

Act No. 169
Public Acts of 1989
Approved by the Governor
August 21, 1989
Filed with the Secretary of State
August 22, 1989

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1989**

Introduced by Senator Gast

ENROLLED SENATE BILL No. 219

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 1990; 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:

Sec. 101. There is appropriated for the department of agriculture for the fiscal year ending September 30, 1990, from the following funds:

DEPARTMENT OF AGRICULTURE

APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	649.8	
GROSS APPROPRIATION	\$	62,468,800
Interdepartmental grant revenues:		
IDT - end-user computing.....		258,300
Total intradepartmental transfers.....		258,300
IDG from Commerce (LCC)-liquor quality testing fees.....		203,000
IDG from Commerce (LCC)-nonretail liquor license fee		408,100
IDG from Department of Commerce		1,200,000
Total interdepartment grant revenues		1,811,100
Total interdepartmental grants and intradepartmental transfers	\$	2,069,400
ADJUSTED GROSS APPROPRIATION	\$	60,399,400
Federal revenues:		
DAG-AMS, Cooperative agreement.....		15,800
DAG-APHIS, Plant and animal disease and pest control		29,000
DAG-FNS.....		200,000
DAG-FS, multiple grants		500,000
DAG-SRS, Agricultural statistical reports.....		65,000
DAG-VS pseudorabies.....		130,000
EPA-OE, Pesticides enforcement program grants.....		410,000
EPA-OWWM, Water pollution control, lake restoration cooperative agreements.....		60,000
HHS-FDA.....		85,000
Total federal revenues		1,494,800

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Special revenue funds:	
Private-college work study	\$ 5,400
Private-oil company overcharge settlement.....	800,000
Foundation support	500,000
Total private revenues.....	1,305,400
Apiary fees.....	45,000
Bean inspection fees.....	50,500
Farm produce license and audit fees.....	120,200
Food handler licensing fees	372,600
Fruits and vegetable inspection fees.....	665,400
Horse racing revenues.....	20,627,200
Industry support funds.....	573,300
Licensing and inspection fees	1,598,000
Livestock auction fees.....	14,700
Motor fuel quality license fees.....	1,163,900
NASDA.....	50,000
Registration fees	21,600
Testing fees.....	233,500
Upper Peninsula state fair revenue.....	507,900
Weights and measures regulation fees	80,100
Total other state restricted revenues	26,123,900
State general fund/general purpose	\$ 31,475,300

EXECUTIVE

Full-time equated unclassified positions	3.0
Full-time equated classified positions.....	48.0
Commission, including travel (per diem each \$75.00)	\$ 37,700
Marketing and bargaining board, including travel (per diem \$35.00).....	2,900
Upper Peninsula state fair board, including travel (per diem \$50.00).....	14,200
Soil conservation committee, including travel (per diem \$35.00).....	4,500
Director.....	80,300
Deputy directors (2).....	104,600
Family farm development and marketing and bargaining—2.0 FTE positions.....	127,800
Affirmative action—2.0 FTE positions	205,800
Executive direction—10.0 FTE positions.....	636,600
Project quality—1.0 FTE position	54,300
Center for agricultural innovation and development—16.0 FTE positions.....	2,320,400
Emergency services—3.0 FTE positions.....	178,300
Statistical reporting service—4.0 FTE positions	412,300
Regional clerical support—10.0 FTE positions	417,300
Food and agricultural industry promotion	1,200,000
GROSS APPROPRIATION	\$ 5,797,000

Appropriated from:

Interdepartmental grant revenues:	
IDG from Commerce (LCC)-nonretail liquor license fee	408,100
IDG from Department of Commerce.....	1,200,000
Federal revenues:	
DAG-SRS, Agricultural statistical reports.....	65,000
DAG-FNS.....	200,000
Special revenue funds:	
Foundation support	500,000
Industry support funds.....	201,300
State general fund/general purpose	\$ 3,222,600

ADMINISTRATIVE SERVICES

Full-time equated classified positions.....	80.8
Policy planning and evaluation—1.0 FTE position	\$ 88,500

