

**SUBSTITUTE FOR  
HOUSE BILL NO. 5588**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 1999; 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 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the  
4 amounts listed in this part are appropriated for the department of agri-  
5 culture for the fiscal year ending September 30, 1999, from the funds  
6 indicated in this part. The following is a summary of the appropriations  
7 in this part:

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For Fiscal Year Ending  
September 30, 1999

## 1 DEPARTMENT OF AGRICULTURE

### 2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	598.5	
5	GROSS APPROPRIATION.....	\$	80,534,600
6	Interdepartmental grant revenues:		
7	IDG from MDCIS (LCC), liquor quality testing fees....		150,300
8	IDG from MDCIS (LCC), nonretail liquor license fees..		434,000
9	IDG from MDEQ, meter calibrations.....		180,000
10	IDG from MDEQ, sewer sludge fund.....		65,000
11	IDG from MDEQ, type II well survey.....		15,000
12	Total interdepartmental grants and intradepartmental		
13	transfers.....		844,300
14	ADJUSTED GROSS APPROPRIATION.....	\$	79,690,300
15	Federal revenues:		
16	DAG-AMS, cooperative agreement.....		1,154,300
17	DAG-APHIS, plant and animal disease and pest control.		55,000
18	DAG-ERS-ARED.....		126,100
19	DAG, federal/state marketing improvement program.....		100,000
20	DAG-FS, multiple grants.....		2,111,200
21	EPA-OECA, pesticides enforcement program grants.....		974,000
22	EPA-OW, water pollution control, lake restoration		
23	cooperative agreements.....		236,300
24	EPA-RCRA.....		148,200
25	HHS-FDA.....		208,500
26	Total federal revenues.....		5,113,600

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1	Special revenue funds:	
2	Total local revenues.....	0
3	Private - oil company overcharge settlement.....	711,000
4	Total private revenues.....	711,000
5	Agriculture equine industry development fund.....	12,519,600
6	Civil penalties.....	25,700
7	Commodity inspection fees.....	963,600
8	Food handler licensing fees.....	1,105,400
9	Gasoline inspection and testing fund.....	1,969,000
10	Groundwater and freshwater protection fund.....	4,506,300
11	Industry support funds.....	175,800
12	Licensing and inspection fees.....	2,679,600
13	Pseudorabies and swine brucellosis fund.....	87,100
14	Michigan state fair revenue.....	6,265,700
15	Testing fees.....	167,100
16	Upper Peninsula state fair revenue.....	927,200
17	Weights and measures regulation fees.....	305,400
18	Total other state restricted revenues.....	31,697,500
19	State general fund/general purpose..... \$	42,168,200
20	<b>Sec. 102. EXECUTIVE</b>	
21	Full-time equated unclassified positions.....6.0	
22	Full-time equated classified positions.....10.0	
23	Commission and boards.....	48,500
24	Director.....	100,500
25	Legislative liaison.....	68,000
26	Director of special projects.....	76,100

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1	Assistant to director.....	52,300
2	Racing commissioner.....	90,400
3	State fair manager.....	70,200
4	Executive direction--5.0 FTE positions.....	488,500
5	Statistical reporting service--5.0 FTE positions.....	466,400
6	Project GREEN.....	5,400,000
7	Environmental technology research grant.....	<u>1,500,000</u>
8	GROSS APPROPRIATION.....	\$ 8,360,900
9	Appropriated from:	
10	Special revenue funds:	
11	Industry support funds.....	25,800
12	Michigan state fair revenue.....	159,500
13	State general fund/general purpose.....	\$ 8,175,600
14	<b>Sec. 103. ADMINISTRATIVE SERVICES</b>	
15	Full-time equated classified positions.....	75.0
16	Management services--62.0 FTE positions.....	4,846,100
17	Agriculture development--5.0 FTE positions.....	828,100
18	Property management charges.....	578,300
19	Rent.....	285,700
20	Upper Peninsula state fair--8.0 FTE positions.....	1,093,900
21	Future farmers of America.....	40,000
22	Building and track improvement - county and state	
23	fairs.....	850,000
24	Premiums - county and state fairs.....	1,611,200
25	Purses and supplements - fairs/licensed tracks.....	2,242,400
26	Standardbred Fedele Fauri futurity.....	74,400

