

**SUBSTITUTE FOR
HOUSE BILL NO. 4394**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2022; 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, 2022, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions	1.0
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Full-time equated classified positions	516.0
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1	GROSS APPROPRIATION		\$	29,222,300
2	Total interdepartmental grants and			
3	intradepartmental transfers			80,000
4	ADJUSTED GROSS APPROPRIATIONS		\$	29,142,300
5	Federal revenues:			
6	Total federal revenues			3,400,300
7	Special revenue funds:			
8	Total local revenues			0
9	Total private revenues			17,800
10	Total other state restricted revenues			11,051,600
11	State general fund/general purpose		\$	14,672,600
12	Sec. 102. DEPARTMENTAL ADMINISTRATION AND			
13	SUPPORT			
14	Full-time equated unclassified positions	1.0		
15	Full-time equated classified positions	27.0		
16	Unclassified salaries--FTE positions	1.0	\$	43,400
17	Accounting service center			257,300
18	Commissions and boards			6,000
19	Emergency management--FTEs	4.0		330,200
20	Executive direction--FTEs	23.0		805,600
21	Property management			183,900
22	GROSS APPROPRIATION		\$	1,626,400
23	Appropriated from:			
24	Federal revenues:			
25	HHS, multiple grants			111,900
26	Special revenue funds:			
27	Agriculture licensing and inspection fees			11,100
28	Dairy and food safety fund			25,100



1	Feed control fund		2,000
2	Fertilizer control fund		2,500
3	Freshwater protection fund		15,300
4	Gasoline inspection and testing fund		6,300
5	Industry support funds		13,900
6	Michigan craft beverage council fund		2,200
7	Private forestland enhancement fund		3,900
8	Refined petroleum fund		5,000
9	Weights and measures regulation fees		1,300
10	State general fund/general purpose	\$	1,425,900
11	Sec. 103. INFORMATION AND TECHNOLOGY		
12	Information technology services and projects	\$	578,200
13	GROSS APPROPRIATION	\$	578,200
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	Special revenue funds:		
17	Agriculture licensing and inspection fees		22,900
18	Dairy and food safety fund		18,700
19	Feed control fund		3,800
20	Fertilizer control fund		3,800
21	Freshwater protection fund		3,800
22	Gasoline inspection and testing fund		8,100
23	State general fund/general purpose	\$	517,100
24	Sec. 104. FOOD AND DAIRY		
25	Full-time equated classified positions	139.0	
26	Food safety and quality assurance--FTEs	103.0	\$ 4,550,800
27	Milk safety and quality assurance--FTEs	36.0	1,438,000
28	GROSS APPROPRIATION	\$	5,988,800



1	Appropriated from:		
2	Federal revenues:		
3	HHS, multiple grants		685,400
4	USDA, multiple grants		34,300
5	Special revenue funds:		
6	Consumer and industry food safety education		
7	fund		60,600
8	Dairy and food safety fund		1,365,400
9	Industry food safety education fund		28,500
10	Marihuana regulatory fund		87,500
11	Marihuana regulation fund		87,500
12	State general fund/general purpose	\$	3,639,600
13	Sec. 105. ANIMAL INDUSTRY		
14	Full-time equated classified positions	62.0	
15	Animal disease prevention and response--FTEs	62.0	\$ 2,405,800
16	Indemnification - livestock depredation		3,800
17	Alliance for animal agriculture		750,000
18	GROSS APPROPRIATION	\$	3,159,600
19	Appropriated from:		
20	Federal revenues:		
21	HHS, multiple grants		3,800
22	USDA, multiple grants		141,900
23	Special revenue funds:		
24	Agriculture licensing and inspection fees		18,000
25	Animal welfare fund		37,500
26	State general fund/general purpose	\$	2,958,400
27	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
28	Full-time equated classified positions	95.0	



