporation for national and community services.....	253,200
United States department of labor .....	400,000

##### Special revenue funds:

Agricultural preservation fund .....	875,900
Agriculture pollution prevention fund .....	100
Freshwater protection fund.....	5,150,500
Migratory labor housing .....	25,000
State general fund/general purpose .....	\$ 3,521,900

### **Laboratory program.**

#### **Sec. 108. LABORATORY PROGRAM**

Full-time equated classified positions.....		146.0
Laboratory services—60.5 FTE positions .....	\$	6,336,400
USDA monitoring program—18.0 FTE positions .....		2,126,900
Consumer protection program—67.5 FTE positions .....		5,128,700
GROSS APPROPRIATION .....	\$	13,592,000

#### Appropriated from:

##### Interdepartmental grant revenues:

IDG from MDLEG (LCC), liquor quality testing fees .....	189,100
---	---------

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

	For Fiscal Year Ending Sept. 30, 2008
Federal revenues:	
DAG, multiple grants.....	\$ 2,148,900
EPA, multiple grants .....	351,200
HHS-FDA .....	543,000
Special revenue funds:	
Gasoline inspection and testing fund.....	2,530,700
Licensing and inspection fees .....	75,000
Refined petroleum fund.....	3,166,600
State services fee fund .....	519,700
Testing fees .....	434,500
Weights and measures regulation fees .....	674,000
State general fund/general purpose .....	\$ 2,959,300

**Agriculture development.**

**Sec. 109. AGRICULTURE DEVELOPMENT**

Full-time equated classified positions .....	8.0
Agriculture development—5.0 FTE positions.....	\$ 1,100,200
Grape and wine program—3.0 FTE positions.....	716,200
Export market development program.....	50,000
Michigan agricultural surplus system.....	630,500
GROSS APPROPRIATION .....	\$ 2,496,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DHS, food bank .....	150,000
Federal revenues:	
DAG, multiple grants.....	274,400
Special revenue funds:	
Private - commodity group .....	40,800
Industry support funds.....	311,100
Nonretail liquor fees .....	660,100
State services fee fund .....	350,700
State general fund/general purpose .....	\$ 709,800

**Fairs and expositions.**

**Sec. 110. FAIRS AND EXPOSITIONS**

Full-time equated classified positions .....	16.5
Upper Peninsula state fair—7.0 FTE positions .....	\$ 1,370,700
Fairs, racing and producer security—9.5 FTE positions .....	1,148,500
Premiums - county and state fairs .....	1,614,000
Purses and supplements - fairs/licensed tracks .....	2,370,000
Licensed tracks - light horse racing.....	132,000
Standardbred breeders' awards.....	969,000
Standardbred purses and supplements - licensed tracks .....	1,789,300
Standardbred sire stakes .....	810,000
Thoroughbred sire stakes .....	830,000
Standardbred training and stabling .....	36,000
Thoroughbred program .....	2,400,000
Thoroughbred owners' awards.....	124,000
Distribution of outstanding winning tickets.....	700,000
GROSS APPROPRIATION .....	\$ 14,293,500

For Fiscal Year  
Ending Sept. 30,  
2008

Appropriated from:  
Special revenue funds:

Agriculture equine industry development fund.....	\$	10,160,300
Industry support funds.....		11,000
Licensing and inspection fees.....		131,900
State services fee fund.....		2,619,600
Upper Peninsula state fair revenue.....		1,370,700
State general fund/general purpose.....	\$	0

**Office of racing commissioner.**

**Sec. 111. OFFICE OF RACING COMMISSIONER**

Full-time equated classified positions.....	31.7	
Office of racing commissioner—31.7 FTE positions.....	\$	3,785,700
GROSS APPROPRIATION.....	\$	3,785,700

Appropriated from:  
Special revenue funds:

State services fee fund.....		3,785,700
State general fund/general purpose.....	\$	0

**Information technology.**

**Sec. 112. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	1,531,500
GROSS APPROPRIATION.....	\$	1,531,500

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.....		208,100
Gasoline inspection and testing fund.....		27,000
Freshwater protection fund.....		100
Nonretail liquor fees.....		500
State services fee fund.....		1,059,500
Upper Peninsula state fair revenue.....		900
State general fund/general purpose.....	\$	232,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

**Total state spending; payments to local units of government.**

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 2007-2008 is \$77,279,800.00 and state spending from state resources to be paid to local units of government for fiscal

year 2007-2008 is \$2,616,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program .....	\$	1,700,000
Local conservation districts .....		916,800
TOTAL.....	\$	<u>2,616,800</u>

**Appropriations subject to MCL 18.1101 to 18.1594.**

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.

