



HOUSE BILL No. 4411

February 15, 1995, Introduced by Reps. Middleton, Bobier, McBryde, LeTarte, Oxender, Bankes, Geiger, Gilmer, Johnson, Rhead and McNutt and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 1996; 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:

1 Sec. 101. There is appropriated for the department of agriculture for
2 the fiscal year ending September 30, 1996, from the following funds:

3 DEPARTMENT OF AGRICULTURE

4 APPROPRIATIONS SUMMARY:

1	Unclassified positions	6.0	
2	Permanent career FTE employees	480.0	
3	GROSS APPROPRIATION	\$	63,624,700
4	Interdepartmental grant revenues:		
5	IDG-MDOC, liquor quality testing fees		151,300
6	IDG-MDOC, nonretail liquor license fees		420,600
7	IDG-MDOT		622,600
8	Total interdepartmental grants and		
9	intradepartmental transfers		1,194,500
10	ADJUSTED GROSS APPROPRIATION	\$	62,430,200
11	Federal revenues:		
12	Total federal revenues		5,143,500
13	Special revenue funds:		
14	Total local revenues		0
15	Total private revenues		522,900
16	Total other state restricted revenues		13,170,300
17	State general fund/general purpose	\$	43,593,500
18	EXECUTIVE AND MANAGEMENT SERVICES		
19	Commission and boards	\$	48,500
20	Unclassified salaries		449,900
21	Executive direction		891,700
22	Affirmative action		189,200
23	Statistical reporting service		412,400
24	U.S.D.A. data collection program		1,077,300
25	Management services		<u>6,784,600</u>
26	GROSS APPROPRIATION	\$	9,853,600
27	Appropriated from:		
28	Federal revenues:		
29	DAG		1,077,300

1	Special revenue funds:	
2	Industry support funds	25,800
3	Licensing and inspection	63,200
4	Gasoline inspection and testing fund	3,500
5	Upper Peninsula state fair revenue	727,200
6	State general fund/general purpose	\$ 7,956,600
7	PLANT AND ENVIRONMENTAL PROTECTION	
8	Pesticide and plant pest management	\$ 12,396,800
9	Soil and water conservation	<u>1,826,400</u>
10	GROSS APPROPRIATION	\$ 14,223,200
11	Appropriated from:	
12	Federal revenues:	
13	DAG	2,105,600
14	EPA	1,162,500
15	HHS-FDA	15,600
16	Special revenue funds:	
17	Private-oil company overcharge	
18	settlement	51,600
19	Groundwater and freshwater protection fund	2,539,100
20	Licensing and inspection fees	2,066,400
21	State general fund/general purpose	\$ 6,282,400
22	FOOD SAFETY AND CONSUMER PROTECTION	
23	Animal industry	\$ 2,276,700
24	Dairy products quality assurance	3,070,200
25	Food and consumer protection	<u>7,893,400</u>
26	GROSS APPROPRIATION	\$ 13,240,300
27	Appropriated from:	
28	Interdepartmental grant revenues:	
29	IDG-MDOT	622,600

1	Federal revenues:		
2	DAG		22,900
3	HHS-FDA		201,800
4	Special revenue funds:		
5	Civil penalties		25,900
6	Gasoline inspection and testing fund		1,227,400
7	Licensing and inspection fees		1,453,500
8	Pseudorabies and swine brucellosis fund		88,700
9	State general fund/general purpose	\$	9,597,500
10	LABORATORY SUPPORT		
11	Laboratory support	\$	<u>5,839,700</u>
12	GROSS APPROPRIATION	\$	5,839,700
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG-MDOC liquor quality testing fees		151,300
16	Federal revenues:		
17	DAG		21,000
18	Special revenue funds:		
19	Gasoline inspection and testing fund		746,100
20	Pseudorabies and swine brucellosis fund		58,700
21	Testing fees		168,100
22	State general fund/general purpose	\$	4,694,500
23	MARKETING AND MARKET DEVELOPMENT		
24	Marketing and market development	\$	<u>2,760,000</u>
25	GROSS APPROPRIATION	\$	2,760,000
26	Appropriated from:		
27	Interdepartmental grant revenues:		
28	IDG-MDOC nonretail liquor license fees		420,600
29	Federal revenues:		