1	Animal feed safety--FTEs	10.0	\$	522,300
2	Pesticide and plant pest management--FTEs	85.0		3,543,000
3	GROSS APPROPRIATION		\$	4,065,300
4	Appropriated from:			
5	Federal revenues:			
6	EPA, multiple grants			141,100
7	HHS, multiple grants			97,500
8	USDA, multiple grants			179,200
9	Special revenue funds:			
10	Private - slow-the-spread foundation			5,300
11	Agriculture licensing and inspection fees			1,124,700
12	Commodity inspection fees			167,900
13	Feed control fund			346,900
14	Fertilizer control fund			334,200
15	Freshwater protection fund			39,400
16	Horticulture fund			17,500
17	Industrial hemp licensing and registration fund			167,700
18	Industry support funds			57,000
19	State general fund/general purpose		\$	1,386,900
20	Sec. 107. ENVIRONMENTAL STEWARDSHIP			
21	Full-time equated classified positions	62.5		
22	Agricultural preservation easement grants		\$	475,000
23	Environmental stewardship - MAEAP--FTEs	25.0		2,920,600
24	Farmland and open space preservation--FTEs	10.0		393,800
25	Intercounty drain--FTEs	6.0		210,500
26	Migrant labor housing--FTEs	9.0		331,000
27	Qualified forest program--FTEs	6.0		540,100
28	Right-to-farm--FTEs	6.5		249,800



1	GROSS APPROPRIATION		\$	5,120,800
2	Appropriated from:			
3	Interdepartmental grant revenues:			
4	IDG from MDEGLE, biosolids			23,300
5	Federal revenues:			
6	Department of interior			24,100
7	EPA, multiple grants			140,500
8	USDA, multiple grants			330,600
9	Special revenue funds:			
10	Agricultural preservation fund			868,800
11	Freshwater protection fund			2,074,200
12	Migratory labor housing fund			35,000
13	Private forestland enhancement fund			270,000
14	State general fund/general purpose		\$	1,354,300
15	Sec. 108. LABORATORY PROGRAM			
16	Full-time equated classified positions	108.5		
17	Central licensing and customer call center--			
18	FTEs	12.5	\$	359,900
19	Consumer protection program--FTEs	42.0		1,733,700
20	Laboratory services--FTEs	43.0		2,055,200
21	USDA monitoring--FTEs	11.0		419,400
22	GROSS APPROPRIATION		\$	4,568,200
23	Appropriated from:			
24	Interdepartmental grant revenues:			
25	IDG from LARA (LCC), liquor quality testing			
26	fees			56,700
27	Federal revenues:			
28	EPA, multiple grants			45,200



1	HHS, multiple grants		387,500
2	USDA, multiple grants		419,700
3	Special revenue funds:		
4	Agriculture licensing and inspection fees		86,600
5	Dairy and food safety fund		128,600
6	Feed control fund		47,700
7	Fertilizer control fund		6,200
8	Freshwater protection fund		11,800
9	Gasoline inspection and testing fund		353,100
10	Grain dealers fee fund		2,000
11	Industrial hemp licensing and registration fund		79,700
12	Migratory labor housing fund		7,300
13	Refined petroleum fund		845,000
14	Testing fees		88,300
15	Weights and measures regulation fees		184,400
16	State general fund/general purpose	\$	1,818,400
17	Sec. 109. AGRICULTURE DEVELOPMENT		
18	Full-time equated classified positions	22.0	
19	Agriculture development--FTEs	13.0	\$ 1,190,200
20	Fair food network - double up food bucks		225,000
21	Food and agriculture investment program		617,700
22	Michigan craft beverage council--FTEs	3.0	230,200
23	Producer security/grain dealers--FTEs	5.0	185,100
24	Rural development fund grant program--FTE	1.0	501,200
25	GROSS APPROPRIATION	\$	2,949,400
26	Appropriated from:		
27	Federal revenues:		
28	USDA, multiple grants		657,600



1	Special revenue funds:		
2	Private - commodity group revenue		12,500
3	Agriculture licensing and inspection fees		1,300
4	Grain dealers fee fund		174,100
5	Industry support funds		55,900
6	Michigan craft beverage council fund		222,700
7	Rural development fund		501,200
8	State general fund/general purpose	\$	1,324,100
9	Sec. 110. FAIRS AND EXPOSITIONS		
10	County fairs, shows, and expositions	\$	247,900
11	Fairs and racing		64,700
12	Horse racing advisory commission		100
13	Licensed tracks - light horse racing		10,100
14	Light horse racing - breeders' awards		5,000
15	Purses and supplements - fairs/licensed tracks		177,100
16	Standardbred breeders' awards		86,500
17	Standardbred purses and supplements - licensed		
18	tracks		168,000
19	Standardbred sire stakes		68,800
20	Thoroughbred breeders' awards		92,200
21	Thoroughbred sire stakes		94,700
22	Thoroughbred supplements - licensed tracks		150,500
23	GROSS APPROPRIATION	\$	1,165,600
24	Appropriated from:		
25	Special revenue funds:		
26	Agriculture equine industry development fund		917,700
27	State general fund/general purpose	\$	247,900
28			

