

**SUBSTITUTE FOR
HOUSE BILL NO. 5778**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2023; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2023, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
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1	Full-time equated classified positions	521.0	
2	GROSS APPROPRIATION		\$ 122,245,200
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		326,700
6	ADJUSTED GROSS APPROPRIATION		\$ 121,918,500
7	Federal revenues:		
8	Total federal revenues		14,271,000
9	Special revenue funds:		
10	Total local revenues		0
11	Total private revenues		21,300
12	Total other state restricted revenues		44,706,400
13	State general fund/general purpose		\$ 62,919,800
14	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
15	SUPPORT		
16	Full-time equated unclassified positions	6.0	
17	Full-time equated classified positions	27.0	
18	Unclassified salaries--FTEs	6.0	\$ 651,900
19	Accounting service center		1,048,500
20	Commissions and boards		23,800
21	Emergency management--FTEs	4.0	1,343,800
22	Executive direction--FTEs	23.0	3,288,800
23	Property management		752,400
24	GROSS APPROPRIATION		\$ 7,109,200
25	Appropriated from:		
26	Federal revenues:		
27	HHS, multiple grants		447,400
28	Special revenue funds:		

1	Agriculture licensing and inspection fees		45,400
2	Dairy and food safety fund		102,700
3	Feed control fund		8,100
4	Fertilizer control fund		10,200
5	Freshwater protection fund		62,400
6	Gasoline inspection and testing fund		25,600
7	Industry support funds		57,000
8	Michigan craft beverage council fund		8,800
9	Private forestland enhancement fund		16,000
10	Refined petroleum fund		20,500
11	Weights and measures regulation fees		5,000
12	State general fund/general purpose	\$	6,300,100
13	Sec. 103. INFORMATION AND TECHNOLOGY		
14	Information technology services and projects	\$	2,337,700
15	GROSS APPROPRIATION	\$	2,337,700
16	Appropriated from:		
17	Special revenue funds:		
18	Agriculture licensing and inspection fees		91,400
19	Dairy and food safety fund		74,800
20	Feed control fund		15,000
21	Fertilizer control fund		15,000
22	Freshwater protection fund		15,000
23	Gasoline inspection and testing fund		32,400
24	State general fund/general purpose	\$	2,094,100
25	Sec. 104. FOOD AND DAIRY		
26	Full-time equated classified positions	139.0	
27	Food safety and quality assurance--FTEs	103.0	\$ 18,518,900
28	Milk safety and quality assurance--FTEs	36.0	5,880,600

1	GROSS APPROPRIATION		\$	24,399,500
2	Appropriated from:			
3	Federal revenues:			
4	HHS, multiple grants			2,787,100
5	USDA, multiple grants			137,100
6	Special revenue funds:			
7	Consumer and industry food safety education			
8	fund			242,500
9	Dairy and food safety fund			5,484,400
10	Industry food safety education fund			114,100
11	Marihuana regulatory fund			350,000
12	Marihuana regulation fund			350,000
13	State general fund/general purpose		\$	14,934,300
14	Sec. 105. ANIMAL INDUSTRY			
15	Full-time equated classified positions	62.0		
16	Animal disease prevention and response--FTEs	62.0	\$	10,320,900
17	Bovine TB quarantine - producer reimbursement			400,000
18	Indemnification - livestock depredation			15,000
19	Michigan animal agriculture alliance			3,000,000
20	GROSS APPROPRIATION		\$	13,735,900
21	Appropriated from:			
22	Federal revenues:			
23	HHS, multiple grants			15,100
24	USDA, multiple grants			1,067,400
25	Special revenue funds:			
26	Agriculture licensing and inspection fees			71,800
27	Animal welfare fund			150,000
28	State general fund/general purpose		\$	12,431,600

1	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
2	Full-time equated classified positions	95.0	
3	Animal feed safety--FTEs	10.0	\$ 2,116,100
4	Pesticide and plant pest management--FTEs	85.0	14,436,400
5	GROSS APPROPRIATION		\$ 16,552,500
6	Appropriated from:		
7	Federal revenues:		
8	EPA, multiple grants		578,700
9	HHS, multiple grants		397,400
10	USDA, multiple grants		721,100
11	Special revenue funds:		
12	Private - slow-the-spread foundation		21,300
13	Agriculture licensing and inspection fees		4,579,300
14	Commodity inspection fees		688,600
15	Feed control fund		1,402,100
16	Fertilizer control fund		1,347,800
17	Freshwater protection fund		157,500
18	Horticulture fund		70,000
19	Industrial hemp licensing and registration fund		677,200
20	Industry support funds		228,100
21	State general fund/general purpose		\$ 5,683,400
22	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
23	Full-time equated classified positions	66.5	
24	Agricultural preservation easement grants		\$ 1,900,000
25	Environmental stewardship - MAEAP--FTEs	26.0	11,752,300
26	Farmland and open space preservation--FTEs	10.0	1,608,700
27	Intercounty drain--FTEs	6.0	862,600
28	Local conservation districts		2,000,000

