

SENATE BILL No. 1033

March 2, 2004, Introduced by Senator BARCIA 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, 2005; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the

1 amounts listed in this part are appropriated for the department of
 2 agriculture for the fiscal year ending September 30, 2005, from the
 3 funds indicated in this part. The following is a summary of the
 4 appropriations in this part:

5 **DEPARTMENT OF AGRICULTURE**

6 APPROPRIATIONS SUMMARY:

7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	709.0	
9	GROSS APPROPRIATION.....	\$	116,641,500
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		10,831,700
13	ADJUSTED GROSS APPROPRIATION.....	\$	105,809,800
14	Federal revenues:		
15	Total federal revenues.....		33,406,200
16	Special revenue funds:		
17	Total local revenues.....		0
18	Total private revenues.....		138,700
19	Total other state restricted revenues.....		40,755,500
20	State general fund/general purpose.....	\$	31,509,400
21	Sec. 102. EXECUTIVE		
22	Full-time equated unclassified positions.....	6.0	
23	Full-time equated classified positions.....	52.0	
24	Commission and boards.....	\$	53,300
25	Unclassified positions--6.0 FTE positions.....		428,500
26	Executive direction--10.0 FTE positions.....		1,128,500
27	Statistical reporting service--4.0 FTE positions.....		342,200

1	Management services--35.5 FTE positions	2,834,600
2	Human resource optimization user charges	29,500
3	Emergency management--2.5 FTE positions	<u>206,900</u>
4	GROSS APPROPRIATION	\$ 5,023,500
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from MDLEG (LCC), nonretail liquor license fees ...	8,800
8	Special revenue funds:	
9	Gasoline inspection and testing fund	52,500
10	Industry support funds	30,000
11	Michigan state fair revenue	80,500
12	State services fee fund	352,000
13	Upper Peninsula state fair revenue	9,000
14	State general fund/general purpose	\$ 4,490,700
15	Sec. 103. DEPARTMENTWIDE	
16	Rent and building occupancy	\$ 1,486,400
17	Employee turnover savings	(100,000)
18	Agriculture equine industry development fund	
19	reimbursement	<u>0</u>
20	GROSS APPROPRIATION	\$ 1,386,400
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG from MDLEG (LCC), nonretail liquor license fees ...	5,800
24	Federal revenues:	
25	DAG, multiple grants	100,500
26	EPA, multiple grants	61,200
27	HHS, FDA	13,100

1	Special revenue funds:		
2	Agricultural preservation fund.....		23,900
3	Agriculture equine industry development fund.....		2,025,000
4	Groundwater and freshwater protection fund.....		9,500
5	Licensing and inspection fees.....		48,200
6	State services fee fund.....		304,600
7	State general fund/general purpose.....	\$	(1,205,400)
8	Sec. 104. FOOD AND DAIRY		
9	Full-time equated classified positions.....	107.0	
10	Food safety and quality assurance--107.0 FTE positions	\$	10,313,800
11	Local public health operations.....		<u>8,878,700</u>
12	GROSS APPROPRIATION.....	\$	19,192,500
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG from MDCH, local public health operations.....		8,878,700
16	Federal revenues:		
17	DAG, multiple grants.....		24,800
18	HHS, FDA.....		203,700
19	Special revenue funds:		
20	Civil penalties.....		43,900
21	Licensing and inspection fees.....		3,030,400
22	State general fund/general purpose.....	\$	7,011,000
23	Sec. 105. ANIMAL INDUSTRY		
24	Full-time equated classified positions.....	49.0	
25	Animal health and welfare--22.5 FTE positions.....	\$	2,391,100
26	Bovine tuberculosis program--26.5 FTE positions.....		<u>5,222,400</u>
27	GROSS APPROPRIATION.....	\$	7,613,500