PART 2



1 PROVISIONS CONCERNING APPROPRIATIONS

2 Sec. 201. Pursuant to section 30 of article IX of the state
 3 constitution of 1963, total state spending from state sources under
 4 part 1 for fiscal year 2021-2022 is \$25,724,200.00 and state
 5 spending from state sources to be paid to local units of government
 6 for fiscal year 2021-2022 is \$2,120,000.00. The itemized statement
 7 below identifies appropriations from which spending to local units
 8 of government will occur:

9 **DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

10	Agriculture preservation easement grants	\$	475,000
11	Environmental stewardship/MAEAP		1,025,000
12	Qualified forest program		275,000
13	Rural development fund grant program		375,000
14	TOTAL	\$	2,120,000

15 Sec. 202. The appropriations authorized under part 1 and this
 16 part are subject to the management and budget act, 1984 PA 431, MCL
 17 18.1101 to 18.1594.

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

19 (a) "Department" means the department of agriculture and rural
 20 development.

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

22 (c) "Fiscal agencies" means the Michigan house fiscal agency
 23 and the Michigan senate fiscal agency.

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

25 (e) "IDG" means interdepartmental grant.

26 (f) "MAEAP" means the Michigan agriculture environmental
 27 assurance program.

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



1 (h) "Subcommittees" means all members of the subcommittees of
2 the house and senate appropriations committees with jurisdiction
3 over the budget for the department.

4 (i) "TB" means tuberculosis.

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

6 Sec. 204. (1) The departments and agencies receiving
7 appropriations in part 1 shall use the internet to fulfill the
8 reporting requirements of this part. This requirement shall include
9 transmission of reports via electronic mail to the recipients
10 identified for each reporting requirement, and shall include
11 placement of reports on an internet site.

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

15 Sec. 205. Funds appropriated in part 1 shall not be used for
16 the purchase of foreign goods or services, or both, if
17 competitively priced and of comparable quality American goods or
18 services, or both, are available. Preference shall be given to
19 goods or services, or both, manufactured or provided by Michigan
20 businesses, if they are competitively priced and of comparable
21 quality. In addition, preference shall be given to goods or
22 services, or both, that are manufactured or provided by Michigan
23 businesses owned and operated by veterans, if they are
24 competitively priced and of comparable quality.

25 Sec. 206. The director shall take all reasonable steps to
26 ensure businesses in deprived and depressed communities compete for
27 and perform contracts to provide services or supplies, or both.
28 Each director shall strongly encourage firms with which the
29 department contracts to subcontract with certified businesses in



1 depressed and deprived communities for services or supplies, or
2 both.

3 Sec. 207. The departments and agencies receiving
4 appropriations in part 1 shall prepare a report on out-of-state
5 travel expenses not later than January 1 of each year. The travel
6 report shall be a listing of all travel by classified and
7 unclassified employees outside this state in the immediately
8 preceding fiscal year that was funded in whole or in part with
9 funds appropriated in the department's budget. The report shall be
10 submitted to the house and senate appropriations committees, the
11 house and senate fiscal agencies, and the state budget director.
12 The report shall include the following information:

13 (a) The dates of each travel occurrence.

14 (b) The transportation and related costs of each travel
15 occurrence, including the proportion funded with state general
16 fund/general purpose revenues, the proportion funded with state
17 restricted revenues, the proportion funded with federal revenues,
18 and the proportion funded with other revenues.

19 Sec. 208. Funds appropriated in part 1 shall not be used by a
20 principal executive department, state agency, or authority to hire
21 a person to provide legal services that are the responsibility of
22 the attorney general. This prohibition does not apply to legal
23 services for bonding activities and for those outside services that
24 the attorney general authorizes.

25 Sec. 209. Not later than November 30, the state budget office
26 shall prepare and transmit a report that provides for estimates of
27 the total general fund/general purpose appropriation lapses at the
28 close of the prior fiscal year. This report shall summarize the
29 projected year-end general fund/general purpose appropriation



1 lapses by major departmental program or program areas. The report
2 shall be transmitted to the chairpersons of the senate and house of
3 representatives standing committees on appropriations and the
4 senate and house fiscal agencies.