	For Fiscal Year Ending Sept. 30, 1990
Personnel—9.0 FTE positions	\$ 452,500
Financial Services—53.0 FTE positions	3,320,000
Automated services—9.0 FTE positions.....	1,078,400
End-user computing	258,300
Press and Public Affairs—8.8 FTE positions	649,300
GROSS APPROPRIATION	\$ 5,847,000
Appropriated from:	
Interdepartmental grant revenues:	
IDT - end-user computing	258,300
Special revenue funds:	
Registration fees	21,600
Farm produce license and audit fees	80,400
Upper Peninsula state fair revenue.....	507,900
Horse racing revenues.....	906,900
NASDA.....	50,000
State general fund/general purpose	\$ 4,021,900
DEPARTMENTAL OPERATIONS SUPPORT	
Terminal leave	\$ 515,200
Rent	850,200
Worker's compensation	107,100
College work-study	5,400
Special maintenance.....	26,300
Department Equipment.....	55,100
GROSS APPROPRIATION	\$ 1,559,300
Appropriated from:	
Special revenue funds:	
Private-college work study	5,400
Fruits and vegetable inspection fees.....	4,700
Horse racing revenues.....	63,800
State general fund/general purpose	\$ 1,485,400
PESTICIDE AND PLANT PEST MANAGEMENT	
Full-time equated classified positions.....111.7	
Administration—6.0 FTE positions.....	\$ 341,400
Apiary inspection program—8.1 FTE positions.....	390,100
Agricultural products quality assurance—15.9 FTE positions	803,900
Plant pest control—32.1 FTE positions	1,766,200
Pesticide certification and enforcement—43.3 FTE positions.....	2,038,900
Gypsy moth program—6.3 FTE positions.....	1,092,200
Michigan ornamental plant council.....	297,000
GROSS APPROPRIATION	\$ 6,729,700
Appropriated from:	
Federal revenues:	
DAG-FS, multiple grants	500,000
EPA-OE, Pesticides enforcement program grants.....	410,000
HHS-FDA.....	15,000
Special revenue funds:	
Licensing and inspection fees	1,532,500
Apiary fees.....	45,000
State general fund/general purpose	\$ 4,227,200
ANIMAL INDUSTRY	
Full-time equated classified positions.....26.0	
Administration—6.0 FTE positions.....	\$ 336,900
Animal health and welfare—20.0 FTE positions	1,118,100
GROSS APPROPRIATION	\$ 1,455,000
Appropriated from:	
Federal revenues:	

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DAG-VS pseudorabies.....	\$	130,000
Special revenue funds:		
Livestock auction fees.....		14,700
Licensing and inspection fees		2,500
State general fund/general purpose	\$	1,307,800

DAIRY PRODUCTS

FTE's classified.....	51.0	
Administration—6.0 FTE positions.....		\$ 293,600
Dairy products quality assurance—45.0 FTE positions		2,515,800
GROSS APPROPRIATION		\$ 2,809,400
Appropriated from:		
Special revenue funds:		
Licensing and inspection fees		63,000
State general fund/general purpose		\$ 2,746,400

FOOD AND CONSUMER PROTECTION

Full-time equated classified positions.....	148.8	
Administration—6.0 FTE positions.....		\$ 326,100
Food product quality assurance—66.5 FTE positions		3,138,100
Motor fuels quality program—8.0 FTE positions		480,300
Fruit and vegetable quality control—35.3 FTE positions.....		1,621,600
Weights and measures program—30.0 FTE positions		1,544,800
Farm produce enforcement program—3.0 FTE positions.....		139,900
GROSS APPROPRIATION		\$ 7,250,800
Appropriated from:		
Federal revenues:		
DAG-AMS, cooperative agreement		15,800
HHS-FDA.....		70,000
Special revenue funds:		
Weights and measures regulation fees		\$ 80,100
Food handler licensing fees		372,600
Motor fuel quality license fees		418,200
Farm produce license and audit fees.....		39,800
Fruits and vegetable inspection fees.....		660,700
Bean inspection fees.....		50,500
State general fund/general purpose		\$ 5,543,100

LABORATORY SUPPORT

Full-time equated classified positions.....	99.0	
Administration—7.0 FTE positions.....		\$ 359,800
Equine drug testing—9.5 FTE positions.....		701,700
Laboratory support services—82.5 FTE positions		4,651,600
GROSS APPROPRIATION		\$ 5,713,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Commerce (LCC)-liquor quality testing fees.....		203,000
Federal revenues:		
DAG-APHIS, Plant and animal disease and pest control		29,000
Special revenue funds:		
Horse racing revenues.....		701,700
Motor fuel quality license fees		745,700
Testing fees.....		233,500
State general fund/general purpose		\$ 3,800,200