1	DAG	126,800
2	Special revenue funds:	
3	Commodity inspection fees	956,600
4	Industry support funds	50,500
5	State general fund/general purpose \$	1,205,500
6	OFFICE OF RACING COMMISSIONER	
7	Office of racing commissioner \$	<u>3,640,300</u>
8	GROSS APPROPRIATION \$	3,640,300
9	Appropriated from:	
10	Special revenue funds:	
11	Private-casino gambling agreement	208,200
12	State general fund/general purpose \$	3,432,100
13	GRANTS	
14	Michigan state university \$	210,000
15	Energy conservation program/local soil	
16	conservation districts	263,100
17	Grants to cities with racetracks	1,745,600
18	Great Lakes draft horse show	78,800
19	Building and track improvement-county and	
20	state fairs	657,700
21	Premiums-county and state fairs	1,471,200
22	Purses and supplements-fairs	2,653,700
23	Standardbred fedele fauri futurity	77,000
24	Standardbred Michigan futurity	77,000
25	Quarterhorse programs	50,000
26	Licensed tracks-light horse racing	84,000
27	Standardbred breeders' awards	1,201,500
28	Standardbred purses and supplements-licensed	
29	tracks	292,100

1	Standardbred sire stakes program	800,000
2	Standardbred training and stabling	27,800
3	Thoroughbred program	1,973,400
4	Thoroughbred sire stakes program	424,000
5	Food bank	500,000
6	Future farmers of America	28,500
7	Local soil conservation districts/clean water	
8	incentive program	1,000,000
9	Northwest Michigan horticultural research	
10	station	41,800
11	Southwestern Michigan tourist council-taste	
12	of Michigan	60,400
13	Grown in Michigan	100,000
14	Michigan festivals	50,000
15	Forest stewardship program	<u>200,000</u>
16	GROSS APPROPRIATION	\$ 14,067,600
17	Appropriated from:	
18	Federal revenues:	
19	DAG	200,000
20	EPA	210,000
21	Special revenue funds:	
22	Private-oil company overcharge settlement	263,100
23	Horse racing revenues	2,969,600
24	State general fund/general purpose	\$ 10,424,900

25 GENERAL SECTIONS

26 Sec. 201. The expenditures and funding sources authorized under
 27 this bill are subject to the management and budget act, Act No. 431 of
 28 the Public Acts of 1984, being sections 18.1101 to 18.1594 of the
 29 Michigan Compiled Laws.

1 Sec. 202. (1) The amounts appropriated from one fund to another
2 fund shall be authorized pursuant to annual appropriations within the
3 departments responsible for each fund's appropriations.

4 (2) Funds for which the state is acting as the custodian or agent
5 are not subject to annual appropriation.

6 Sec. 203. (1) The number of permanent career FTE employees shall
7 not exceed the number listed in section 101 of this bill unless an
8 exception has been granted by the director of the department of
9 management and budget. Exceptions shall only be given if failure to
10 fill the positions will result in rendering the department unable to
11 deliver basic services, cause a loss of revenue to the state, or
12 necessitate additional expenditures that exceed savings from
13 maintaining a vacancy. On the fifteenth of each month, the department
14 of management and budget shall report to the house and senate
15 appropriations committees and the governor any exceptions that have
16 been granted in the preceding month.

17 (2) Permanent career appointments shall be used as defined by the
18 civil service commission.

19 (3) The number of FTEs to be funded by each individual line item
20 amount shall be determined by the department within the overall limit
21 on permanent career FTEs for the department.

22 Sec. 204. (1) Any federal, local, private, or state restricted
23 funds received by a department in addition to the amount appropriated
24 in section 101, are appropriated.

25 (2) Funds appropriated in subsection (1) totalling less than
26 \$50,000.00 during the fiscal year from any one source may be expended
27 for the purposes for which the funds were made available. Receipt of
28 these funds shall be reported to the senate and house appropriations
29 committees and the house and senate fiscal agencies within thirty days
30 after the close of each fiscal quarter.

(3) Funds appropriated in subsection (1) totalling \$50,000.00 or more during the fiscal year are not available for expenditure until they have been transferred to another line item in this act through an administrative transfer as defined in section 393(1) of Act No. 431 of the Public Acts of 1984, as amended, being section 18.1393(1) of the Michigan Compiled Laws.

Sec. 205. The department of civil service shall bill departments and/or agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of Article XI of the State Constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 206. As used in this act:

(a) "Department" means the department of agriculture.

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

(c) "DAG" means the United States department of agriculture.

(d) "EPA" means the United States environmental protection agency.

(e) "HHS" means the United States department of health and human services.

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

(g) "IDG" means interdepartmental grant.