1	Migrant labor housing--FTEs	9.0		1,357,300
2	Qualified forest program--FTEs	9.0		2,678,600
3	Right-to-farm--FTEs	6.5		1,025,600
4	USDA reforestation grant program			100
5	GROSS APPROPRIATION		\$	23,185,200
6	Appropriated from:			
7	Interdepartmental grant revenues:			
8	IDG from MDEGLE, biosolids			94,800
9	Federal revenues:			
10	Department of Interior			96,300
11	EPA, multiple grants			564,000
12	USDA, multiple grants			1,322,400
13	Special revenue funds:			
14	Agricultural preservation fund			3,508,700
15	Freshwater protection fund			8,331,700
16	Migratory labor housing fund			143,900
17	Private forestland enhancement fund			1,080,100
18	State general fund/general purpose		\$	8,043,300
19	Sec. 108. LABORATORY PROGRAM			
20	Full-time equated classified positions	108.5		
21	Central licensing and customer call center--			
22	FTEs	13.0	\$	1,533,100
23	Consumer protection program--FTEs	42.0		7,067,100
24	Laboratory services--FTEs	42.5		8,282,800
25	USDA monitoring--FTEs	11.0		1,704,300
26	GROSS APPROPRIATION		\$	18,587,300
27	Appropriated from:			
28	Interdepartmental grant revenues:			

1	IDG from LARA (LCC), liquor quality testing		
2	fees		231,900
3	Federal revenues:		
4	EPA, multiple grants		180,600
5	HHS, multiple grants		1,568,100
6	USDA, multiple grants		1,705,500
7	Special revenue funds:		
8	Agriculture licensing and inspection fees		353,400
9	Dairy and food safety fund		526,100
10	Feed control fund		193,100
11	Fertilizer control fund		25,100
12	Freshwater protection fund		48,100
13	Gasoline inspection and testing fund		1,422,900
14	Grain dealers fee fund		8,200
15	Industrial hemp licensing and registration fund		321,300
16	Migratory labor housing fund		30,100
17	Refined petroleum fund		3,454,600
18	Testing fees		356,300
19	Weights and measures regulation fees		750,200
20	State general fund/general purpose	\$	7,411,800
21	Sec. 109. AGRICULTURE DEVELOPMENT		
22	Full-time equated classified positions	23.0	
23	Agriculture development--FTEs	13.0	\$ 4,806,400
24	Fair food network - double up food bucks		900,000
25	Food and agriculture investment program		2,472,600
26	Michigan craft beverage council--FTEs	3.0	926,100
27	Office of rural development--FTE	1.0	179,800
28	Producer security/grain dealers--FTEs	5.0	754,000

1	Rural development fund grant program--FTE	1.0	2,004,800
2	GROSS APPROPRIATION		\$ 12,043,700
3	Appropriated from:		
4	Federal revenues:		
5	USDA, multiple grants		2,682,800
6	Special revenue funds:		
7	Agriculture licensing and inspection fees		5,100
8	Grain dealers fee fund		710,100
9	Industry support funds		223,600
10	Michigan craft beverage council fund		896,100
11	Rural development fund		2,004,800
12	State general fund/general purpose		\$ 5,521,200
13	Sec. 110. FAIRS AND EXPOSITIONS		
14	County fairs, shows, and expositions	\$	500,000
15	Fairs and racing		258,600
16	Horse racing advisory commission		125,000
17	Licensed tracks - light horse racing		40,300
18	Light horse racing - breeders' awards		20,000
19	Purses and supplements - fairs/licensed tracks		708,300
20	Standardbred breeders' awards		345,900
21	Standardbred purses and supplements - licensed		
22	tracks		671,800
23	Standardbred sire stakes		275,000
24	Thoroughbred breeders' awards		368,600
25	Thoroughbred sire stakes		378,800
26	Thoroughbred supplements - licensed tracks		601,900
27	GROSS APPROPRIATION		\$ 4,294,200
28	Appropriated from:		

1	Special revenue funds:	
2	Agriculture equine industry development fund	3,794,200
3	State general fund/general purpose	\$ 500,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

GENERAL SECTIONS

9 Sec. 201. Pursuant to section 30 of article IX of the state
10 constitution of 1963, total state spending from state sources under
11 part 1 for fiscal year 2022-2023 is \$107,626,200.00 and state
12 spending from state sources to be paid to local units of government
13 for fiscal year 2022-2023 is \$10,800,000.00. The itemized statement
14 below identifies appropriations from which spending to local units
15 of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

17	Agriculture preservation easement grants	\$ 1,900,000
18	Environmental stewardship/MAEAP	4,100,000
19	Local conservation districts	2,000,000
20	Qualified forest program	1,400,000
21	Rural development fund grant program	1,400,000
22	TOTAL	\$ 10,800,000

23 Sec. 202. The appropriations authorized under part 1 and this
24 part are subject to the management and budget act, 1984 PA 431, MCL
25 18.1101 to 18.1594.

26 Sec. 203. As used in part 1 and this part:

27 (a) "Department" means the department of agriculture and rural
28 development.

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

1 (c) "Fiscal agencies" means the Michigan house fiscal agency
2 and the Michigan senate fiscal agency.