1	Appropriated from:	
2	Federal revenues:	
3	DAG, multiple grants.....	1,251,000
4	HHS, FDA.....	68,800
5	Special revenue funds:	
6	Agriculture equine industry development fund.....	52,800
7	Licensing and inspection fees.....	180,800
8	Pseudorabies and swine brucellosis fund.....	21,200
9	State general fund/general purpose	\$ 6,038,900
10	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
11	Full-time equated classified positions.....	274.8
12	Pesticide and plant pest management--119.8 FTE	
13	positions	\$ 12,494,400
14	Emerald ash borer control program--155.0 FTE positions	<u>25,197,300</u>
15	GROSS APPROPRIATION.....	\$ 37,691,700
16	Appropriated from:	
17	Federal revenues:	
18	DAG, multiple grants.....	27,272,500
19	EPA, multiple grants.....	1,563,500
20	HHS, FDA.....	64,000
21	Special revenue funds:	
22	Private - slow-the-spread foundation.....	138,700
23	Commodity inspection fees.....	709,400
24	Horticulture fund.....	74,700
25	Industry support funds.....	319,900
26	Licensing and inspection fees.....	2,860,700
27	State general fund/general purpose.....	\$ 4,688,300

1	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
2	Full-time equated classified positions.....	47.0
3	Environmental stewardship--32.7 FTE positions.....	\$ 2,570,700
4	Groundwater and freshwater protection program--8.3 FTE	
5	positions	4,931,700
6	Farmland and open space preservation--6.0 FTE positions	905,400
7	Cooperative resources management initiative program ..	1,000,000
8	Agriculture pollution prevention program.....	100
9	Local conservation districts.....	1,580,000
10	Migrant labor housing.....	<u>255,000</u>
11	GROSS APPROPRIATION.....	\$ 11,242,900
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from MDEQ, biosolids.....	86,100
15	IDG from MDEQ, right to farm	113,000
16	IDG from MDEQ, type II well survey.....	16,100
17	IDG from MDNR, district forestry and wildlife program	1,000,000
18	Federal revenues:	
19	EPA, multiple grants.....	419,700
20	Special revenue funds:	
21	Agricultural preservation fund	905,400
22	Agriculture pollution prevention fund.....	100
23	Groundwater and freshwater protection fund.....	4,802,700
24	State general fund/general purpose.....	\$ 3,899,800
25	Sec. 108. LABORATORY PROGRAM	
26	Full-time equated classified positions.....	114.0
27	Laboratory services--114.0 FTE positions	<u>\$ 10,336,500</u>

1	GROSS APPROPRIATION.....	\$	10,336,500
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from MDLEG (LCC), liquor quality testing fees.....		174,500
5	Federal revenues:		
6	DAG, multiple grants.....		1,926,900
7	EPA, multiple grants.....		324,100
8	Special revenue funds:		
9	Agriculture equine industry development fund.....		479,600
10	Gasoline inspection and testing fund.....		1,957,100
11	Oil and gas regulatory fund.....		486,200
12	Testing fees.....		386,100
13	Weights and measures regulation fees.....		560,100
14	State general fund/general purpose.....	\$	4,041,900
15	Sec. 109. AGRICULTURE DEVELOPMENT		
16	Full-time equated classified positions.....	8.0	
17	Food bank.....	\$	630,500
18	Future farmers of America.....		60,000
19	Agriculture development--5.0 FTE positions.....		754,400
20	Grape and wine program--3.0 FTE positions.....		<u>677,600</u>
21	GROSS APPROPRIATION.....	\$	2,122,500
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	IDG from MDLEG (LCC), nonretail liquor license fees...		545,400
25	Federal revenues:		
26	DAG, multiple grants.....		112,400
27	Special revenue funds:		

1	Industry support funds.....	232,200
2	State services fee fund.....	263,700
3	State general fund/general purpose..... \$	968,800
4	Sec. 110. FAIRS AND EXPOSITIONS	
5	Full-time equated classified positions..... 25.5	
6	Michigan state fair operations--9.0 FTE positions..... \$	5,153,800
7	Upper Peninsula state fair--7.0 FTE positions.....	1,281,600
8	Fairs, racing and producer security--9.5 FTE positions	1,124,100
9	Building and track improvement - county and state fairs	963,200
10	Premiums - county and state fairs.....	1,614,000
11	Purses and supplements - fairs/licensed tracks.....	1,809,900
12	Standardbred Fedele Fauri futurity.....	59,900
13	Standardbred Michigan futurity.....	59,900
14	Quarterhorse programs.....	29,500
15	Licensed tracks - light horse racing.....	57,000
16	Standardbred breeders' awards.....	916,300
17	Standardbred purses and supplements - licensed tracks .	205,200
18	Standard sire stakes program.....	767,700
19	Standardbred training and stabling.....	32,400
20	Thoroughbred program.....	1,343,500
21	Thoroughbred sire stakes.....	767,700
22	Thoroughbred owners' awards.....	115,600
23	Distribution of outstanding winning tickets.....	<u>500,000</u>
24	GROSS APPROPRIATION..... \$	16,801,300
25	Appropriated from:	
26	Special revenue funds:	
27	Agriculture equine industry development fund.....	6,664,600