Sec. 207. Of the funds appropriated in section 101 that are in units other than the grants unit, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the senate and house appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Sec. 208. Of the funds appropriated in section 101, the department

1 may provide for indemnity, as provided pursuant to the provisions of
2 Act No. 466 of the Public Acts of 1988, being sections 287.701 to
3 287.747 of the Michigan Compiled Laws, not to exceed \$10,000.00 per
4 order, from any line item for the fiscal year ending September 30,
5 1996. Before the department provides for an indemnification under this
6 section, the department shall report the reason for the
7 indemnification, the amount of the indemnification, and to whom the
8 indemnification is to be paid. The report shall be given to each member
9 of the senate and house appropriations subcommittees on agriculture and
10 to the senate and house fiscal agencies.

11 Sec. 209. From the funds appropriated in section 101 such payments
12 of wages and salaries as are made for classified state employees shall
13 be made in accordance with applicable laws, rules, and regulations of
14 the civil service commission. The funds identified in section 101 for
15 unclassified employees are based upon prior year levels adjusted
16 consistent with pay plan recommendations for non-exclusively
17 represented employees (NEREs) of the civil service commission, except
18 in the case of department directors and heads of type I agencies, where
19 the funds provided are in an amount equal the standards established by
20 the civil service commission as the maximum pay for state executive
21 service classification 20 and state executive service classification 18
22 employees, respectively. Although the funds identified in section 101
23 for unclassified employees are based upon the standards set forth
24 above, the exact salaries of individual unclassified employees shall be
25 set by the appointing authority, not to exceed the state executive
26 service classification 20 maximum payment in the case of a department
27 director, or the state executive service classification 18 maximum
28 payment in the case of a head of a type I agency. The salaries of
29 individual unclassified employees shall be a matter of public record.

30 **EXECUTIVE AND MANAGEMENT SERVICES**

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

8 (a) Commission of agriculture \$ 75.00 per day
 9 (b) Upper Peninsula state fair board \$ 50.00 per day
 10 (c) Agricultural marketing and bargaining
 11 board \$ 35.00 per day

12 Sec. 302. The department may receive and expend revenue and use
 13 that revenue to cover necessary expenses related to publications, audit
 14 and licensing functions, livestock sales, certification of nursery
 15 stock, bean inspection services, and laboratory analyses as specified
 16 in the following:

17 (a) Management services publications.
 18 (b) Management services audit and licensing functions.
 19 (c) Upper Peninsula state fair livestock sales.
 20 (d) Pesticide and plant pest management propagation and
 21 certification of virus free foundation stock.
 22 (e) Marketing and market development, protection, bean inspection,
 23 and grading services.
 24 (f) Laboratory support testing for testing horses in draft horse
 25 pulling contests at county fairs when local jurisdictions request state
 26 assistance.
 27 (g) Laboratory support analyses to determine foreign substances in
 28 horses engaged in racing or pulling contests at tracks.
 29 (h) Laboratory support analysis of food, livestock, and
 30 agricultural products for disease, toxic materials, foreign products

1 for disease, toxic materials, foreign substances, and quality
2 standards.

3 (i) Laboratory support analysis of liming samples.

4 (j) Laboratory support analysis of feed and fertilizer samples.

5 (k) Laboratory support test samples for other agencies and
6 organizations.

7 (l) Fruit and vegetable inspection at shipping and termination
8 points and processing plants.

9 Sec. 303. Of the funds appropriated in section 101 for statistical
10 reporting service, \$120,000.00 shall be used for crop surveys of
11 fruits, vegetables, and nursery stock, including Christmas trees and
12 ornamental plants. The survey shall be an ongoing rotational survey of
13 these commodity groups. The survey shall begin with fruits in the first
14 year, vegetables in the second year, and nursery stock in the third
15 year. The rotational cycle of the survey shall continue in the fourth
16 and subsequent years. The survey shall include existing
17 plantings/acreage, new plantings/acreage, production, and number of
18 growers.

19 **PLANT AND ENVIRONMENTAL PROTECTION**

20 Sec. 401. Of the funds appropriated in section 101 to the pesticide
21 and plant pest management division, up to \$100,000.00 may be made
22 available to the Michigan cooperative extension service for the purpose
23 of training of applicators. Reimbursement shall be based on actual
24 expenditures and revenue availability.

25 Sec. 402. (1) From the amount appropriated in section 101 for the
26 gypsy moth program, \$100,000.00 shall be allocated to Michigan state
27 university for a gypsy moth education program.