**Definitions.**

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) “EPA” means the United States environmental protection agency.
- (e) “FFA” means future farmers of America.
- (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) “MDNR” means the Michigan department of natural resources.
- (n) “USDA” means the United States department of agriculture.

**Billing by department of civil service; payments.**

Sec. 204. The department of civil service 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.

**Hiring freeze; exceptions.**

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.

### **Reporting requirements; use of Internet.**

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.

### **Purchase of foreign goods or services; preference to Michigan businesses and businesses operated by veterans.**

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.

### **Businesses in deprived and depressed communities; contracts to provide services or supplies.**

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.

### **Indemnification.**

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, 2008. 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.

### **Notice of grants.**

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.

**Information technology; payment of user fees.**

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.

**Information technology; designation of amounts as work projects; availability of expenditure.**

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.

**Out-of-state travel; exception; report.**

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 house and senate appropriations committees.

(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.



**Communication of employee with legislative member or staff.**

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

**Michigan State University pavilion for agriculture and livestock education.**

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.

**Real and potential return on investment; report.**

Sec. 227. On or before April 1, 2008, the department shall provide to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies a summary report on the real and potential return on investment for each of the department's programs.

**Contingency funds.**

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.

**Report on policy changes; adoption of rule applying to small business; definitions.**

Sec. 229. (1) The department shall report no later than April 1, 2008 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.

**Legal services.**

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.

**Pesticide and plant pest management, food and dairy, animal industry, environmental stewardship and laboratory divisions; salaries and benefits; expenditures.**

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.

**Continuous improvement efficiency mechanisms.**

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, 2008 and September 30, 2008, 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.

**EXECUTIVE**

**Commodity committees; per diem rates.**

Sec. 301. Per diem rates for commodity committees established in the agriculture commodities marketing act, 1965 PA 232, MCL 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA 114, MCL 290.551 to 290.568, and the beef industry commission act, 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels established in section 301 of 2002 PA 516.

**Receipt and expenditure of revenue; use of revenue to cover certain expenses; notice of proposed fee changes; report.**

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.

#### **Motor fuel quality program; maintenance of field and laboratory staff; report.**

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, 2007 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.

#### **Private funds for agricultural statistics; use to match state funds.**

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**

#### **Restaurant inspection and licensing functions carried out by local health departments; monitoring by department; report; additional costs.**

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, 2008, 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.

**Food-borne outbreaks and emergencies; report.**

Sec. 402. Not later than April 1, 2008, 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 2006-2007 fiscal year.

**Reallocation or redistribution of program funds; prior approval required.**

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.

**Consumer and industry food safety education fund; expenditures; purposes.**

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 the food act, 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 act, 2000 PA 92, MCL 289.4117.

**Food and dairy inspection program; authority to fill open positions.**

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

**E-inspector program; availability of funds.**

Sec. 407. Funds appropriated in article 1 of 2006 PA 345 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 under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

**ANIMAL INDUSTRY**

**Bovine tuberculosis; reimbursement for monitoring and testing wild-life.**

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.

**Payment for whole herd testing costs and individual testing costs; maintenance of split-state requirements.**

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.

**Support of bovine tuberculosis program; application for federal and private funds.**

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.

**TB-free status for area of Lower Peninsula.**

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.

**Arrival of untagged cattle at saleyard.**

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.

**Electronic animal identification program for domestic animals other than cattle; use of funds prohibited.**

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.

**Report on meeting bovine TB program review.**

Sec. 457. On or before October 15, 2007, and on a monthly 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.

**Inspection and testing of aquaculture facilities and researchers; identification, containment, and eradication of viral hemorrhagic septicemia.**

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.