ENVIRONMENTAL PROTECTION

Full-time equated classified positions.....	22.0	
Administration—2.0 FTE positions.....		\$ 115,700

		For Fiscal Year Ending Sept. 30, 1990
Soil and water conservation—20.0 FTE positions.....	\$	1,197,600
GROSS APPROPRIATION	\$	1,313,300
Appropriated from:		
Federal revenues:		
EPA-OWWM, Water pollution control, lake restoration cooperative agreements.....		60,000
State general fund/general purpose	\$	1,253,300
OFFICE OF RACING COMMISSIONER		
Full-time equated unclassified positions	3.0	
Full-time equated classified positions.....	45.7	
Commissioner.....	\$	60,000
Deputy commissioners (2).....		78,400
Licensing and regulation—44.7 FTE positions		3,135,900
Affirmative action—1.0 FTE position.....		45,900
Discretionary reward fund		5,800
Promotion		1,000,000
GROSS APPROPRIATION	\$	4,326,000
Appropriated from:		
Special revenue funds:		
Horse racing revenues.....		4,326,000
State general fund/general purpose	\$	0
WORLD TRADE SERVICES		
Full-time equated classified positions.....	16.8	
International trade—9.8 FTE positions	\$	1,669,800
African trade development program.....		104,600
MEDA - export development finance and operations—7.0 FTE positions		811,700
GROSS APPROPRIATIONS.....	\$	2,586,100
Appropriated from:		
Special revenue funds:		
Industry support funds.....		372,000
State general fund/general purpose	\$	2,214,100
GRANTS		
Grant to future farmers of America	\$	14,900
Clean water incentive program.....		246,200
Soil survey program		50,000
Grants to local soil conservation districts/clean water incentive program		1,202,700
Grants to local soil conservation districts/ food safety		89,900
Energy conservation program for agriculture and forestry		800,000
Purses and supplements-fairs.....		2,549,100
Purses and supplements-licensed tracks.....		400,000
Michigan futurity		80,000
Fedele Fauri futurity		80,000
Breeders' awards		1,155,400
Light horse racing-grants to county fairs		74,200
Premiums		1,306,200
Great Lakes draft horse show.....		95,000
4-H animal science exposition		12,100
Building and track improvement-county and state fairs		478,200
Training and stabling.....		56,900
Quarter horse program		20,000
Thoroughbred training and stabling		90,000
Thoroughbred program		1,811,200
Appaloosa program		20,000
Sire stakes program		1,100,000
Grant to cities with racetracks.....		3,750,500
City of Pontiac.....		800,000

	For Fiscal Year Ending Sept. 30, 1990
Arabian program.....	\$ 20,000
Michigan olympic equestrian training program.....	30,000
Northwest Michigan horticultural research station	49,600
Thoroughbred sire stakes program	550,000
Water wonderland breeder awards	150,000
GROSS APPROPRIATION	\$ 17,082,100
Appropriated from:	
Special revenue funds:	
Private-oil company overcharge settlement.....	800,000
Horse racing revenues.....	14,628,800
State general fund/general purpose	\$ 1,653,300

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this appropriation act is \$57,599,200.00 and state appropriations to be paid to local units of government in section 101 are as follows:

	For Fiscal Year Ending Sept. 30, 1990
DEPARTMENT OF AGRICULTURE	
Grants to soil conservation districts.....	\$ 1,292,600
Clean water incentive program.....	246,200
Grants to cities with racetracks	3,750,500
City of Pontiac.....	800,000
TOTAL.....	\$ 6,089,300

(2) When it appears to the principal executive officer of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. As used in this act:

- (a) "Department" means the department of agriculture.
- (b) "Director" means the director of the department.
- (c) "DAG-AMS" means the United States department of agriculture-agriculture marketing service.
- (d) "DAG-APHIS" means the United States department of agriculture-animal plant health inspection service.
- (e) "DAG-FNS" means the United States department of agriculture-food and nutrition service.
- (f) "DAG-FS" means the United States department of agriculture-forest service.
- (g) "DAG-SRS" means the United States department of agriculture-statistical reporting service.
- (h) "DAG-VS" means the United States department of agriculture-veterinary science.
- (i) "EPA-OE" means the United States environmental protection agency-office of enforcement.
- (j) "EPA-OWWM" means the United States environmental protection agency-office of water and waste management.
- (k) "FTE" means full-time equated.
- (l) "HHS-FDA" means the United States department of health and human services-food and drug administration.
- (m) "IDG" means interdepartmental grant.