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

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

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

23 (4) In addition to the funds appropriated in part 1, there is
24 appropriated an amount not to exceed \$100,000.00 for private
25 contingency authorization. These funds are not available for
26 expenditure until they have been transferred to another line item
27 in part 1 under section 393(2) of the management and budget act,
28 1984 PA 431, MCL 18.1393.

29 Sec. 211. The department shall cooperate with the department



1 of technology, management, and budget to maintain a searchable
2 website accessible by the public at no cost that includes, but is
3 not limited to, all of the following for each department or agency:

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

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

6 (c) Fiscal year-to-date payments to a selected vendor,
7 including the vendor name, payment date, payment amount, and
8 payment description.

9 (d) The number of active department employees by job
10 classification.

11 (e) Job specifications and wage rates.

12 Sec. 212. Within 14 days after the release of the executive
13 budget recommendation, the department shall cooperate with the
14 state budget office to provide the senate and house appropriations
15 chairs, the subcommittees, respectively, and the senate and house
16 fiscal agencies with an annual report on estimated state restricted
17 fund balances, state restricted fund projected revenues, and state
18 restricted fund expenditures for the fiscal years ending September
19 30, 2021 and September 30, 2022.

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

24 Sec. 214. Total authorized appropriations from all sources
25 under part 1 for legacy costs for the fiscal year ending September
26 30, 2022 is \$11,812,300.00. From this amount, total agency
27 appropriations for pension-related legacy costs are estimated at
28 \$6,617,900.00. Total agency appropriations for retiree health care
29 legacy costs are estimated at \$5,194,400.00.



1 Sec. 215. The department shall not take disciplinary action
2 against an employee of the department or departmental agency in the
3 state classified civil service because the employee communicates
4 with a member of the senate or house or a member's staff, unless
5 the communication is prohibited by law and the department or agency
6 taking disciplinary action is exercising its authority as provided
7 by law.

8 Sec. 216. (1) On a quarterly basis, the department shall
9 report to the senate and house appropriations committees, the
10 senate and house appropriations subcommittees on the department
11 budget, and the senate and house fiscal agencies the following
12 information:

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

15 (b) A comparison by line item of the number of FTEs authorized
16 from funds appropriated in part 1 to the actual number of FTEs
17 employed by the department at the end of the reporting period.

18 (2) By April 1 of the current fiscal year and semiannually
19 thereafter, the department shall report to the senate and house
20 appropriations committees, the senate and house appropriations
21 subcommittees on the department budget, and the senate and house
22 fiscal agencies the following information:

23 (a) Number of employees that were engaged in remote work in
24 2021.

25 (b) Number of employees authorized to work remotely and the
26 actual number of those working remotely in the current reporting
27 period.

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

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



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

4 Sec. 218. If the state administrative board, acting under
5 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
6 appropriated under this article, the legislature may, by a
7 concurrent resolution adopted by a majority of the members elected
8 to and serving in each house, intertransfer funds within this
9 article for the particular department, board, commission, officer,
10 or institution.

11 Sec. 219. The department and agencies receiving appropriations
12 in part 1 shall receive and retain copies of all reports funded
13 from appropriations in part 1. Federal and state guidelines for
14 short-term and long-term retention of records shall be followed.
15 The department may electronically retain copies of reports unless
16 otherwise required by federal and state guidelines.

17 Sec. 220. The department shall report no later than April 1 on
18 each specific policy change made to implement a public act
19 affecting the department that took effect during the prior calendar
20 year to the senate and house appropriations committees, the senate
21 and house subcommittees on agriculture and rural development, the
22 joint committee on administrative rules, and the senate and house
23 fiscal agencies.

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

26 (a) Report to the house and senate appropriations committees,
27 the house and senate fiscal agencies, the house and senate policy
28 offices, and the state budget office any amount of severance pay
29 for a department director, deputy director, or other high-ranking



1 department official not later than 14 days after a severance
2 agreement with the director or official is signed. The name of the
3 director or official and the amount of severance pay must be
4 included in the report required by this subdivision.

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

8 (c) By February 1, report to the house and senate
9 appropriations subcommittees on the department budget, the house
10 and senate fiscal agencies, the house and senate policy offices,
11 and the state budget office on the total amount of severance pay
12 remitted to former department employees during the fiscal year
13 ending September 30, 2021 and the total number of former department
14 employees that were remitted severance pay during the fiscal year
15 ending September 30, 2021.