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1	Standardbred Michigan futurity.....	<u>74,400</u>
2	GROSS APPROPRIATION..... \$	12,524,500
3	Appropriated from:	
4	Federal revenues:	
5	DAG-ERS-ARED.....	126,100
6	Special revenue funds:	
7	Agriculture equine industry development fund.....	4,852,400
8	Gasoline inspection and testing fund.....	51,000
9	Licensing and inspection fees.....	62,100
10	Upper Peninsula state fair revenue.....	927,200
11	State general fund/general purpose..... \$	6,505,700
12	<b>Sec. 104. PESTICIDE AND PLANT PEST MANAGEMENT</b>	
13	Full-time equated classified positions.....131.3	
14	Pesticide and plant pest management--131.3 FTE	
15	positions.....	11,566,900
16	Disease and pesticide intervention fund.....	341,800
17	Michigan State University.....	<u>210,000</u>
18	GROSS APPROPRIATION..... \$	12,118,700
19	Appropriated from:	
20	Federal revenues:	
21	DAG-AMS, cooperative agreement.....	35,300
22	DAG-APHIS, plant and animal disease and pest control.	34,600
23	DAG-FS, multiple grants.....	2,011,200
24	EPA-OECA, pesticides enforcement program grants.....	974,000
25	HHS-FDA.....	15,400
26	Special revenue funds:	

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1	Commodity inspection fees.....	963,600
2	Licensing and inspection fees.....	2,053,000
3	State general fund/general purpose..... \$	6,031,600
4	<b>Sec. 105. ANIMAL INDUSTRY</b>	
5	Full-time equated classified positions.....26.0	
6	Animal health and welfare--26.0 FTE positions.....	<u>2,084,100</u>
7	GROSS APPROPRIATION..... \$	2,084,100
8	Appropriated from:	
9	Federal revenues:	
10	HHS-FDA.....	9,500
11	Special revenue funds:	
12	Licensing and inspection fees.....	32,200
13	Pseudorabies and swine brucellosis fund.....	87,100
14	State general fund/general purpose..... \$	1,955,300
15	<b>Sec. 106. FOOD AND DAIRY</b>	
16	Full-time equated classified positions.....112.0	
17	Food safety and quality assurance--112.0 FTE	
18	positions.....	<u>8,371,300</u>
19	GROSS APPROPRIATION..... \$	8,371,300
20	Appropriated from:	
21	Federal revenues:	
22	DAG-AMS, cooperative agreement.....	22,500
23	HHS-FDA.....	183,600
24	Special revenue funds:	
25	Civil penalties.....	25,700
26	Food handler licensing fees.....	1,105,400

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1	Licensing and inspection fees.....	532,300
2	State general fund/general purpose..... \$	6,501,800
3	<b>Sec. 107. LABORATORY PROGRAM</b>	
4	Full-time equated classified positions.....127.0	
5	Laboratory analysis program--71.5 FTE positions.....	5,438,800
6	Pesticide data program--11.0 FTE positions.....	1,096,500
7	Consumer protection program--44.5 FTE positions.....	<u>3,166,400</u>
8	GROSS APPROPRIATION..... \$	9,701,700
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG from MDCIS (LCC), liquor quality testing fees....	150,300
12	IDG from MDEQ, meter calibrations.....	180,000
13	Federal revenues:	
14	DAG-AMS, cooperative agreement.....	1,096,500
15	DAG-APHIS, plant and animal disease and pest control.	20,400
16	Special revenue funds:	
17	Private - oil company overcharge settlement.....	295,900
18	Agriculture equine industry development fund.....	572,800
19	Gasoline inspection and testing fund.....	1,918,000
20	Testing fees.....	167,100
21	Weights and measures regulation fees.....	305,400
22	State general fund/general purpose..... \$	4,995,300
23	<b>Sec. 108. ENVIRONMENTAL STEWARDSHIP</b>	
24	Full-time equated classified positions.....40.0	
25	Environmental stewardship--30.0 FTE positions.....	2,550,500
26	Groundwater and freshwater protection program--10.0	
27	FTE positions.....	4,506,300