1	Industry support funds.....	30,000
2	Licensing and inspection fees.....	112,500
3	Michigan state fair revenue.....	5,316,800
4	State services fee fund.....	3,177,500
5	Upper Peninsula state fair revenue.....	1,281,600
6	State general fund/general purpose.....	\$ 218,300
7	Sec. 111. OFFICE OF RACING COMMISSIONER	
8	Full-time equated classified positions.....	31.7
9	Office of racing commissioner--31.7 FTE positions.....	\$ <u>3,609,200</u>
10	GROSS APPROPRIATION.....	\$ 3,609,200
11	Appropriated from:	
12	Special revenue funds:	
13	Agriculture equine industry development fund.....	2,309,200
14	State services fee fund.....	1,300,000
15	State general fund/general purpose.....	\$ 0
16	Sec. 112. INFORMATION AND TECHNOLOGY	
17	Information technology services and projects.....	\$ <u>1,621,500</u>
18	GROSS APPROPRIATION.....	\$ 1,621,500
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	IDG from MDLEG (LCC), liquor quality testing fees.....	2,800
22	IDG from MDLEG (LCC), nonretail liquor license fees...	500
23	Special revenue funds:	
24	Agricultural preservation fund.....	200
25	Agriculture equine industry development fund.....	142,800
26	Gasoline inspection and testing fund.....	26,200
27	Groundwater and freshwater protection fund.....	100

1	Michigan state fair revenue.....	88,800
2	State services fee fund.....	2,100
3	Upper Peninsula state fair revenue.....	900
4	State general fund/general purpose.....	\$ 1,357,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

8 Sec. 201. Pursuant to section 30 of article IX of the state
 9 constitution of 1963, total state spending from state resources under
 10 part 1 for fiscal year 2004-2005 is \$72,264,900.00 and state spending
 11 from state resources to be paid to units of local government for fiscal
 12 year 2004-2005 is \$3,380,000.00. The itemized statement below
 13 identifies appropriations from which spending to units of local
 14 government will occur:

DEPARTMENT OF AGRICULTURE

16	Groundwater and freshwater protection program.....	\$ 1,800,000
17	Local conservation districts.....	<u>1,580,000</u>
18	TOTAL	\$ 3,380,000

19 Sec. 202. The appropriations authorized under this bill are subject
 20 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

21 Sec. 203. As used in this bill:

- 22 (a) "DAG" means the United States department of agriculture.
- 23 (b) "Department" means the department of agriculture.
- 24 (c) "Director" means the director of the department.
- 25 (d) "EPA" means the United States environmental protection
- 26 agency.
- 27 (e) "FTE" means full-time equated.

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

3 (g) "IDG" means interdepartmental grant.

4 (h) "MDCH" means the Michigan department of community health.

5 (i) "MDEQ" means the Michigan department of environmental
6 quality.

7 (j) "MDLEG (LCC)" means the Michigan department of labor and
8 economic growth - liquor control commission.

9 (k) "MDNR" means the Michigan department of natural resources.

10 Sec. 204. The department of civil service shall bill the department
11 at the end of the first fiscal quarter for the 1% charge authorized by
12 section 5 of article XI of the state constitution of 1963. Payments
13 shall be made for the total amount of the billing by the end of the
14 second fiscal quarter.

15 Sec. 208. Unless otherwise specified, the department receiving
16 appropriations in part 1 shall use the Internet to fulfill the
17 reporting requirements of this bill. This requirement may include
18 transmission of reports via electronic mail to the recipients
19 identified for each reporting requirement, or it may include placement
20 of reports on an Internet or Intranet site.

21 Sec. 212. (1) Of the funds appropriated in part 1, the department
22 may provide for indemnity as provided for pursuant to the animal
23 industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed
24 \$100,000.00 per order from any line item for the fiscal year ending
25 September 30, 2005. Before the department provides for an
26 indemnification under this section, the department shall report the
27 reason for the indemnification, the amount of the indemnification, and

1 to whom the indemnification is to be paid. The report shall be given
2 to each member of the house and senate appropriations subcommittees on
3 agriculture and to the senate and house fiscal agencies and the state
4 budget director.