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

4 (e) "IDG" means interdepartmental grant.

5 (f) "MAEAP" means the Michigan agriculture environmental
6 assurance program.

7 (g) "MDEGLE" means the Michigan department of environment,
8 Great Lakes, and energy.

9 (h) "Subcommittees" means all members of the subcommittees of
10 the house and senate appropriations committees with jurisdiction
11 over the budget for the department.

12 (i) "TB" means tuberculosis.

13 (j) "USDA" means the United States Department of Agriculture.

14 Sec. 204. (1) The departments and agencies receiving
15 appropriations in part 1 shall use the internet to fulfill the
16 reporting requirements of this part. This requirement shall include
17 transmission of reports via electronic mail to the recipients
18 identified for each reporting requirement, and shall include
19 placement of reports on an internet site.

20 (2) In fulfilling the reporting requirements of this part, the
21 department shall notify report recipients when reports are posted
22 to the department website.

23 Sec. 205. To the extent permissible under section 261 of the
24 management and budget act, 1984 PA 431, MCL 18.1261, all of the
25 following apply to funds appropriated in part 1:

26 (a) The funds must not be used for the purchase of foreign
27 goods or services, or both, if competitively priced and of
28 comparable quality American goods or services, or both, are
29 available.

1 (b) Preference must be given to goods or services, or both,
2 manufactured or provided by Michigan businesses, if they are
3 competitively priced and of comparable quality.

4 (c) Preference must be given to goods or services, or both,
5 that are manufactured or provided by Michigan businesses owned and
6 operated by veterans, if they are competitively priced and of
7 comparable quality.

8 Sec. 206. To the extent permissible under the management and
9 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
10 take all reasonable steps to ensure businesses in deprived and
11 depressed communities compete for and perform contracts to provide
12 services or supplies, or both. Each director shall strongly
13 encourage firms with which the department contracts to subcontract
14 with certified businesses in depressed and deprived communities for
15 services or supplies, or both.

16 Sec. 207. The departments and agencies receiving
17 appropriations in part 1 shall prepare a report on out-of-state
18 travel expenses not later than January 1 of each year. The travel
19 report shall be a listing of all travel by classified and
20 unclassified employees outside this state in the immediately
21 preceding fiscal year that was funded in whole or in part with
22 funds appropriated in the department's budget. The report shall be
23 submitted to the house and senate appropriations committees, the
24 house and senate fiscal agencies, and the state budget director.
25 The report shall include the following information:

26 (a) The dates of each travel occurrence.

27 (b) The transportation and related costs of each travel
28 occurrence, including the proportion funded with state general
29 fund/general purpose revenues, the proportion funded with state

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

3 Sec. 208. Funds appropriated in part 1 shall not be used by a
4 principal executive department, state agency, or authority to hire
5 a person to provide legal services that are the responsibility of
6 the attorney general. This prohibition does not apply to legal
7 services for bonding activities and for those outside services that
8 the attorney general authorizes.

9 Sec. 209. Not later than November 30, the state budget office
10 shall prepare and transmit a report that provides for estimates of
11 the total general fund/general purpose appropriation lapses at the
12 close of the prior fiscal year. This report shall summarize the
13 projected year-end general fund/general purpose appropriation
14 lapses by major departmental program or program areas. The report
15 shall be transmitted to the chairpersons of the senate and house of
16 representatives standing committees on appropriations and the
17 senate and house fiscal agencies.

18 Sec. 210. (1) In addition to the funds appropriated in part 1,
19 there is appropriated an amount not to exceed \$3,000,000.00 for
20 federal contingency authorization. These funds are not available
21 for expenditure until they have been transferred to another line
22 item in part 1 under section 393(2) of the management and budget
23 act, 1984 PA 431, MCL 18.1393.

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

1 (3) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$100,000.00 for local
3 contingency authorization. These funds are not available for
4 expenditure until they have been transferred to another line item
5 in part 1 under section 393(2) of the management and budget act,
6 1984 PA 431, MCL 18.1393.

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

13 Sec. 211. The department shall cooperate with the department
14 of technology, management, and budget to maintain a searchable
15 website accessible by the public at no cost that includes, but is
16 not limited to, all of the following for each department or agency:

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

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

19 (c) Fiscal year-to-date payments to a selected vendor,
20 including the vendor name, payment date, payment amount, and
21 payment description.

22 (d) The number of active department employees by job
23 classification.

24 (e) Job specifications and wage rates.

25 Sec. 212. Within 14 days after the release of the executive
26 budget recommendation, the department shall cooperate with the
27 state budget office to provide the senate and house appropriations
28 chairs, the subcommittees, respectively, and the senate and house
29 fiscal agencies with an annual report on estimated state restricted

1 fund balances, state restricted fund projected revenues, and state
2 restricted fund expenditures for the fiscal years ending September
3 30, 2022 and September 30, 2023.

4 Sec. 213. The department shall maintain, on a publicly
5 accessible website, a department scorecard that identifies, tracks,
6 and regularly updates key metrics that are used to monitor and
7 improve the agency's performance.