28 (2) Any unexpended balance which is allocated pursuant to this
29 section shall be carried forward as a work project. The project shall
30 provide public information regarding gypsy moth infestation. The

1 project shall be managed by Michigan state university through a
2 \$100,000.00 contract which shall be completed by September 30, 1997.

3 **FOOD SAFETY AND CONSUMER PROTECTION**

4 Sec. 501. (1) From the amounts appropriated in section 101 for
5 stages I and II vapor recovery programs, the department may expend
6 funds for services and requirements associated with regulating stage I
7 and stage II vapor recovery systems in the state pursuant to the motor
8 fuels quality act, Act No. 44 of the Public Acts of 1984, being
9 sections 290.641 to 290.650d of the Michigan Compiled Laws.

10 (2) The department may expend amounts for services and requirements
11 associated with regulating stage I or stage II vapor recovery systems
12 from motor vehicle emissions testing program funds and motor vehicle
13 emissions inspection and maintenance program funds transferred from the
14 state transportation department in accordance with the motor vehicle
15 emissions testing program act, Act No. 232 of the Public Acts of 1993,
16 being sections 257.2001 to 257.2042 of the Michigan Compiled Laws, and
17 the motor vehicle emissions inspection and maintenance program act, Act
18 No. 234 of the Public Acts of 1993, being sections 257.2051 to 257.2076
19 of the Michigan Compiled Laws.

20 (3) The expenditures made pursuant to this section may only be used
21 to administer plans in conformance with requirements of the United
22 States environmental protection agency.

23 **MARKETING AND MARKET DEVELOPMENT**

24 Sec. 601. Within the appropriations in section 101 for marketing
25 and market development, \$412,100.00 is for the grape and wine industry
26 council, from which the department may provide grants for the purposes
27 as described in section 16b of the Michigan liquor control act, Act No.
28 8 of the Public Acts of the Extra Session of 1933, being section
29 436.16b of the Michigan Compiled Laws.

30 Sec. 602. If the department offers a contract for competitive bid

1 to provide fruit and vegetable inspection service by private entities,
2 the bid package shall be divided so that entities may offer bids to
3 provide services to specific portions of the state and not the entire
4 state. However, a service area shall cover at least 25% of the state.

5 **OFFICE OF RACING COMMISSIONER**

6 Sec. 701. The racing commissioner may pay rewards of not more than
7 \$5,800.00 to a person who provides information which results in the
8 arrest and conviction on a felony or misdemeanor charge for a crime
9 which involves the horse racing industry. A reward paid pursuant to
10 this section shall be paid out of the licensing and regulation line
11 item.

12 Sec. 702. Included in section 101 is an amount not to exceed
13 \$380,000.00 for promotion of attendance at pari-mutuel horse racing.
14 The state funds shall be matched before expenditure, with each \$2.00 of
15 state funds matched by \$1.00 of private industry funds. A race meeting
16 licensee or an association of thoroughbred and harness racetracks or
17 any horsemen's group may submit a plan and proposal to the racing
18 commissioner for use of funds authorized to be expended for promotion
19 of attendance at pari-mutuel horse racing. A plan shall be submitted by
20 the commissioner to the chairpersons of the senate and house
21 subcommittees on agriculture at least 30 days before the funds may be
22 expended. Each licensee or association of thoroughbred and harness
23 racetracks or horsemen's group shall be eligible for promotional funds.

24 Sec. 703. The department shall report by December 1, 1996, for
25 fiscal year 1995-1996 to the senate and house appropriations committees
26 and to the senate and house fiscal agencies the horse racing revenues
27 generated by each breed of horse for which funds are appropriated in
28 this act.

29 **GRANTS**

30 Sec. 801. Of the \$78,800.00 appropriated in section 101 for the

1 Great Lakes draft horse show, \$28,300.00 shall be made available for
2 the Michigan dynamometers association, \$46,700.00 shall be made
3 available for the Michigan draft horse breeders association, and
4 \$3,800.00 shall be used for advertisement and promotion of an annual
5 Great Lakes international draft horse show.

6 Sec. 802. The independent audits of local units of government, as
7 required by the uniform budgeting and accounting act, Act No. 2 of the
8 Public Acts of 1968, being sections 141.421 to 141.440a of the Michigan
9 Compiled Laws, shall include an examination to determine the accuracy
10 of reports submitted in compliance with section 14 of Act No. 327 of
11 the Public Acts of 1980, being section 431.74 of the Michigan Compiled
12 Laws. The reports shall be subject, at the authorization of the
13 chairpersons of the senate and house appropriations committees, to the
14 review of the auditor general.