- (n) "IDT" means intradepartmental transfer.
- (o) "MEDA" means Michigan export development authority.
- (p) "NASDA" means national association of state departments of agriculture.

Sec. 204. The department may receive and expend funds in addition to those authorized in section 101 for conducting training and orientation workshops and seminars that are consistent with the programmatic mission of the individual unit sponsoring or coordinating the program. Not later than January 2, 1990, the department shall provide the senate and house appropriations subcommittees and the senate and house fiscal agencies with a report indicating the program, number of participants, costs incurred, and income received for the previous fiscal year.

Sec. 205. (1) The unexpended and unobligated balance of any state restricted fund or account remaining at the end of the fiscal year shall revert back to the state restricted fund or account from which appropriated and be available for reappropriation for the next fiscal year. Appropriations which revert to a state restricted fund or account pursuant to this section shall not revert to the general fund of the state.

(2) A state restricted revenue fund or account which receives revenues in excess of appropriations made from that state restricted revenue fund or account shall not have the excess revenue revert to the general fund of the state.

(3) This section does not apply to horse racing revenue.

Sec. 206. Of the funds appropriated in section 101 which are in units other than the grants unit, the department may provide grants to local government agencies, institutions of higher education and nonprofit organizations. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state. A grant allocated by the department pursuant to this section shall not be issued or expended unless approved by the senate and house of representatives appropriations subcommittees responsible for the department's budget.

Sec. 207. (1) The following amounts and FTEs have been added for purposes of creating a new food safety program:

<u>Line</u>	<u>FTEs</u>	<u>Amount (this act)</u>	<u>FY 1989 Projected Supplemental</u>
Administrative Services			
Press and public affairs	2.0	\$ 36,800	\$ 131,300
Pesticide and Plant Pest Management			
Pesticide certification and enforcement	9.0	175,000	624,800
Food and Consumer Protection			
Food product quality assurance	6.0	103,800	370,600
Laboratory Support			
Laboratory support services	6.0	273,900	982,100
Environmental Protection			
Soil and water conservation	1.0	19,600	69,900
Grants			
Local soil conservation districts/food safety	<u>0</u>	<u>89,900</u>	<u>321,300</u>
	24.0	\$699,000	\$2,500,000

(2) A product shall not be considered as a premium product unless it is considered safe. If any portion of the food safety program is vetoed, then the amount appropriated for the center for agricultural innovation and development for the Michigan premium program shall not be expended and shall be considered as vetoed.

(3) Any amount transferred or appropriated for the food safety program for fiscal year ending in 1989 shall be carried forward and expended as a work project.

(4) Of the grants to local soil conservation districts/food safety appropriated in section 101, the department may make grants to local soil conservation districts for purposes of providing technical assistance and may make grants to Michigan state university—agricultural experiment stations and cooperative extension service for purposes of providing education and research. Not less than 25% of the total grants shall be given to Michigan state university.

Sec. 208. If fees or other revenues are increased pursuant to changes in law for a state restricted fund or account, then the department shall expend those revenues from the state restricted fund or account as increased and as reflected in the governor's budget as introduced, and the state general fund authorizations shall be decreased accordingly.

Sec. 209. Any pamphlet, brochure, or literature which is paid for from any line item appropriated for in this act shall not contain the photograph or likeness of any elected official who is currently serving.

EXECUTIVE

Sec. 301. The appropriations in section 101 may be used for per diem payments to members of boards, committees, and commissions for a full day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

(a) Commission of agriculture	\$ 75.00 per day
(b) Soil conservation committee	\$ 35.00 per day
(c) Upper Peninsula state fair board	\$ 50.00 per day
(d) Agricultural marketing and bargaining board.....	\$ 35.00 per day

Sec. 302. If the director is required to lay off any department employees to implement this act, the director shall be exempted from using a strict application of continuous service credits in accordance with guidelines developed by the state personnel director and approved by the civil service commission in order to preserve affirmative action gains made in a program approved by the Michigan equal employment and business opportunity council. This is in accordance with civil service commission rule.