8 Sec. 214. Total authorized appropriations from all sources
9 under part 1 for legacy costs for the fiscal year ending September
10 30, 2023 is \$11,574,600.00. From this amount, total agency
11 appropriations for pension-related legacy costs are estimated at
12 \$7,027,300.00. Total agency appropriations for retiree health care
13 legacy costs are estimated at \$4,547,300.00.

14 Sec. 215. The department shall not take disciplinary action
15 against an employee of the department or departmental agency in the
16 state classified civil service because the employee communicates
17 with a member of the senate or house or a member's staff, unless
18 the communication is prohibited by law and the department or agency
19 taking disciplinary action is exercising its authority as provided
20 by law.

21 Sec. 216. (1) On a quarterly basis, the department shall
22 report to the senate and house appropriations committees, the
23 senate and house appropriations subcommittees on the department
24 budget, and the senate and house fiscal agencies the following
25 information:

26 (a) The number of FTEs in pay status by type of staff and
27 civil service classification.

28 (b) A comparison by line item of the number of FTEs authorized
29 from funds appropriated in part 1 to the actual number of FTEs

1 employed by the department at the end of the reporting period.

2 (2) By March 1 of the current fiscal year and annually
3 thereafter, the department shall report to the senate and house
4 appropriations committees, the senate and house appropriations
5 subcommittees on the department budget, and the senate and house
6 fiscal agencies the following information:

7 (a) Number of employees that were engaged in remote work in
8 2022.

9 (b) Number of employees authorized to work remotely and the
10 actual number of those working remotely in the current reporting
11 period.

12 (c) Estimated net cost savings achieved by remote work.

13 (d) Reduced use of office space associated with remote work.

14 Sec. 217. Appropriations in part 1 shall, to the extent
15 possible by the department, not be expended until all existing work
16 project authorization available for the same purposes is exhausted.

17 Sec. 218. If the state administrative board, acting under
18 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
19 appropriated under this article, the legislature may, by a
20 concurrent resolution adopted by a majority of the members elected
21 to and serving in each house, intertransfer funds within this
22 article for the particular department, board, commission, officer,
23 or institution.

24 Sec. 219. The department and agencies receiving appropriations
25 in part 1 shall receive and retain copies of all reports funded
26 from appropriations in part 1. Federal and state guidelines for
27 short-term and long-term retention of records shall be followed.
28 The department may electronically retain copies of reports unless
29 otherwise required by federal and state guidelines.

1 Sec. 220. The department shall report no later than April 1 on
2 each specific policy change made to implement a public act
3 affecting the department that took effect during the prior calendar
4 year to the senate and house appropriations committees, the senate
5 and house subcommittees on agriculture and rural development, the
6 joint committee on administrative rules, and the senate and house
7 fiscal agencies.

8 Sec. 221. (1) From the funds appropriated in part 1, the
9 department shall do all of the following:

10 (a) Report to the house and senate appropriations committees,
11 the house and senate fiscal agencies, the house and senate policy
12 offices, and the state budget office any amount of severance pay
13 for a department director, deputy director, or other high-ranking
14 department official not later than 14 days after a severance
15 agreement with the director or official is signed. The name of the
16 director or official and the amount of severance pay must be
17 included in the report required by this subdivision.

18 (b) Maintain an internet site that posts any severance pay in
19 excess of 6 weeks of wages, regardless of the position held by the
20 former department employee receiving severance pay.

21 (c) By February 1, report to the house and senate
22 appropriations subcommittees on the department budget, the house
23 and senate fiscal agencies, the house and senate policy offices,
24 and the state budget office on the total amount of severance pay
25 remitted to former department employees during the fiscal year
26 ending September 30, 2022 and the total number of former department
27 employees that were remitted severance pay during the fiscal year
28 ending September 30, 2022.

29 (2) As used in this section, "severance pay" means

1 compensation that is both payable or paid upon the termination of
2 employment and in addition to either wages or benefits earned
3 during the course of employment or generally applicable retirement
4 benefits.

5 Sec. 222. (1) Any department, agency, board, commission, or
6 public officer that receives funding under part 1 shall not:

7 (a) Require as a condition of accessing any facility or
8 receiving services that an individual provide proof that he or she
9 has received a COVID-19 vaccine except as provided by federal law
10 or as a condition of receiving federal Medicare or Medicaid
11 funding.

12 (b) Produce, develop, issue, or require a COVID-19 vaccine
13 passport.

14 (c) Develop a database or make any existing database publicly
15 available to access an individual's COVID-19 vaccine status by any
16 person, company, or governmental entity.

17 (d) Require as a condition of employment that an employee or
18 official provide proof that he or she has received a COVID-19
19 vaccine. This subdivision does not apply to any hospital,
20 congregate care facility, or other medical facility or any
21 hospital, congregate care facility, or other medical facility
22 operated by a local subdivision that receives federal Medicare or
23 Medicaid funding.

24 (2) A department, agency, board, commission, or public officer
25 may not subject any individual to any negative employment
26 consequence, retaliation, or retribution because of that
27 individual's COVID-19 vaccine status.