16 (2) As used in this section, "severance pay" means
17 compensation that is both payable or paid upon the termination of
18 employment and in addition to either wages or benefits earned
19 during the course of employment or generally applicable retirement
20 benefits.

21 Sec. 222. Any department, agency, board, commission,
22 subdivision, or other executive branch entity or official of this
23 state that receives funding under part 1 shall not do the
24 following:

25 (a) Require as a condition of accessing any state services or
26 facilities that an individual provide proof he or she has received
27 a COVID-19 vaccine.

28 (b) Produce, develop, and issue a COVID-19 vaccine passport
29 for the purpose of certifying that an individual has received a



1 COVID-19 vaccine.

2 (c) Provide information of an individual's COVID-19 vaccine
3 status to any person, company, or governmental entity for inclusion
4 in a COVID-19 vaccine passport.

5

6 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

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

13 (c) Laboratory support analyses of food, livestock, and
14 agricultural products for disease, foreign products for disease,
15 toxic materials, foreign substances, and quality standards.

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

18 (2) The department may receive and expend revenue from the
19 fees authorized under subsection (1), subject to appropriation, for
20 the purpose of recovering expenses associated with the work
21 activities and services described in subsection (1). Fee revenue
22 collected by the department under subsection (1) shall not lapse to
23 the state general fund at the end of the fiscal year but shall
24 carry forward for appropriation by the legislature in the
25 subsequent fiscal year.

26 (3) The department shall notify the subcommittees, the fiscal
27 agencies, and the state budget office 30 days prior to proposing
28 changes in fees authorized under this section or under section 5 of
29 1915 PA 91, MCL 285.35.



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

8 Sec. 302. (1) The department may contract with or provide
 9 grants to local units of government, institutions of higher
 10 education, or nonprofit organizations to support activities
 11 authorized by appropriations in part 1. As used in this section,
 12 contracts and grants include, but are not limited to, contracts for
 13 delivery of groundwater/freshwater programs, MAEAP technical
 14 assistance, forest management, invasive species monitoring,
 15 wildlife risk mitigation, grants promoting proper pesticide
 16 disposal, and research grants for the purpose of enhancing the
 17 agricultural industries in this state.

18 (2) The department shall provide notice of contracts or grants
 19 authorized under this section to the subcommittees, the fiscal
 20 agencies, and the state budget office not later than 7 days before
 21 the department notifies contract or grant recipients.
 22

23 **FOOD AND DAIRY**

24 Sec. 401. (1) The department shall report on the previous
 25 fiscal year's activities of the food and dairy division. The report
 26 shall include information on activities and outcomes of the dairy
 27 safety and inspection program, the food safety inspection program,
 28 the foodborne illness and emergency response program, and the food
 29 service program.



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

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

8
 9 **ANIMAL INDUSTRY**

10 Sec. 451. From the funds appropriated in part 1 for bovine TB,
 11 the department shall pay for all whole herd testing costs and
 12 individual animal testing costs in the modified accredited zone and
 13 buffer counties to maintain split-state status requirements. These
 14 costs include indemnity and compensation for injury causing death
 15 or downer to animals.

16 Sec. 452. (1) The department shall report on the previous
 17 calendar year's activities of the animal industry division. The
 18 report shall be transmitted to the subcommittees, the fiscal
 19 agencies, and the state budget office and posted to the
 20 department's website on or before April 1 of each year.

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

24 (a) The reason for the indemnification.

25 (b) The amount of the indemnification.

26 (c) The person for whom the indemnification was paid.

27 Sec. 454. The department shall use its resources to
 28 collaborate with the USDA to monitor bovine TB, consistent with the
 29 current required memoranda of understanding between the department



1 and the USDA.

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

6 (2) For each fiscal quarter following the report required in
7 subsection (1), the department shall provide an update to the
8 subcommittees, the fiscal agencies, and the state budget office.
9 The quarterly update reports shall identify significant impacts to
10 the program, including new incidence of bovine TB in this state,
11 department activity associated with specific new incidence of
12 bovine TB, any changes in USDA requirements or movement orders, and
13 information and data on wildlife risk mitigation plan
14 implementation in the modified accredited zone; implementation of a
15 movement certificate process; progress toward annual surveillance
16 test requirements; efforts to work with slaughter facilities in
17 this state, as well as those that slaughter a significant number of
18 animals from this state; and educational programs and information
19 for this state's livestock community.