**Bovine tuberculosis program; authority to fill open positions.**

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

**LABORATORY SERVICES**

**Maintenance of animal feed testing programs.**

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**

**Offset of reductions for pesticide and plant pest management.**

Sec. 502. It is the intent of the legislature that reductions in the general fund appropriation in part 1 for pesticide and plant pest management may be partially or completely offset by increases in the commodity inspection fees.

**ENVIRONMENTAL STEWARDSHIP**

**Migrant labor housing program; application for federal funds.**

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.

**Local conservation districts; allocation.**

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.

**Individuals with contracts under 2002 farm bill; funding local conservation district technical assistance.**

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.

**USDA environmental quality incentives program; funding sources as matching funds.**

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.

**Intercounty drainage districts; support activities.**

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****Insufficient amounts of Michigan surplus products offered to food bank council; application of unused funds.**

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. 703. From the appropriation in part 1 for agriculture development, a grant shall be provided to the northwest Michigan horticultural research station which is limited to an amount equal to resources provided by the organization not to exceed \$30,000.00. The grant shall not be used by the administering agency to supplant existing resources dedicated to the northwest Michigan horticultural research station.

**Participation in federal market access program.**

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.

**Agriculture development and export market development activities.**

Sec. 706. Not later than April 1, 2008, 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.

---

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

**Diversity of Michigan agriculture and its economic importance; grant awards.**

Sec. 707. In awarding grants from the agricultural development fund created under the Julian-Stillle 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.

**Receipt and expenditure of funds from agricultural development fund.**

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

**Activities of grape and wine industry council; report.**

Sec. 709. (1) Not later than April 1, 2008, 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.

**Export markets; development and enhancement.**

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.

**Specialty crop block grant program; federal funds.**

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

**FAIRS AND EXPOSITIONS****Simulcasting revenues; report.**

Sec. 801. The department shall submit a report each month to the state budget director, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies that states the simulcasting revenues generated in the preceding month by each licensed track and the amount received from license fees.

**State purse supplements at pari-mutuel tracks; segregation of horses into divisions.**

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.



**Thoroughbred yearling show.**

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.

**Thoroughbred owners' awards; distributions.**

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.

**Agriculture equine industry development fund; notice of planned reductions.**

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

**Funds used for prizes or awards at fairs.**

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.

**Overnight purse supplements.**

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.

**Livestock exhibitions; reimbursement.**

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.

**Youth involvement and adult exhibitions; grants.**

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.

**Distribution of outstanding winning tickets.**

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.

**Building and track improvement; restoration of line item.**

Sec. 813. It is the intent of the legislature that the appropriation line item, building and track improvement, county and state fairs, which had been authorized at \$963,200.00 in the 2006-2007 fiscal year agriculture budget, article 1 of 2006 PA 345, be restored to the \$963,200.00 level in the fiscal year beginning October 1, 2008.

**OFFICE OF RACING COMMISSIONER**

**Crime involving horse racing industry; rewards.**

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.

**Holding money in escrow if no live thoroughbred race; distribution formula.**

Sec. 902. In the event there is no live thoroughbred race meet in 2008, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2007-08 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, 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.

This act is ordered to take immediate effect.

Approved October 31, 2007.

Filed with Secretary of State October 31, 2007.

---

**[No. 129]**

**(SB 240)**

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2008; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

## PART 1

## LINE-ITEM APPROPRIATIONS

**Appropriations; state transportation department.**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT**

## APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	3,029.3	
GROSS APPROPRIATION .....		\$ 3,360,295,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....		\$ 3,360,295,600
Federal revenues:		
DOT, federal transit act.....		59,262,100
DOT-FHWA, highway research, planning, and construction .....		1,140,378,500
DOT-FRA, local rail service assistance .....		100,000
DOT-FRA, rail passenger/HSGT.....		1,000,000
Total federal revenues .....		1,200,740,600
Special revenue funds:		
Local funds.....		42,850,000
Total local revenues.....		42,850,000
Total private revenues.....		0
Blue Water Bridge fund .....		15,672,000
Comprehensive transportation fund .....		242,729,500
Economic development fund.....		44,315,000
Intercity bus equipment fund.....		1,000,000
Local bridge fund.....		32,618,400
Michigan transportation fund .....		1,054,150,500
Rail freight fund .....		2,000,000
State aeronautics fund.....		12,705,000
State trunkline fund .....		711,514,600
Total other state restricted revenues .....		2,116,705,000
State general fund/general purpose .....		\$ 0
TOTAL STATE SPENDING .....		2,116,705,000