28 (3) Subsection (1) does not prohibit any person, department,
29 agency, board, commission, or public officer from transmitting

1 proof of an individual's COVID-19 vaccine status to any person,
2 company, or governmental entity, so long as the individual provides
3 affirmative consent.

4 (4) If a department, agency, board, commission, subdivision,
5 or official or public officer is required to establish a vaccine
6 policy due to a federal mandate, it must provide exemptions to any
7 COVID-19 vaccine policy to the following individuals:

8 (a) An individual for whom a physician certifies that a COVID-
9 19 vaccine is or may be detrimental to the individual's health or
10 is not appropriate.

11 (b) An individual who provides a written statement to the
12 effect that the requirements of the COVID-19 vaccine policy cannot
13 be met because of religious convictions or other consistently held
14 objection to immunization.

15 (5) As used in this section, "public officer" means a person
16 appointed by the governor or another executive department official
17 or an elected or appointed official of this state or a political
18 subdivision of this state.

19 Sec. 224. An executive branch department, agency, board, or
20 commission that receives funding under part 1 shall not permit a
21 state employee who was not working remotely, either full-time or
22 part-time, before February 28, 2020 to work remotely, either full-
23 time or part-time, during the current fiscal year.

24

25 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

26 Sec. 301. (1) The department may establish a fee schedule and
27 collect fees for the following work activities and services:

28 (a) Pesticide and plant pest management propagation and
29 certification of virus-free foundation stock.

1 (b) Fruit and vegetable inspection and grading services at
2 shipping and termination points and processing plants.

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

6 (d) Laboratory support test samples for other state and local
7 agencies and public or private organizations.

8 (2) The department may receive and expend revenue from the
9 fees authorized under subsection (1), subject to appropriation, for
10 the purpose of recovering expenses associated with the work
11 activities and services described in subsection (1). Fee revenue
12 collected by the department under subsection (1) shall not lapse to
13 the state general fund at the end of the fiscal year but shall
14 carry forward for appropriation by the legislature in the
15 subsequent fiscal year.

16 (3) The department shall notify the subcommittees, the fiscal
17 agencies, and the state budget office 30 days prior to proposing
18 changes in fees authorized under this section or under section 5 of
19 1915 PA 91, MCL 285.35.

20 (4) On or before February 1 of each year, the department shall
21 provide a report to the subcommittees, the fiscal agencies, and the
22 state budget office detailing all the fees charged by the
23 department under the authorization provided in this section,
24 including, but not limited to, rates, number of individuals paying
25 each fee, and the revenue generated by each fee in the previous
26 fiscal year.

27 Sec. 302. (1) The department may contract with or provide
28 grants to local units of government, institutions of higher
29 education, or nonprofit organizations to support activities

1 authorized by appropriations in part 1. As used in this section,
2 contracts and grants include, but are not limited to, contracts for
3 delivery of groundwater/freshwater programs, MAEAP technical
4 assistance, forest management, invasive species monitoring,
5 wildlife risk mitigation, grants promoting proper pesticide
6 disposal, and research grants for the purpose of enhancing the
7 agricultural industries in this state.

8 (2) The department shall provide notice of contracts or grants
9 authorized under this section to the subcommittees, the fiscal
10 agencies, and the state budget office not later than 7 days before
11 the department notifies contract or grant recipients.

12

13 **FOOD AND DAIRY**

14 Sec. 401. (1) The department shall report on the previous
15 fiscal year's activities of the food and dairy division. The report
16 shall include information on activities and outcomes of the dairy
17 safety and inspection program, the food safety inspection program,
18 the foodborne illness and emergency response program, and the food
19 service program.

20 (2) The report shall include information on significant
21 foodborne outbreaks and emergencies, including any significant
22 enforcement actions taken related to food safety during the prior
23 calendar year.

24 (3) The report shall be transmitted to the subcommittees, the
25 fiscal agencies, and the state budget office and posted to the
26 department's website on or before April 1 of each year.

27

28 **ANIMAL INDUSTRY**

29 Sec. 451. From the funds appropriated in part 1 for bovine TB,

1 the department shall pay for all whole herd testing costs and
2 individual animal testing costs in the modified accredited zone and
3 buffer counties as referenced in the current memorandum of
4 understanding between the department and the USDA to maintain
5 split-state status requirements. These costs include indemnity and
6 compensation for injury causing death or downer to animals.

7 Sec. 452. (1) The department shall report on the previous
8 calendar year's activities of the animal industry division. The
9 report shall be transmitted to the subcommittees, the fiscal
10 agencies, and the state budget office and posted to the
11 department's website on or before April 1 of each year.

12 (2) The department shall include in the report all
13 indemnification payments for livestock depredation made in the
14 previous calendar year and shall include all of the following:

- 15 (a) The reason for the indemnification.
- 16 (b) The amount of the indemnification.
- 17 (c) The person for whom the indemnification was paid.

18 Sec. 454. The department shall use its resources to
19 collaborate with the USDA to monitor bovine TB, consistent with the
20 current required memorandum of understanding between the department
21 and the USDA.