Sec. 303. (1) Of the amount appropriated in section 101 to the center for agricultural innovation and development, \$150,000.00 is for the PICK MICHIGAN-quality promotion program to be used to influence volume buyer and individual consumer choices in purchasing Michigan grown fresh fruits and vegetables as opposed to those grown out of the state. The department shall prepare a program primarily concerned with increasing the potential market share of these commodities by concentrating on enhancing the image of Michigan's product quality and value. The plan to implement this program shall be submitted by the department to the senate and house appropriations committees at least 30 days before the program is scheduled to start.

(2) From the amount appropriated in section 101 to the center for agricultural innovation and development, \$50,000.00 shall be allocated for the food bank council.

(3) From the amount appropriated in section 101 to the center for agricultural innovation and development, \$200,00.00 shall be allocated to the farm resources encouraging and supporting health program.

Sec. 304. To qualify for the funds appropriated in section 101 for the commodity promotion matching fund, an organization shall be 1 of the following:

(a) Organized under the agricultural commodities marketing act, Act No. 232 of the Public Acts of 1965, being sections 290.651 to 290.674 of the Michigan Compiled Laws.

(b) Subject to a state commission or council pursuant to statute.

(c) A recognized, statewide, grower-funded organization for the promotion or market development of a commodity if approved by the commission of agriculture.

Sec. 305. Within the appropriations in section 101 for the center for innovation and development, \$408,100.00 is for the grape and wine industry council, from which the department may provide grants for the purposes as described in section 16b of the Michigan liquor control act, Act No. 8 of the Public Acts of the Extra Session of 1933, being section 436.16b of the Michigan Compiled Laws. Before October 15, 1990, the department shall report the grants made pursuant to this section to the appropriations subcommittees of the senate and house of representatives and to the senate and house fiscal agencies. The report shall include to whom the grants were made, the amounts of the grants, and a brief description of the purpose of the grants.

Sec. 306. The department may charge fees for publications and to use those fees to cover necessary expenses.

Sec. 307. The department shall operate all inspection and regulatory programs at full strength as authorized by this act.

Sec. 308. (1) The department shall establish a system for assessing the goals and accomplishments of the center for innovation and development.

(2) The department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies the following relative to any grant made by the center for innovation and development:

- (a) The criteria used to make the grant.
- (b) The amount of the grant.
- (c) The entity or person to whom the grant is made.
- (d) The names of any entities who requested grants but were rejected.
- (e) A brief description of the purpose of the grants.

Sec. 309. From the amount appropriated in section 101 for the center for innovation and development, \$25,000.00 shall be allocated for the Michigan beef expo.

Sec. 310. The department may combine the administration and financing of the family farm development program and the agricultural marketing and bargaining program.

ADMINISTRATIVE SERVICES

Sec. 401. The department may collect revenues and fees for audit and licensing functions and may use these fees for necessary expenses.

Sec. 402. The department may collect fees to conduct livestock sales at the Upper Peninsula state fairgrounds and use the fees for necessary expenses related to the livestock sales.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. The department may charge a fee for propagating and certifying virus free foundation stock.

Sec. 502. A fund is created, to be financed from commercial feed inspection fees. The cost of the commercial feed inspectors shall be financed from the fund created under this section.

Sec. 503. The department shall develop a strategy with accompanying cost estimates for the purpose of the suppression of the gypsy moth infestation in this state. In the development of this strategy, the department shall form a committee consisting of representatives from the department and the departments of natural resources, public health, and commerce and from Michigan state university. The department shall consult with other states that are or have experienced similar gypsy moth infestations. The department shall report its findings to the house and senate appropriations subcommittees on agriculture and to the department of management and budget by January 1, 1990.

Sec. 504. Of the funds appropriated in section 101, to the pesticide and plant pest management division, up to \$75,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

Sec. 505. (1) From the amount appropriated in section 101 for the gypsy moth program, \$100,000.00 shall be allocated to Michigan state university for a gypsy moth education program.

(2) Any unexpended balance which is allocated pursuant to this section shall be carried forward as a work project.

FOOD AND CONSUMER PROTECTION

Sec. 601. The department may collect fees and fines and may use these funds to administer the gasoline inspection and testing program in accordance with the motor fuels quality act, Act No. 44 of the Public Acts of 1984, being sections 290.641 to 290.650 of the Michigan Compiled Laws.

Sec. 602. The department may provide bean inspection and grading services and state meat grading services and use the revenues received from these services for necessary expenses.