**Debt service.****Sec. 102. DEBT SERVICE**

State trunkline .....	\$ 170,934,500
Economic development .....	14,609,400
Local bridge fund.....	3,000,000
Blue Water Bridge.....	1,751,800
Airport safety and protection plan.....	3,474,600
Comprehensive transportation.....	29,841,900
GROSS APPROPRIATION .....	\$ 223,612,200

For Fiscal Year  
Ending Sept. 30,  
2008

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	\$ 55,080,000
Special revenue funds:	
Blue Water Bridge fund .....	1,751,800
Comprehensive transportation fund .....	29,841,900
Economic development fund .....	14,609,400
Local bridge fund .....	3,000,000
State aeronautics fund .....	3,474,600
State trunkline fund .....	115,854,500
State general fund/general purpose .....	\$ 0

**Interdepartment and statutory contracts.**

**Sec. 103. INTERDEPARTMENT AND STATUTORY**

**CONTRACTS**

Michigan transportation fund (MTF)	
MTF grant to department of environmental quality .....	\$ 1,057,000
MTF grant to department of state for collection of revenue and fees .....	20,000,000
MTF grant to department of treasury .....	8,004,600
MTF grant to legislative auditor general .....	204,300
State trunkline fund (STF)	
STF grant to department of attorney general .....	2,807,200
STF grant to department of civil service .....	2,700,000
STF grant to department of history, arts, and libraries .....	133,100
STF grant to department of management and budget .....	1,502,200
STF grant to department of state police .....	9,564,800
STF grant to department of treasury .....	199,500
STF grant to legislative auditor general .....	474,600
State aeronautics fund (SAF)	
SAF grant to department of attorney general .....	156,900
SAF grant to department of civil service .....	55,000
SAF grant to department of history, arts, and libraries .....	2,300
SAF grant to department of management and budget .....	38,700
SAF grant to department of treasury .....	73,600
SAF grant to legislative auditor general .....	19,600
Comprehensive transportation fund (CTF)	
CTF grant to attorney general .....	159,000
CTF grant to department of civil service .....	95,000
CTF grant to department of history, arts, and libraries .....	3,800
CTF grant to department of management and budget .....	62,100
CTF grant to department of treasury .....	1,300
CTF grant to legislative auditor general .....	25,200
GROSS APPROPRIATION .....	\$ <u>47,339,800</u>

Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	346,400
Michigan transportation fund .....	29,265,900

	For Fiscal Year Ending Sept. 30, 2008
State aeronautics fund .....	\$ 346,100
State trunkline fund .....	17,381,400
State general fund/general purpose .....	\$ 0

### **Executive direction.**

#### **Sec. 104. EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	31.3
Unclassified salaries .....	\$ 532,200
Asset management council.....	1,626,400
Commission audit—31.3 FTE positions.....	3,498,100
GROSS APPROPRIATION .....	\$ 5,656,700
Appropriated from:	
Special revenue funds:	
Michigan transportation fund .....	1,626,400
State trunkline fund .....	4,030,300
State general fund/general purpose .....	\$ 0

### **Business support.**

#### **Sec. 105. BUSINESS SUPPORT**

Full-time equated classified positions .....	78.0
Business support services—48.0 FTE positions .....	\$ 5,817,300
Human resources—21.0 FTE positions .....	2,441,800
Economic development and enhancement programs— 9.0 FTE positions.....	1,151,700
Property management .....	9,266,800
Human resources optimization user charges .....	205,000
Worker's compensation .....	2,146,000
GROSS APPROPRIATION .....	\$ 21,028,600
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	1,324,000
Economic development fund.....	494,200
Michigan transportation fund .....	179,000
State aeronautics fund.....	668,700
State trunkline fund .....	18,362,700
State general fund/general purpose .....	\$ 0

### **Information technology.**

#### **Sec. 106. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$ 28,483,300
GROSS APPROPRIATION .....	\$ 28,483,300
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	1,446,900
Special revenue funds:	
Blue Water Bridge fund .....	46,800
Comprehensive transportation fund .....	183,500
Economic development fund.....	37,100