22 Sec. 457. (1) On or before October 15 of each year, the
23 department shall provide to the subcommittees, the fiscal agencies,
24 and the state budget office a report on bovine TB status and
25 department activities.

26 (2) For each fiscal quarter following the report required in
27 subsection (1), the department shall provide an update to the
28 subcommittees, the fiscal agencies, and the state budget office.
29 The quarterly update reports shall identify significant impacts to

1 the program, including new incidence of bovine TB in this state,
2 department activity associated with specific new incidence of
3 bovine TB, any changes in USDA requirements or movement orders, and
4 information and data on wildlife risk mitigation plan
5 implementation in the modified accredited zone; implementation of a
6 movement certificate process; progress toward annual surveillance
7 test requirements; efforts to work with slaughter facilities in
8 this state, as well as those that slaughter a significant number of
9 animals from this state; educational programs and information for
10 this state's livestock community; and any other item the
11 legislature should be aware of that will promote or hinder efforts
12 to achieve bovine TB free status for this state.

13 Sec. 458. From the funds appropriated in part 1 for Michigan
14 animal agriculture alliance, the department shall work with animal
15 industry representatives and state research universities to
16 continue an animal research grant program.

17 Sec. 459. From the funds appropriated in part 1 for bovine TB
18 quarantine - producer reimbursement, the department shall provide
19 financial assistance to livestock producers for costs of
20 maintaining livestock under quarantine issued under section 12 of
21 the animal industry act, 1988 PA 466, MCL 287.712. Costs eligible
22 for reimbursement include feed, bedding, veterinary care, and
23 electronic monitoring devices and incurred after October 1, 2022
24 and not less than 30 days after the date of the quarantine. Costs
25 submitted by producers for reimbursement must be supported by
26 original receipts and are subject to audit by the department.
27 Reimbursement to any 1 producer may not exceed \$20,000.00.
28 Producers who are in violation of quarantine orders, a herd plan,
29 or other provisions of the animal industry act, 1988 PA 466, MCL

1 287.701 to 287.746, are ineligible for reimbursement.

2
3 **PESTICIDE AND PLANT PEST MANAGEMENT**

4 Sec. 501. The department shall report on the previous calendar
5 year's activities of the pesticide and plant pest management
6 division. The report shall be transmitted to the subcommittees, the
7 fiscal agencies, and the state budget office and posted to the
8 department's website on or before April 1 of each year.

9
10 **ENVIRONMENTAL STEWARDSHIP**

11 Sec. 601. The funds appropriated in part 1 for environmental
12 stewardship/MAEAP shall be used to support department agriculture
13 pollution prevention programs, including groundwater and freshwater
14 protection programs under part 87 of the natural resources and
15 environmental protection act, 1994 PA 451, MCL 324.8701 to
16 324.8717, and technical assistance in implementing conservation
17 grants available under the federal farm bill of 2018, Public Law
18 115-334.

19 Sec. 602. The department shall report on the previous calendar
20 year's activities of the environmental stewardship division. The
21 report shall be transmitted to the subcommittees, the fiscal
22 agencies, and the state budget office and posted to the
23 department's website on or before April 1 of each year.

24 Sec. 603. In addition to the report required under section
25 602, by April 1, the department shall prepare a report to be posted
26 on the department's website and provided to the relevant house and
27 senate standing committees and appropriations subcommittees as well
28 as to the fiscal agencies and state budget office. The report shall
29 contain the following information: number and location of acres

1 enrolled in nutrient management or other best management practices;
2 number of acres enrolled that were not previously verified under
3 the MAEAP; summary of practices implemented and available incentive
4 programs; starting and ending balances of the program; summary of
5 outreach and training efforts; and testing results.

6 Sec. 604. The department may receive and expend federal
7 revenues up to a total of \$1,000,000.00 in excess of the federal
8 revenue appropriated in section 107 of part 1 for environmental
9 stewardship and MAEAP activities. The department shall notify the
10 subcommittees, the fiscal agencies, and the state budget office
11 prior to expending federal revenues authorized under this section.

12 Sec. 608. (1) The appropriations in part 1 for the qualified
13 forest program are for the purpose of increasing the knowledge of
14 nonindustrial private forestland owners of sound forest management
15 practices and increasing the amount of commercial timber production
16 from those lands.

17 (2) The department shall work in partnership with stakeholder
18 groups and other state and federal agencies to increase the active
19 management of nonindustrial private forestland to foster the growth
20 of Michigan's timber product industry.

21 Sec. 609. (1) The appropriations in part 1 for local
22 conservation districts shall be distributed in equal amounts to
23 local conservation districts in this state that were in operation
24 as of April 15, 2021.

25 (2) On or before March 1, 2023, the department shall report on
26 the previous calendar year's activities of local conservation
27 districts. The report shall include descriptions of local
28 conservation district activities and funding, including uses of
29 appropriations made in part 1. In preparing this report, the

1 department shall coordinate with representatives of local
2 conservation districts. The report shall be transmitted to the
3 subcommittees, the fiscal agencies, and the state budget office and
4 posted to the department's website.