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1	Energy conservation program.....	363,100
2	Forest stewardship program.....	100,000
3	Local soil conservation districts.....	1,400,000
4	Migrant labor housing.....	<u>315,000</u>
5	GROSS APPROPRIATION..... \$	9,234,900
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDEQ, sewer sludge fund.....	65,000
9	IDG from MDEQ, type II well survey.....	15,000
10	Federal revenues:	
11	DAG-FS, multiple grants.....	100,000
12	EPA-OW, water pollution control, lake restoration	
13	cooperative agreements.....	236,300
14	EPA-RCRA.....	148,200
15	Special revenue funds:	
16	Private - oil company overcharge settlement.....	415,100
17	Groundwater and freshwater protection fund.....	4,506,300
18	State general fund/general purpose..... \$	3,749,000
19	<b>Sec. 109. MARKET DEVELOPMENT</b>	
20	Full-time equated classified positions.....15.5	
21	Marketing and emergency management--15.5 FTE	
22	positions.....	2,160,700
23	Food bank.....	725,000
24	Grown in Michigan.....	100,000
25	Michigan festivals.....	50,000
26	Northwest Michigan horticultural research station....	41,800

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1	Southwestern Michigan tourist council - taste of	
2	Michigan.....	<u>60,400</u>
3	GROSS APPROPRIATION.....	\$ 3,137,900
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from MDCIS (LCC), nonretail liquor license fees..	434,000
7	Federal revenues:	
8	DAG, federal/state marketing improvement program.....	100,000
9	Special revenue funds:	
10	Industry support funds.....	150,000
11	State general fund/general purpose.....	\$ 2,453,900
12	<b>Sec. 110. AGRICULTURE EQUINE INDUSTRY DEVELOPMENT</b>	
13	Full-time equated classified positions.....39.7	
14	Office of racing commissioner--39.7 FTE positions....	3,609,400
15	Quarterhorse programs.....	36,600
16	Licensed tracks-light horse racing.....	71,000
17	Standardbred breeders' awards.....	1,140,800
18	Standardbred purses and supplements-licensed tracks..	246,800
19	Sire stakes program.....	1,859,000
20	Standardbred training and stabling.....	40,400
21	Thoroughbred program.....	1,667,500
22	Thoroughbred owners' awards.....	144,100
23	Can-Am draft horse show.....	<u>78,800</u>
24	GROSS APPROPRIATION.....	\$ 8,894,400
25	Appropriated from:	
26	Special revenue funds:	

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1	Agriculture equine industry development fund.....	7,094,400
2	State general fund/general purpose..... \$	1,800,000
3	<b>Sec. 111. MICHIGAN STATE FAIR</b>	
4	Full-time equated classified positions.....22.0	
5	Michigan state fair operations--22.0 FTE positions...	<u>6,106,200</u>
6	GROSS APPROPRIATION..... \$	6,106,200
7	Appropriated from:	
8	Special revenue funds:	
9	Michigan state fair revenue.....	6,106,200
10	State general fund/general purpose..... \$	0

11 PART 2

12 PROVISIONS CONCERNING APPROPRIATIONS

## 13 GENERAL SECTIONS

14 Sec. 201. (1) Pursuant to section 30 of article IX of the state  
15 constitution of 1963, total state spending from state sources for fiscal  
16 year 1998-99 is estimated at \$73,865,700.00 in this act and state spend-  
17 ing from state sources paid to local units of government for fiscal year  
18 1998-99 is estimated at \$1,713,100.00. The itemized statement below  
19 identifies appropriations from which spending to units of local govern-  
20 ment will occur:

### 21 DEPARTMENT OF AGRICULTURE

22	Energy conservation program..... \$	313,100
23	Local soil conservation districts..... \$	<u>1,400,000</u>

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1 TOTAL..... \$ 1,713,100

2 (2) If it appears to the principal executive officer of a department  
3 or branch that state spending to local units of government will be less  
4 than the amount that was projected to be expended under subsection (1),  
5 the principal executive officer shall immediately give notice of the  
6 approximate shortfall to the state budget director, the house and senate  
7 appropriations committees, and the house and senate fiscal agencies.