For Fiscal Year  
Ending Sept. 30,  
2008

Michigan transportation fund .....	\$	242,600
State aeronautics fund .....		143,200
State trunkline fund .....		26,383,200
State general fund/general purpose .....	\$	0

**Finance, contracts and support services.**

**Sec. 107. FINANCE, CONTRACTS AND SUPPORT**

**SERVICES**

Full-time equated classified positions .....		243.5
Financial and contractual services		
Financial operations—80.0 FTE positions .....	\$	7,904,800
Contract services—53.6 FTE positions .....		5,127,100
Technical and support services—42.9 FTE positions.....		5,346,000
Performance excellence—12.0 FTE positions .....		1,435,500
Welcome center operations—55.0 FTE positions .....		4,860,700
GROSS APPROPRIATION .....	\$	24,674,100

Appropriated from:

Special revenue funds:

Michigan transportation fund .....		1,894,700
State trunkline fund .....		22,779,400
State general fund/general purpose .....	\$	0

**Transportation planning.**

**Sec. 108. TRANSPORTATION PLANNING**

Full-time equated classified positions .....		176.0
Statewide planning services—124.0 FTE positions .....	\$	13,013,500
Data collection services—52.0 FTE positions .....		5,637,200
Specialized planning services and local studies.....		16,698,200
Grants to regional planning councils.....		488,800
GROSS APPROPRIATION .....	\$	35,837,700

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction .....		22,000,000
Special revenue funds:		
Comprehensive transportation fund .....		960,300
Michigan transportation fund .....		6,304,500
State aeronautics fund .....		261,900
State trunkline fund .....		6,311,000
State general fund/general purpose .....	\$	0

**Design and engineering services.**

**Sec. 109. DESIGN AND ENGINEERING SERVICES**

Full-time equated classified positions .....		1,500.8
Engineering services—785.1 FTE positions.....	\$	58,279,800
Program services—704.7 FTE positions .....		39,350,100
Intelligent transportation systems operations—11.0 FTE positions		10,091,100
GROSS APPROPRIATION .....	\$	107,721,000

For Fiscal Year  
Ending Sept. 30,  
2008

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	\$ 18,909,800
Special revenue funds:	
Michigan transportation fund .....	5,597,400
State trunkline fund .....	83,213,800
State general fund/general purpose .....	\$ 0

**Highway maintenance.**

**Sec. 110. HIGHWAY MAINTENANCE**

Full-time equated classified positions .....	828.7
State trunkline operations—828.7 FTE positions .....	\$ 131,976,500
Contract operations .....	146,631,200
GROSS APPROPRIATION .....	\$ 278,607,700

Appropriated from:	
Special revenue funds:	
State trunkline fund .....	278,607,700
State general fund/general purpose .....	\$ 0

**Road and bridge programs.**

**Sec. 111. ROAD AND BRIDGE PROGRAMS**

State trunkline federal aid and road and bridge construction .....	\$ 951,515,600
Local federal aid and road and bridge construction .....	268,570,000
Grants to local programs .....	33,000,000
Rail grade crossing .....	3,000,000
Local bridge fund .....	29,618,400
County road commissions .....	623,396,400
Cities and villages .....	347,571,400
GROSS APPROPRIATION .....	\$ 2,256,671,800

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	1,042,941,800
Special revenue funds:	
Local funds .....	30,000,000
Blue Water Bridge fund .....	8,553,200
Local bridge fund .....	29,618,400
Michigan transportation fund .....	1,006,967,800
State trunkline fund .....	138,590,600
State general fund/general purpose .....	\$ 0

**Blue water bridge.**

**Sec. 112. BLUE WATER BRIDGE**

Full-time equated classified positions .....	41.0
Blue Water Bridge operations—41.0 FTE positions .....	\$ 5,320,200
GROSS APPROPRIATION .....	\$ 5,320,200

Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund .....	5,320,200
State general fund/general purpose .....	\$ 0

For Fiscal Year  
Ending Sept. 30,  
2008

**Transportation economic development fund.**

**Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT**

**FUND**

Forest roads.....	\$	5,040,000
Rural county urban system .....		2,500,000
Target industries/economic redevelopment .....		12,567,100
Urban county congestion.....		4,533,600
Rural county primary .....		4,533,600
GROSS APPROPRIATION .....	\$	<u>29,174,300</u>
Appropriated from:		
Special revenue funds:		
Economic development fund.....		29,174,300
State general fund/general purpose .....	\$	0