15 Sec. 803. A county fair, district fair, 4-H fair, or state fair
16 receiving funds under this act to be used for prizes or awards, in
17 whole or in part, as a condition precedent to the receiving of the
18 funds for those purposes, shall publish the rules relative to the
19 prizes, awards, and deadlines for entries eligible for the funds in
20 their official premium books or lists relative to the prizes or awards.
21 An aggrieved exhibitor may make a written complaint to the fair within
22 10 days after the fair ends. If the fair has not satisfactorily settled
23 the grievance within 45 days after it is submitted to the fair, the
24 aggrieved person may file the complaint with the department and the
25 department shall investigate the complaint and make a finding of fact
26 regarding the complaint and take appropriate action regarding the
27 complaint.

28 Sec. 804. (1) The appropriation of \$292,100.00 in section 101 for
29 standardbred purses and supplements-licensed tracks is intended to
30 provide state purse supplements for four races at state licensed

1 pari-mutuel horse racing tracks. The purse supplements are to be used
 2 for races comprised only of Michigan bred horses segregated into a
 3 4-year-old colt trot division, a 4-year-old filly trot division, a
 4 4-year-old colt pace division, and a 4-year-old filly pace division.

5 (2) The appropriation in section 101 for licensed tracks-light
 6 horse racing shall be allocated as follows:

7 Arabian and Appaloosa horse racing \$ 20,900.00

8 Quarter horse racing \$ 63,100.00

9 Sec. 805. Of the amount appropriated in section 101 for premiums,
 10 \$11,400.00 shall be expended as a grant for the Michigan horse show
 11 association-fall youth show at the Michigan exposition and fairgrounds.

12 Sec. 806. Included in the appropriation made in section 101 for the
 13 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred
 14 breeders and owners association to conduct a thoroughbred yearling
 15 show. The Michigan united thoroughbred breeders and owners association
 16 shall submit to the department an itemized list of expenses showing
 17 that the expenses of the yearling show were paid.

18 Sec. 807. Of the horse race revenues collected for fiscal year
 19 1995-1996 for grants to cities with racetracks, \$1,543,800.00 shall be
 20 appropriated to the general fund of the state.

21 Sec. 808. In any given year when insufficient amounts of Michigan
 22 surplus products are offered to the food bank council and accepted for
 23 distribution, funds appropriated in section 101 may be applied by the
 24 food bank council for the direct purchase of foods from Michigan
 25 growers, manufacturers, or wholesalers.

26 Sec. 809. From the amount appropriated in section 101 for energy
 27 conservation program/local soil conservation districts, \$50,000.00
 28 shall be allocated to Michigan state university for improved pesticide
 29 application technology for the fruit and vegetable industry in
 30 Michigan.

1 Sec. 810. The amount appropriated in section 101 for grants to
2 local soil conservation districts shall be used for providing financial
3 assistance to all soil conservation districts in order to permit the
4 districts to engage in programs that conserve soil resources and
5 prevent and control soil erosion. All grants to local soil conservation
6 districts shall be allocated according to a formula approved by the
7 commission of agriculture. Any soil conservation district that allows
8 payment for expenses to the district associate directors shall be
9 considered ineligible to receive grant money.

10 Sec. 811. Indirect costs may not be charged against the grant in
11 section 101 to the future farmers of America by any administering
12 agency.

13 Sec. 812. (1) The \$100,000.00 appropriated in section 101 for the
14 grown in Michigan program is to provide competitive grants to Michigan
15 nonprofit organizations to raise in-state consumer awareness of
16 Michigan grown commodities.

17 (2) The grants are to be made by the Michigan commission of
18 agriculture on a competitive basis considering the following order of
19 priority:

20 (a) Cooperative efforts by recognized, statewide, grower funded
21 organizations.

22 (b) The number of Michigan residents made aware of the benefits of
23 Michigan grown commodities.

24 (c) The number of Michigan grown products encompassed in the
25 proposal.

26 (d) The amount of the match.

27 (3) A grant made under this section shall not be less than
28 \$10,000.00 or more than \$25,000.00.

29 (4) Each grant shall be matched equally with grantees' funds.
30 In-kind contributions shall not be considered as match.

1 (5) The Michigan commission of agriculture shall report to the
2 house and senate appropriations subcommittees on agriculture and senate
3 and house fiscal agencies 10 days prior to making a grant under this
4 section.