5 Sec. 610. From the funds appropriated in part 1, the department
6 shall coordinate with the department of treasury to improve the timely
7 processing and issuance of tax credits under section 36109 of the natural
8 resources and environmental protection act, 1994 PA 451, MCL 324.36109,
9 for the Michigan's farmland and open space preservation program under
10 parts 361 and 362 of the natural resources and environmental protection
11 act, 1994 PA 451, MCL 324.36101 to 324.3116 and 324.36201 to 324.36207.
12 This includes, but is not limited to:

13 (a) Timely review of mailed applications and paperwork.

14 (b) Timely and proactive communications to applicants on the status
15 of their application.

16 (c) A clear and understood timeline for the issuance of any tax
17 credits.

18

19 **LABORATORY PROGRAM**

20 Sec. 651. The department shall report on the previous calendar
21 year's activities of the laboratory division. The report shall be
22 transmitted to the subcommittees, the fiscal agencies, and the
23 state budget office and posted to the department's website on or
24 before April 1 of each year.

25

26 **AGRICULTURE DEVELOPMENT**

27 Sec. 701. (1) From the funds appropriated in part 1 for the
28 food and agriculture investment program, the department shall
29 establish and administer a food and agriculture investment program.

1 (2) The food and agriculture investment program shall expand
2 the Michigan food and agriculture sector, grow Michigan exports,
3 promote the development of value-added agricultural production,
4 food hubs, food incubators, and community-based processing
5 facilities with a focus on new and expanding protein processors,
6 and the expansion of farm markets and urban agriculture, including
7 promotion of hoop houses, and increase food processing activities
8 within this state by accelerating projects and infrastructure
9 development that support growth in the food and agriculture
10 processing industry.

11 (3) In addition to the funds appropriated in part 1, the
12 department may receive and expend funds received from outside
13 sources for the food and agriculture investment program.

14 (4) Before the allocation of funding, all projects shall
15 receive approval from the Michigan commission of agriculture and
16 rural development, except for projects selected through a
17 competitive process by a joint evaluation committee selected by the
18 director and consisting of representatives that have agriculture,
19 business, and economic development expertise. Projects funded
20 through the food and agriculture investment program will be
21 required to have a grant agreement that outlines milestones and
22 activities that must be met in order to receive a disbursement of
23 funds. Projects must also identify measurable project outcomes.

24 (5) The department shall include in the agriculture
25 development annual report a report on the food and agriculture
26 investment program for the previous fiscal year that includes a
27 listing of the grantees, award amounts, match funding, project
28 locations, and project outcomes.

29 (6) The food and agriculture investment program shall be

1 administered by the department and provide support for food and
2 agriculture projects that will enable growth in the industry and
3 this state's economy.

4 (7) The unexpended funds appropriated in part 1 for the food
5 and agriculture investment program are designated as a work project
6 appropriation, and any unencumbered or unallotted funds shall not
7 lapse at the end of the fiscal year and shall be available for
8 expenditures for projects under this section until the projects
9 have been completed. The following is in compliance with section
10 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

11 (a) The purpose of the project is for promoting and expanding
12 the Michigan food and agriculture sector, grow Michigan exports,
13 and increase food processing activities within the state.

14 (b) The project will be accomplished by utilizing state
15 employees or contracts with service providers, or both.

16 (c) The estimated cost of this project is \$2,472,600.00.

17 (d) The tentative completion date for the work project is
18 September 30, 2025.

19 (8) The department may expend money from the funds
20 appropriated in part 1 for the food and agriculture investment
21 program, including all of the following activities:

22 (a) Grants.

23 (b) Loans or loan guarantees.

24 (c) Infrastructure development.

25 (d) Other economic assistance.

26 (e) Program administration.

27 (f) Export assistance.

28 (9) The department shall expend no more than 5% from the funds
29 appropriated in part 1 for the food and agriculture investment

1 program for administrative purposes.

2 Sec. 702. The department shall work with the rural development
3 fund board to establish a process and criteria for funding projects
4 as well as establishing metrics and measurable outcomes for the
5 program. Funds appropriated from the rural development fund shall
6 be used in accordance with the provisions of the rural development
7 fund act, 2012 PA 411, MCL 286.941 to 286.947.

8 Sec. 703. (1) From the funds appropriated in part 1 for fair
9 food network - double up food bucks, the department shall work with
10 the fair food network to ensure that at least 85% of the funds
11 allocated to the double up food bucks program are directly used for
12 the payments to participating vendors.

13 (2) The department shall work with the department of health
14 and human services to do all of the following:

15 (a) Notify recipients of food assistance program benefits that
16 food assistance program benefits can be accessed at many farmer's
17 markets in this state with bridge cards.

18 (b) Notify recipients of food assistance program benefits
19 about the double up food bucks program that is administered by the
20 fair food network. Food assistance program recipients shall receive
21 information about the double up food bucks program, including
22 information that explains that when program recipients spend up to
23 \$20.00 at participating farmer's markets and grocery stores, the
24 recipient can receive an additional \$20.00 to buy Michigan produce.

25 (3) The department shall work with the fair food network to
26 expand access to the double up food bucks program in each of the
27 state's counties with grocery stores or farmer's markets that meet
28 the program's eligibility requirements.