**Aeronautics services.**

**Sec. 114. AERONAUTICS SERVICES**

Full-time equated classified positions .....	84.0
Airport improvement services—30.0 FTE positions .....	\$ 2,850,700
Aviation services—26.0 FTE positions .....	4,259,800
Freight and safety services—28.0 FTE positions .....	3,305,100
Air service program .....	700,000
GROSS APPROPRIATION .....	\$ <u>11,115,600</u>
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	1,429,900
Michigan transportation fund .....	1,875,200
State aeronautics fund.....	7,810,500
State general fund/general purpose .....	\$ 0

**Public transportation services.**

**Sec. 115. PUBLIC TRANSPORTATION SERVICES**

Full-time equated classified positions .....	46.0
Passenger transportation services—46.0 FTE positions .....	\$ 5,316,500
GROSS APPROPRIATION .....	\$ <u>5,316,500</u>
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	762,100
Special revenue funds:	
Comprehensive transportation fund .....	4,357,400
Michigan transportation fund .....	197,000
State general fund/general purpose .....	\$ 0

**Bus transit division: statutory operating.**

**Sec. 116. BUS TRANSIT DIVISION: STATUTORY**

**OPERATING**

Local bus operating .....	\$ 166,624,000
Nonurban operating/capital .....	18,200,000
GROSS APPROPRIATION .....	\$ <u>184,824,000</u>



For Fiscal Year  
Ending Sept. 30,  
2008

Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	\$ 17,000,000
Special revenue funds:	
Local funds.....	1,200,000
Comprehensive transportation fund .....	166,624,000
State general fund/general purpose .....	\$ 0

**Intercity passenger and freight.**

**Sec. 117. INTERCITY PASSENGER AND FREIGHT**

Freight property management.....	\$ 1,000,000
Detroit/Wayne County port authority .....	500,000
Intercity services.....	7,850,000
Rail passenger service.....	7,900,000
Freight preservation and development.....	5,092,900
Rail infrastructure loan program.....	600,000
Marine passenger services .....	400,000
Terminal development .....	550,000
GROSS APPROPRIATION .....	\$ 23,892,900

Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	4,500,000
DOT-FRA, local rail service assistance.....	100,000
DOT-FRA, rail passenger/HSGT.....	1,000,000
Special revenue funds:	
Local funds.....	50,000
Comprehensive transportation fund .....	15,242,900
Intercity bus equipment fund.....	1,000,000
Rail freight fund .....	2,000,000
State general fund/general purpose .....	\$ 0

**Public transportation development.**

**Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT**

Specialized services .....	\$ 9,500,100
Municipal credit program.....	2,000,000
Bus capital.....	46,163,600
Van pooling .....	195,000
Service initiatives .....	916,500
Transportation to work.....	12,244,000
GROSS APPROPRIATION .....	\$ 71,019,200

Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	37,000,000
Special revenue funds:	
Local funds.....	11,600,000
Comprehensive transportation fund .....	22,419,200
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

**Total state spending; payments to local units of government.**

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 2007-2008 is \$2,116,705,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$1,240,293,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to local programs .....	\$	33,000,000
Economic development fund.....		16,587,200
Grants to cities and villages .....		347,571,400
Grants to county road commissions.....		623,396,400
Local bridge fund.....		29,618,400
Grants to regional planning councils.....		488,800
Local bus operating .....		166,624,000
Bus capital.....		11,163,600
Marine passenger service.....		400,000
Detroit/Wayne County port authority .....		500,000
Municipal credit program.....		2,000,000
Specialized services .....		4,100,100
Transportation to work.....		4,844,000
Total payments to local units of government .....	\$	1,240,293,900

**Appropriations subject to MCL 18.1101 to 18.1594.**

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.

**Definitions.**

Sec. 203. As used in this act:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "MTF" means Michigan transportation fund.
- (j) "RIF" means recreation improvement fund.
- (k) "SAF" means state aeronautics fund.
- (l) "STF" means state trunkline fund.