5 Sec. 219. From the funds appropriated in part 1 for information
6 technology, the department shall pay user fees to the department of
7 information technology for technology-related services and projects.
8 Such user fees shall be subject to provisions of an interagency
9 agreement between the department and the department of information
10 technology.

11 Sec. 220. Amounts appropriated in part 1 for information technology
12 may be designated as work projects and carried forward to support
13 technology projects under the direction of the department of
14 information technology. Funds designated in this manner are not
15 available for expenditure until approved as work projects under section
16 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

17 Sec. 225. (1) In addition to the funds appropriated in part 1,
18 there is appropriated an amount not to exceed \$5,000,000.00 for federal
19 contingency funds. These funds are not available for expenditure until
20 they have been transferred to another line item in this bill under
21 section 393(2) of the management and budget act, 1984 PA 431, MCL
22 18.1393.

23 (2) In addition to the funds appropriated in part 1, there is
24 appropriated an amount not to exceed \$6,000,000.00 for state restricted
25 contingency funds. These funds are not available for expenditure until
26 they have been transferred to another line item in this bill under
27 section 393(2) of the management and budget act, 1984 PA 431, MCL

1 18.1393.

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

13 Sec. 226. Funds appropriated in part 1 shall not be used for the
14 purchase of foreign goods or services, or both, if competitively priced
15 and comparable quality American goods or services, or both, are
16 available. Preference should be given to goods and services or both,
17 manufactured or provided by Michigan businesses if they are
18 competitively priced and of comparable value.

19 **EXECUTIVE**

20 Sec. 302. The department may receive and expend revenue and use
21 that revenue to cover necessary expenses related to publications, audit
22 and licensing functions, livestock sales, certification of nursery
23 stock, bean inspection services, and laboratory analyses as specified
24 in the following:

- 25 (a) Management services publications.
26 (b) Management services audit and licensing functions.
27 (c) Pesticide and plant pest management propagation and

1 certification of virus-free foundation stock.

2 (d) Pesticide and plant pest management bean inspection and
3 grading services.

4 (e) Laboratory support testing for testing horses in draft horse
5 pulling contests at county fairs when local jurisdictions request state
6 assistance.

7 (f) Laboratory support analyses to determine foreign substances
8 in horses engaged in racing or pulling contests at tracks.

9 (g) Laboratory support analysis of food, livestock, and
10 agricultural products for disease, foreign products for disease, toxic
11 materials, foreign substances, and quality standards.

12 (h) Laboratory support test samples for other agencies and
13 organizations.

14 (i) Fruit and vegetable inspection at shipping and termination
15 points and processing plants.

16 **FOOD AND DAIRY**

17 Sec. 401. The department shall monitor restaurant inspection and
18 licensing functions carried out by local health departments to ensure
19 uniform application and enforcement of minimum program requirements.

20 **ANIMAL INDUSTRY**

21 Sec. 450. From the funds appropriated in part 1 for the bovine
22 tuberculosis program, the department of agriculture shall reimburse the
23 department of natural resources for those costs associated with
24 monitoring and testing wildlife for bovine tuberculosis that are
25 necessary to support the department of agriculture goals and are
26 jointly agreed to by the department of agriculture and the department
27 of natural resources to be in excess of efforts necessary to

1 effectively plan and execute the eradication of bovine tuberculosis
2 from Michigan's wild free-ranging deer herd.

3 Sec. 451. From the funds appropriated in part 1 for bovine
4 tuberculosis, the department shall pay for all whole herd testing costs
5 to achieve and maintain split-state status requirements. These costs
6 include indemnity and compensation for injury causing death or downer
7 to animals.

8 **ENVIRONMENTAL STEWARDSHIP**

9 Sec. 602. The department may expend the amount appropriated in
10 section 107 for migrant labor housing grants for construction of new
11 migrant labor housing. Project grants shall not exceed \$5,000.00 per
12 unit. An applicant is not eligible for more than a \$20,000.00 grant in
13 any fiscal year.

14 Sec. 604. The appropriation in section 107 for local conservation
15 districts shall be allocated in the following manner:

16 (a) Of the total appropriation, each local conservation district
17 meeting the minimum grant requirements shall receive a grant of
18 \$20,000.00 to support basic operations, unless the district resides in
19 a county consisting of multiple districts, in which case a \$20,000.00
20 grant shall be divided equally among the districts in that county. The
21 amount of money
22 allocated under this subdivision shall not be used by local
23 conservation districts to replace any money received from local
24 sources.