8 Sec. 202. The appropriations made and the expenditures authorized  
9 under this act and the departments, agencies, commissions, boards,  
10 offices, and programs for which an appropriation is made under this act  
11 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
12 18.1594.

13 Sec. 204. (1) Beginning October 1, a hiring freeze is imposed on  
14 the state classified civil service. State departments and agencies are  
15 prohibited from hiring any new full-time state classified civil service  
16 employees and prohibited from filling any vacant state classified civil  
17 service positions. This hiring freeze does not apply to internal trans-  
18 fers of classified employees from 1 position to another within a depart-  
19 ment or to positions that are funded with 80% or more federal or  
20 restricted funds.

21 (2) The state budget director shall grant exceptions to this hiring  
22 freeze when the state budget director believes that the hiring freeze  
23 will result in rendering a state department or agency unable to deliver  
24 basic services. The state budget director shall report by the fifteenth  
25 of each month to the chairpersons of the senate and house of representa-  
26 tives standing committees on appropriations the number of exceptions to

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1 the hiring freeze approved during the previous month and the reasons to  
2 justify the exception.

3       Sec. 205. The department of civil service shall bill departments  
4 and/or agencies at the end of the first fiscal quarter for the 1% charges  
5 authorized by section 5 of article XI of the state constitution of 1963.  
6 Payments shall be made for the total amount of the billing by the end of  
7 the second fiscal quarter.

8       Sec. 206. (1) The department shall submit to the department of man-  
9 agement and budget, the senate and house of representatives standing com-  
10 mittees on appropriations, the senate and house fiscal agencies, and the  
11 house and senate of representatives standing committees having jurisdic-  
12 tion over technology issues quarterly reports on the department's efforts  
13 to change the department's computer software and hardware as necessary to  
14 perform properly in the year 2000 and beyond. These reports shall iden-  
15 tify actual progress in comparison to the department's approved work plan  
16 for these efforts.

17       (2) The department may present progress billings to the department  
18 of management and budget for the costs incurred in changing computer  
19 software and hardware as necessary to perform properly in the year 2000  
20 and beyond. At the time progress billings are presented for reimburse-  
21 ment, the department shall identify and forward as appropriate the fund-  
22 ing sources that should support the work performed.

23       Sec. 208. As used in this act:

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

25       (b) "DAG-AMS" means the United States department of agriculture -  
26 agriculture marketing service.

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1 (c) "DAG-APHIS" means the United States department of agriculture -  
2 animal plant health inspection service.

3 (d) "DAG-ERS-ARED" means the United States department of  
4 agriculture - economic research service - agriculture and rural economy  
5 division.

6 (e) "DAG-FS" means the United States department of agriculture -  
7 forest service.

8 (f) "Department" means the department of agriculture.

9 (g) "Director" means the director of the department.

10 (h) "EPA-OECA" means the United States environmental protection  
11 agency - office of enforcement and compliance assistance.

12 (i) "EPA-OW" means the United States environmental protection  
13 agency - office of water.

14 (j) "EPA-RCRA" means the United States environmental protection  
15 agency - resource conservation and recovery act.

16 (k) "FTE" means full-time equated.

17 (l) "GREEN" means generating research and extension to meet  
18 environmental and economic needs.

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

21 (n) "IDG" means interdepartmental grant.

22 (o) "MDCIS (LCC)" means the Michigan department of consumer and  
23 industry services - liquor control commission.

24 (p) "MDEQ" means the Michigan department of environmental quality.

25 Sec. 209. (1) The unexpended and unobligated balance of any state  
26 restricted fund or account remaining at the end of the fiscal year shall  
27 revert back to the state restricted fund or account from which

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1 appropriated and be available for appropriation for the next fiscal  
2 year. Appropriations that revert to a state restricted fund or account  
3 pursuant to this section shall not revert to the general fund of this  
4 state.