Sec. 603. The department may use all the inspection fees collected from the inspection of fruits and vegetables at shipping points and processing plants to pay necessary expenses related to the inspections.

LABORATORY SUPPORT

Sec. 701. The amount appropriated in section 101 for equine drug testing includes sufficient funds to test horses entered in draft horse pulling contests at county fairs when local jurisdictions request state assistance.

Sec. 702. The department may make necessary analyses to determine whether or not stimulants or depressants were administered to horses engaged in racing or pulling contests at tracks. A fee shall be charged to reimburse the department for the costs of the tests.

Sec. 703. The department may levy and collect fees for the inspection, testing, and identification of livestock for infectious or contagious diseases for noxious or toxic materials or for equine infectious anemia diagnostic tests.

Sec. 704. The department may conduct analyses of liming samples and charge a fee for the service.

Sec. 705. The department may make regulatory and service tests of feed and fertilizer samples and charge a fee sufficient to cover the costs of these tests.

Sec. 706. The department may test samples for other agencies and organizations and charge a fee for the services. The fees shall be used to cover necessary expenses and shall be interaccounted.

OFFICE OF RACING COMMISSIONER

Sec. 801. The racing commissioner shall require, by rule, that each racetrack in this state implement a sign-in and sign-out system at each gate to a horse stable area.

Sec. 802. The appropriation in section 101 for the discretionary reward fund in the racing supervision component shall be used by the racing commissioner to pay rewards of not more than \$5,800.00 to a person who provides information which results in the arrest and conviction on a felony charge for a crime which involves the horse racing industry.

Sec. 803. Included in section 101 is an amount not to exceed \$1,000,000.00 for promotion of attendance at pari-mutuel horse racing. The state funds shall be matched before expenditure such that each \$2.00 of state funds is matched by \$1.00 of private industry funds. A race meeting licensee or an association of thoroughbred and harness racetracks or any horsemen's group may submit a plan and proposal to the racing commissioner for use of funds authorized to be expended for promotion of attendance at pari-mutuel horse racing. A plan shall be submitted by the commissioner before the funds may be expended. Each licensee or association of thoroughbred and harness racetracks or horsemen's group shall be eligible for promotional funds. The distribution shall not be made until approved by the chairpersons of the appropriations subcommittees on agriculture of the senate and house appropriations committees. All unexpended funds shall lapse to the state general fund.

Sec. 804. The department shall report by January 1, 1990, to the senate and house appropriations committees the horse racing revenues generated by each breed of horse for which funds are appropriated in this act.

Sec. 805. (1) The appropriations made in section 101 from general fund/special purpose horse racing revenues is intended for full funding compliance with the racing law of 1980, Act No. 327 of the Public Acts of 1980, being sections 431.61 to 431.88 of the Michigan Compiled Laws.

(2) By May 1, 1990, the department, together with the office of the racing commissioner, shall report to the house and senate appropriation subcommittees on agriculture the status of the appropriations made in this act in complying with the funding requirements of the racing law of 1980.

Sec. 806. The office of the racing commissioner shall report to the agriculture appropriations subcommittees of the house of representatives and the senate by November 1, 1989, on what programs, policies, and financial

enhancements should be implemented to bring the Michigan horse racing industry to an equal and competitive standing with other states in the north central region. The office of the racing commissioner shall work collectively with the racing associations and the house and senate agriculture appropriation subcommittee in attaining equal and competitive standing with other states.

WORLD TRADE SERVICES

Sec. 851. Of the funds appropriated in section 101 for international trade, \$175,000.00 and 1 FTE is added to world trade service for the department to expand services for promotion of trade development with the countries in Africa and the Carribbean.

Sec. 852. From the amount appropriated in section 101 to international trade, the department may make a grant of not more than \$20,000.00 to the Partners of the Americas, a nonprofit organization, for promotion of exchange of business leaders in Michigan and the Dominican Republic.

GRANTS

Sec. 901. Of the \$95,000.00 appropriated in section 101 for the Great Lakes draft horse show, \$35,500.00 shall be made available for the Michigan dynamometers association, \$49,500.00 shall be made available for the Michigan draft horse breeders association, and \$10,000.00 shall be used for advertisement and promotion of an annual Great Lakes international draft horse show.