20 Sec. 458. From the funds appropriated in part 1 for Michigan
21 animal agriculture alliance, the department shall work with animal
22 industry representatives and state research universities to
23 establish an animal research grant program.

24

25 **PESTICIDE AND PLANT PEST MANAGEMENT**

26 Sec. 501. The department shall report on the previous calendar
27 year's activities of the pesticide and plant pest management
28 division. The report shall be transmitted to the subcommittees, the
29 fiscal agencies, and the state budget office and posted to the



1 department's website on or before April 1 of each year.

2
3 **ENVIRONMENTAL STEWARDSHIP**

4 Sec. 601. The funds appropriated in part 1 for environmental
5 stewardship/MAEAP shall be used to support department agriculture
6 pollution prevention programs, including groundwater and freshwater
7 protection programs under part 87 of the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.8701 to
9 324.8717, and technical assistance in implementing conservation
10 grants available under the federal farm bill of 2018.

11 Sec. 602. The department shall report on the previous calendar
12 year's activities of the environmental stewardship division. The
13 report shall be transmitted to the subcommittees, the fiscal
14 agencies, and the state budget office and posted to the
15 department's website on or before April 1 of each year.

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

22 Sec. 608. (1) The appropriations in part 1 for the qualified
23 forest program are for the purpose of increasing the knowledge of
24 nonindustrial private forestland owners of sound forest management
25 practices and increasing the amount of commercial timber production
26 from those lands.

27 (2) The department shall work in partnership with stakeholder
28 groups and other state and federal agencies to increase the active
29 management of nonindustrial private forestland to foster the growth



1 of Michigan's timber product industry.

2
3 **LABORATORY PROGRAM**

4 Sec. 651. The department shall report on the previous calendar
5 year's activities of the laboratory division. The report shall be
6 transmitted to the subcommittees, the fiscal agencies, and the
7 state budget office and posted to the department's website on or
8 before April 1 of each year.

9
10 **AGRICULTURE DEVELOPMENT**

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

14 (2) The food and agriculture investment program shall expand
15 the Michigan food and agriculture sector, grow Michigan exports,
16 promote the development of value-added agricultural production, food
17 hubs, food incubators, and community-based processing facilities, and
18 the expansion of farm markets and urban agriculture, including
19 promotion of hoop houses, and increase food processing activities
20 within the state by accelerating projects and infrastructure
21 development that support growth in the food and agriculture
22 processing industry.

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

26 (4) Before the allocation of funding, all projects shall
27 receive approval from the Michigan commission of agriculture and
28 rural development, except for projects selected through a
29 competitive process by a joint evaluation committee selected by the



1 director and consisting of representatives that have agriculture,
2 business, and economic development expertise. Projects funded
3 through the food and agriculture investment program will be
4 required to have a grant agreement that outlines milestones and
5 activities that must be met in order to receive a disbursement of
6 funds. Projects must also identify measurable project outcomes.

7 (5) The department shall include in the agriculture
8 development annual report a report on the food and agriculture
9 investment program for the previous fiscal year that includes a
10 listing of the grantees, award amounts, match funding, project
11 locations, and project outcomes.

12 (6) The food and agriculture investment program shall be
13 administered by the department and provide support for food and
14 agriculture projects that will enable growth in the industry and
15 this state's economy.

16 (7) The unexpended funds appropriated in part 1 for the food
17 and agriculture investment program are designated as a work project
18 appropriation, and any unencumbered or unallotted funds shall not
19 lapse at the end of the fiscal year and shall be available for
20 expenditures for projects under this section until the projects
21 have been completed. The following is in compliance with section
22 451a(1) of the management and budget act, 1984 PA 431, MCL
23 18.1451a:

24 (a) The purpose of the project is to promote and expand the
25 Michigan food and agriculture sector, grow Michigan exports, and
26 increase food processing activities within the state.

27 (b) The project will be funded in accordance with this section
28 and the project guidelines approved by the Michigan commission of
29 agriculture and rural development prior to an award.



1 (c) The estimated cost of this project is identified in the
2 appropriation line item.

3 (d) The tentative completion date for the work project is
4 September 30, 2024.

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

- 8 (a) Grants.
- 9 (b) Loans or loan guarantees.
- 10 (c) Infrastructure development.
- 11 (d) Other economic assistance.
- 12 (e) Program administration.
- 13 (f) Export assistance.

14 (9) The department shall expend no more than 5% from the funds
15 appropriated in part 1 for the food and agriculture investment
16 program for administrative purposes.