5 (2) A state restricted revenue fund or account that receives reve-  
6 nues in excess of expenditures made from that state restricted revenue  
7 fund or account shall not have the excess revenue revert to the general  
8 fund of this state.

9 (3) The revenues collected in the agriculture equine industry devel-  
10 opment fund in fiscal year 1997-98 shall not lapse but shall be carried  
11 forward to fund appropriations made pursuant to this act and subsequent  
12 acts.

13 Sec. 210. (1) Of the funds appropriated in part 1, the department  
14 may provide for indemnity as provided for pursuant to the animal industry  
15 act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed  
16 \$10,000.00 per order from any line item for the fiscal year ending  
17 September 30, 1999. Before the department provides for an indemnifica-  
18 tion under this section, the department shall report the reason for the  
19 indemnification, the amount of the indemnification, and to whom the  
20 indemnification is to be paid. The report shall be given to each member  
21 of the house and senate appropriations subcommittees on agriculture and  
22 to the senate and house fiscal agencies.

23 (2) The department may make indemnification for the fair market  
24 value of livestock that is killed by a wolf. The kill shall be verified  
25 by the department of natural resources. The fair market value of the  
26 livestock shall be made pursuant to indemnification procedures prescribed

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1 in the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747.  
2 The indemnification shall be paid pursuant to subsection (1).

3       Sec. 211. When the department applies to the department of manage-  
4 ment and budget with a request for a transfer of appropriations or for a  
5 supplemental appropriation, the department shall provide the senate and  
6 house fiscal agencies with the same information that the department pro-  
7 vides the department of management and budget relative to the request for  
8 transfer or supplemental.

9       Sec. 212. Money appropriated in part 1 shall not be used for the  
10 purchase of foreign goods or services when competitively priced and of  
11 comparable quality American goods or services are available.

12       Sec. 213. (1) The director shall take all reasonable steps to  
13 ensure businesses in deprived and depressed communities compete for and  
14 perform contracts to provide services or supplies or both for the  
15 department.

16       (2) The director shall strongly encourage firms with which the  
17 department contracts to subcontract with certified businesses in  
18 depressed and deprived communities for services or supplies or both.

19       Sec. 215. Of the funds appropriated in part 1 that are other than  
20 line-item grants, the department shall not provide grants to local gov-  
21 ernment agencies, institutions of higher education, or nonprofit organi-  
22 zations unless the department provides notice of the grant to the house  
23 and senate appropriations subcommittees on agriculture at least 10 days  
24 before the grant is issued. The grants shall be used to support research  
25 or other related activities for the purpose of enhancing the agricultural  
26 industries in this state.

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1       Sec. 216. The legislature will not fund non-fair or  
2 non-horse-racing grants or projects from revenues from simulcasting in  
3 fiscal year 1999-2000.

4       Sec. 217. (1) The department of management and budget and the  
5 department of agriculture shall provide to the house and senate appropri-  
6 ations committees and the house and senate fiscal agencies a monthly  
7 report on all sole source contracts and personal service contracts  
8 awarded that month without competitive bidding, pricing, or rate  
9 setting. The monthly report shall include at least all of the  
10 following:

11       (a) The total dollar amount of the contract.

12       (b) The duration of the contract.

13       (c) The name of the vendor.

14       (d) The type of service to be provided.

15       (2) At least quarterly, the department shall transmit to the house  
16 and senate appropriations committees, the house and senate fiscal agen-  
17 cies, and the department of management and budget a report including all  
18 of the following for each personal service contract awarded that  
19 quarter:

20       (a) A description of the personal service contract.

21       (b) A copy of the approved CS-138 form.

22       (c) The purpose and type of service to be provided.

23       (d) The name of the person or entity that was awarded the contract.

24       (e) The estimated cost or financial obligation for the contract.

25       (f) The cost savings to the state from awarding the contract. This  
26 cost savings shall be calculated as the difference between the cost of  
27 the personal service contract and the estimated cost if that product or



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1 service were provided through the classified civil service by permanent  
2 civil service employees.