29 (4) On or before June 1, 2023, the department shall submit a

1 report on activities and outcomes of the double up food bucks
2 program to the subcommittees and the fiscal agencies. The report
3 shall contain all of the following:

4 (a) Counties in this state with participating double up food
5 bucks vendors, the number of vendors by county, and the name and
6 location of vendors, as of May 1, 2022.

7 (b) Counties in this state with participating double up food
8 bucks vendors, the number of vendors by county, and the name of
9 location of vendors, as of May 1, 2023. The report shall highlight
10 counties and vendors added to the program since May 1, 2022.

11 (c) Number of individuals participating in the program, by
12 county.

13 Sec. 706. (1) The department shall report on the previous
14 calendar year's activities of the agriculture development division.
15 The report shall be transmitted to the subcommittees, the fiscal
16 agencies, and the state budget office and posted to the
17 department's website on or before April 1 of each year.

18 (2) The report shall include the following information on any
19 grants awarded during the prior fiscal year:

20 (a) The name of the grantee.

21 (b) The amount of the grant.

22 (c) The purpose of the grant, including measurable outcomes.

23 (d) Additional state, federal, private, or local funds
24 contributed to the grant project.

25 (e) The completion date of grant-funded activities.

26 (3) The report shall include the following information on the
27 Michigan craft beverage council established under section 303 of
28 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

29 (a) Council activities and accomplishments for the previous

1 fiscal year.

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

5 (c) Grants awarded during the previous fiscal year and the
6 results of research grant projects completed during the previous
7 fiscal year.

8 Sec. 707. Unexpended industry support fund revenues at the end
9 of the fiscal year may be carried forward into the industry support
10 fund in the succeeding fiscal year and shall not lapse to the
11 general fund.

12

13 **FAIRS AND EXPOSITIONS**

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

19 Sec. 802. From the funds appropriated in part 1 from
20 agriculture equine industry development funds, available revenue
21 shall be allocated in the following priority order:

22 (a) To support all administrative, contractual, and regulatory
23 costs incurred by the department and the Michigan gaming control
24 board.

25 (b) Up to \$495,000.00 shall be allocated to the purses and
26 supplements - fairs/licensed tracks line item.

27 (c) Any remaining funds collected through September 30, 2021,
28 after the obligations in subdivisions (a) and (b) have been met,
29 shall be prorated equally among the supplements, breeders' awards,

1 and sire stakes awards to eligible race meeting licensees in
2 accordance with section 20 of the horse racing law of 1995, 1995 PA
3 279, MCL 431.320.

4 Sec. 805. (1) The department shall establish and administer a
5 county fairs, shows, and expositions grant program. The program
6 shall have the following objectives:

7 (a) Assist in the promotion of building improvements or other
8 capital improvements at county fairgrounds of this state.

9 (b) Provide financial support, promotion, prizes, and premiums
10 of equine, livestock, and other agricultural commodity expositions
11 in this state.

12 (2) The department shall award grants on a competitive basis
13 to county fairs or other organizations from the funds appropriated
14 in part 1 for county fairs, shows, and expositions grants. Grantees
15 will be required to provide a 50% cash match with grant awards and
16 identify measurable project outcomes. A county fair organization
17 that received a county fair capital improvement grant in the prior
18 fiscal year shall not receive a grant from the appropriation in
19 part 1.

20 (3) From the amount appropriated in part 1 for county fairs,
21 shows, and expositions, up to \$25,000.00 shall be expended for the
22 purpose of financial support, promotion, prizes, and premiums of
23 equine, livestock, and other agricultural commodity expositions in
24 this state, and festivals.

25 (4) All fairs receiving grants under this section shall
26 provide a report to the department on the financial impact
27 resulting from the capital improvement project on both fair and
28 nonfair events. These reports are due for 3 years immediately
29 following the completion of the capital improvement project.

1 (5) The department shall identify criteria, evaluate
2 applications, and provide recommendations to the director for final
3 approval of grant awards.

4 (6) The department may expend money from the funds
5 appropriated in part 1 for the county fairs, shows, and expositions
6 for administering the program.

7 (7) The unexpended funds appropriated in part 1 for county
8 fairs, shows, and expositions are designated a work project
9 appropriation, and any encumbered or unallotted funds shall not
10 lapse at the end of the year and shall be available for
11 expenditures for projects under this section until the projects
12 have been completed. The following is in compliance with section
13 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

14 (a) The purpose of the project is for supporting building
15 improvements or other capital improvements at county fairgrounds of
16 this state.

17 (b) The project will be accomplished by utilizing state
18 employees or contracts with service providers, or both.

19 (c) The estimated cost of the project is \$500,000.00.

20 (d) The tentative completion date for the work project is
21 September 30, 2025.

22 (8) The department shall provide a year-end report on the
23 county fairs, shows, and expositions grants no later than December
24 1, 2023 to the subcommittees, the fiscal agencies, and the state
25 budget director that includes a listing of the grantees, award
26 amounts, match funding, project outcomes, and department costs of
27 grant administration.