17 Sec. 702. The department shall work with the rural development
18 fund board to establish a process and criteria for funding projects
19 as well as establishing metrics and measurable outcomes for the
20 program. Funds appropriated from the rural development fund shall
21 be used in accordance with the provisions of the rural development
22 fund act, 2012 PA 411, MCL 286.941 to 286.947.

23 Sec. 703. (1) The department shall work with the department of
24 health and human services to do all of the following:

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

28 (b) Notify recipients of food assistance program benefits
29 about the double up food bucks program that is administered by the



1 fair food network. Food assistance program recipients shall receive
2 information about the double up food bucks program, including
3 information that explains that when program recipients spend up to
4 \$20.00 at participating farmer's markets and grocery stores, the
5 recipient can receive an additional \$20.00 to buy Michigan produce.

6 (2) The department shall work with the fair food network to
7 expand access to the double up food bucks program in each of the
8 state's counties with grocery stores or farmer's markets that meet
9 the program's eligibility requirements.

10 (3) On or before March 1, 2022, the department shall submit a
11 report on activities and outcomes of the double up food bucks
12 program to the subcommittees and the fiscal agencies. The report
13 shall contain all of the following:

14 (a) Counties in this state with participating double up food
15 bucks vendors, the number of vendors by county, and the name and
16 location of vendors, as of May 1, 2020.

17 (b) Counties in this state with participating double up food
18 bucks vendors, the number of vendors by county, and the name of
19 location of vendors, as of September 20, 2021. The report shall
20 highlight counties and vendors added to the program since May 1,
21 2020.

22 (c) Number of individuals participating in the program, by
23 county.

24 (d) A breakdown of program participation by county and by day
25 of week.

26 (4) The report required under subsection (3) shall also
27 include a discussion of program evaluation criteria, as well as
28 recommendation of a reporting metric for tracking health outcomes
29 of program participants.



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

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

8 (a) The name of the grantee.

9 (b) The amount of the grant.

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

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

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

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

17 (a) Council activities and accomplishments for the previous
18 fiscal year.

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

22 (c) Grants awarded during the previous fiscal year and the
23 results of research grant projects completed during the previous
24 fiscal year.

25
26 **FAIRS AND EXPOSITIONS**

27 Sec. 801. All appropriations from the agriculture equine
28 industry development fund shall be spent on equine-related
29 purposes. No funds from the agriculture equine industry development



1 fund shall be expended for nonequine-related purposes without prior
2 approval of the legislature.

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

6 (a) To support all administrative, contractual, and regulatory
7 costs incurred by the department and the Michigan gaming control
8 board.

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

11 (c) Any remaining funds collected through September 30, 2021,
12 after the obligations in subdivisions (a) and (b) have been met,
13 shall be prorated equally among the supplements, breeders' awards,
14 and sire stakes awards to eligible race meeting licensees in
15 accordance with section 20 of the horse racing law of 1995, 1995 PA
16 279, MCL 431.320.

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

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

22 (b) Provide financial support, promotion, prizes, and premiums
23 of equine, livestock, and other agricultural commodity expositions
24 in this state.

25 (2) The department shall award grants on a competitive basis
26 to county fairs or other organizations from the funds appropriated
27 in part 1 for county fairs, shows, and expositions grants. Grantees
28 will be required to provide a 50% cash match with grant awards and
29 identify measurable project outcomes. A county fair organization



1 that received a county fair capital improvement grant in the prior
2 fiscal year shall not receive a grant from the appropriation in
3 part 1.

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

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

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

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

20 (7) The unexpended portion of the county fairs, shows, and
21 expositions grants is considered a work project appropriation in
22 accordance with section 451a of the management and budget act, 1984
23 PA 431, MCL 18.1451a. The following apply to the project:

24 (a) The purpose of the project is to support building
25 improvements or other capital improvements at county fairgrounds of
26 this state.

27 (b) All grants will be distributed in accordance with this
28 section and the grant guidelines published prior to the request for
29 proposals.



1 (c) The estimated cost of the project is identified in the
2 appropriation line item.

3 (d) The tentative completion date for the work project is
4 September 30, 2024.

5 (8) The department shall provide a year-end report on the
6 county fairs, shows, and expositions grants no later than December
7 1, 2022 to the subcommittees, the fiscal agencies, and the state
8 budget director that includes a listing of the grantees, award
9 amounts, match funding, and project outcomes.