25 (b) Any remaining appropriation after distributions under
26 subparagraph (a), shall be allocated for local conservation district
27 training.

1 **AGRICULTURE DEVELOPMENT**

2 Sec. 701. Within the appropriations in part 1 for agriculture
3 development, \$662,000.00 is for the grape and wine industry council,
4 from which the department may provide grants for the purposes as
5 described in section 303 of the Michigan liquor control code of 1998,
6 1998 PA 58, MCL 436.1303.

7 Sec. 702. In any given year when insufficient amounts of Michigan
8 surplus products are offered to the food bank council and accepted for
9 distribution, unused funds may be applied by the food bank council for
10 the direct purchase of foods from Michigan growers, manufacturers, or
11 wholesalers.

12 Sec. 704. Indirect costs may not be charged against the future
13 farmers of America grant in section 109 by any administering agency.

14 **FAIRS AND EXPOSITIONS**

15 Sec. 802. (1) The appropriation in section 110 for standardbred
16 purses and supplements - licensed tracks is intended to provide state
17 purse supplements for 4 races at state licensed pari-mutuel horse
18 racing tracks. The purse supplements are to be used for races
19 comprised only of Michigan-bred horses segregated into a 4-year-old
20 colt trot division, a 4-year-old filly trot division, a 4-year-old colt
21 pace division, and a 4-year-old filly pace division.

22 (2) The appropriation in part 1 for licensed tracks - light
23 horse racing shall be allocated as follows:

24	Arabian and Appaloosa horse racing.....	14,300
25	Quarter horse racing	42,700

26 Sec. 803. Included in the appropriation made in section 110 for the
27 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred

1 breeders and owners association to conduct a thoroughbred yearling
2 show. The Michigan united thoroughbred breeders and owners association
3 shall submit to the department an itemized list of expenses showing
4 that the expenses of the yearling show were paid.

5 Sec. 804. From the funds appropriated in section 110 for
6 thoroughbred owners' awards, awards shall be distributed pursuant to
7 section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

8 Sec. 806. A county fair, district fair, 4-H fair, or state fair
9 receiving funds in section 110 to be used for prizes or awards, in
10 whole or in part, as a condition precedent to the receiving of the
11 funds for those purposes, shall publish the rules relative to the
12 prizes, awards, and deadlines for entries eligible for the funds in
13 their official premium books or lists relative to the prizes or awards.
14 An aggrieved exhibitor may make a written complaint to the fair within
15 10 days after the fair ends. If the fair has not satisfactorily
16 settled the grievance within 45 days after it is submitted to the fair,
17 the aggrieved person may file the complaint with the department and the
18 department shall investigate the complaint and make a finding of fact
19 regarding the complaint and take appropriate action regarding the
20 complaint.

21 Sec. 807. Of the amount appropriated in section 110 for purses and
22 supplements - fairs/licensed tracks, a sufficient amount is
23 appropriated to provide for overnight purse supplements pursuant to the
24 horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

25 Sec. 809. From the appropriations for premiums - county and state
26 fairs in section 110, up to \$120,000.00 shall be awarded through a
27 competitive grant program to local, regional, or state fairs or

1 expositions to promote youth involvement and adult exhibitions in the
2 animal agriculture industry. Appropriate exhibition classes for youth
3 shall be developed that encourage a production exhibit for which
4 premium awards may be paid. The age for youth exhibitors shall be
5 determined by the standards of the association requesting the grant or,
6 if standards do not exist, the age for youth exhibitors shall be ages 9
7 through 21. Implementation of the latest technologies into the
8 evaluation of the animals shall be encouraged in the production
9 exhibit. Adult exhibitions should focus on the performance or end
10 product, or both, with the appropriate technologies used to enhance
11 placings and the awarding of premiums.

12 **OFFICE OF RACING COMMISSIONER**

13 Sec. 901. The racing commissioner may pay rewards of not more than
14 \$5,800.00 to a person who provides information that results in the
15 arrest and conviction on a felony or misdemeanor charge for a crime
16 that involves the horse racing industry. A reward paid pursuant to
17 this section shall be paid out of the office of racing commissioner
18 line item.