Sec. 902. Included in the appropriation made in section 101 for the thoroughbred program is \$40,000.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 903. (1) Except as provided in subsection (2), the appropriation of \$400,000.00 in section 101 for purses and supplements-licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used 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.

(2) Of the \$400,000.00 appropriated in section 101 for purses and supplements licensed tracks, \$100,000.00 shall be allocated as follows:

Arabian and appaloosa horse racing	\$ 25,000
Quarter horse racing	75,000

(3) The allocations made pursuant to this section shall be considered allocations for work projects and the unexpended balances shall be carried forward and shall not lapse until expended.

Sec. 904. Of the amount appropriated in section 101 for purses and supplements-fairs, a sufficient amount is appropriated to provide for overnight purse supplements at the maximum supplement of \$1,000.00 per overnight race.

Sec. 905. Of the amount appropriated in section 101 for premiums, \$12,000.00 shall be expended as a grant for the Michigan horse show association-fall youth show at the Michigan exposition and fairgrounds.

Sec. 906. A local unit of government which receives money from horse race revenues for having racetracks within their limits shall report the expenditures it incurred by having those racetracks within their limits for the previous calendar year to the senate and house appropriations committees by March 31 of each year.

Sec. 907. The independent audits of local units of government, as required by the uniform budgeting and accounting act, Act No. 2 of the Public Acts of 1968, being sections 141.421 to 141.440a of the Michigan Compiled Laws, shall include an examination to determine the accuracy of reports submitted in compliance with section 1005 of this act. The reports shall be subject, at the authorization of the chairpersons of the senate and house appropriations committees, to the review of the auditor general.

Sec. 908. (1) The \$80,000.00 appropriated in section 101 for the Fedele Fauri futurity shall only be used by the department to award a grant to an Upper Peninsula county fair based upon competitive bidding.

(2) The \$80,000.00 appropriated in section 101 for the Michigan futurity shall only be used by the department to award a grant to a Lower Peninsula county fair based upon competitive bidding.

Sec. 909. Of the \$150,000.00 appropriated in section 101 for water wonderland breeder awards, not more than 2% of the amount appropriated may be used for administrative expenses required to manage the program, the remainder shall be expended for premiums, judges, ribbons and trophies, promotion, and to send state champions to national shows. Large breeds receiving over \$8,000.00 may use up to 20% for a show held separate from county or state fairs.

Sec. 910. The grant in section 101 to the future farmers of America shall be used only to support authorized activities of the Michigan association of the future farmers of America for regional and state level activities that promote the development of technical agriculture and leadership skills. Final approval for distribution of funds shall be given by the state future farmers of America advisor who shall be designated by the director of the department.

Sec. 911. A county fair, district fair, 4-H fair, or state fair receiving funds under this act 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 department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 912. The \$1,202,700.00 appropriated in section 101 for grants to local soil conservation districts shall be used for providing financial assistance to all soil conservation districts in order to permit the districts to engage in programs that conserve soil resources and prevent and control soil erosion. All grants to local soil conservation districts shall be allocated according to a formula approved by the commission of agriculture.

Sec. 913. An authority which receives money for stadium rental pursuant to this act shall be audited before January 1, 1990, by the legislative auditor general or an independent accounting firm approved by the legislative auditor general. A copy of the audit, which shall include a detailed itemization of all revenues and expenditures in a form approved by the legislative auditor general, shall be submitted to the legislature before January 1, 1990.

Sec. 914. The department may carry forward unexpended appropriated funds from the thoroughbred and standardbred sire stakes programs pursuant to section 13(9) and (10) of the racing law of 1980, Act No. 327 of the Public Acts of 1980, being section 431.73 of the Michigan Compiled Laws, for the purposes of reimbursement of sire stakes purses for Michigan bred 2- and 3-year-old horse races held in the following fiscal year.

Sec. 915. (1) From the grant in section 101 for the energy conservation program for agriculture and forestry, the following allocations shall be made:

(a) Department of agriculture for program support and coordination.....	\$ 56,500
(b) Michigan state university - agriculture experiment stations - for demonstrations	133,400
(c) Michigan state university - cooperative extension service for research and education	81,800
(d) Local soil conservation district to provide technical assistance	528,300

(2) The grants allocated pursuant to this section shall be expended for projects which target conservation practices which will result in reducing soil, chemical, and nutrient entry into Michigan's rivers, lakes, streams, and aquifers.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved.....

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Governor.