3       (3) The internal auditor of the department shall prepare an annual  
4 report concerning personal service contracts that explicitly identifies  
5 exceptions between the authorized purpose and level of expenditures and  
6 the actual product or service and level of expenditures. This report  
7 shall be submitted to the legislative auditor general, the house and  
8 senate fiscal agencies, and the department of management and budget not  
9 later than 90 days after the books are closed at the conclusion of the  
10 fiscal year.

11       (4) The department shall provide to the department of management and  
12 budget a monthly listing of all bid requests or requests for proposal  
13 that were issued for personal service contracts during that month. The  
14 department of management and budget shall provide this monthly listing to  
15 the house and senate appropriations committees and house and senate  
16 fiscal agencies.

17       (5) The department shall provide to the department of management and  
18 budget a monthly summary listing that identifies any authorizations for  
19 personal service contracts that are provided to the department of civil  
20 service pursuant to delegated authority granted to each principal execu-  
21 tive department and agency related to personal service contracts. The  
22 department of management and budget shall provide this monthly listing to  
23 the house and senate appropriations committees and the house and senate  
24 fiscal agencies.

25       (6) All reporting and provision of information by the department of  
26 management and budget referred to in this section shall be as provided in  
27 House Bill No. 5595 of the 89th Legislature.

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1       Sec. 218. (1) Any initiative to privatize state services funded  
2 under this act shall not commence until after the completion of a pilot  
3 program with a duration of not less than 36 months. At least 30 days  
4 before beginning any privatization pilot program, the department shall  
5 submit a complete project plan to the house and senate appropriations  
6 subcommittees on agriculture and the house and senate fiscal agencies.  
7 The submission of the project plan shall contain a complete set of base-  
8 line data for comparative evaluation of the pilot program at the end of  
9 the program term. The privatization pilot program evaluation shall  
10 include the administrative costs of the contract for privatized  
11 services.

12       (2) A contract for privatized services shall not be continued beyond  
13 the original privatization pilot program term unless the program has con-  
14 clusively demonstrated a cost savings of at least 5% and improved quality  
15 of service.

16       Sec. 219. (1) This appropriation act includes funding for depart-  
17 mental operations financed in whole or in part from early retirement sav-  
18 ings generated through the early retirement program under section 19f of  
19 the state employees' retirement act, 1943 PA 240, MCL 38.19f. The direc-  
20 tor shall provide a report that identifies all of the following:

21       (a) The amount of these early retirement savings realized in the  
22 1997-98 fiscal year.

23       (b) The amount of these early retirement savings explicitly ear-  
24 marked and spent for technology improvements in the 1997-98 fiscal year.

25       (c) The amount of these early retirement savings used for other  
26 organizational enhancements in the 1997-98 fiscal year.

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1 (2) The report required under subsection (1) shall be provided to  
2 the house and senate appropriations committees and to the house and  
3 senate fiscal agencies on or before December 15, 1998.

4 Sec. 220. Within 10 working days after the formal presentation of  
5 the executive budget for 1999-2000, the department shall identify and  
6 report to the house and senate appropriations committees and to the house  
7 and senate fiscal agencies the source of all federal funds and restricted  
8 funds that the department proposes to receive as a grant or proposes to  
9 transfer to another principal department or agency during the 1999-2000  
10 fiscal year.

11 **EXECUTIVE**

12 Sec. 301. The appropriations in section 102 may be used for per  
13 diem payments to members of boards, committees, and commissions for a  
14 full day's board, committee, or commission work at which a quorum is  
15 present; for attending a hearing as authorized by the respective board,  
16 committee, or commission; or for performing official business as autho-  
17 rized by the respective board, committee, or commission. The per diem  
18 payments shall be at a rate as follows:

19 (a) Commission of agriculture..... \$ 75.00 per day  
20 (b) Upper Peninsula state fair board..... \$ 50.00 per day  
21 (c) Agricultural marketing and bargaining board..... \$ 35.00 per day

22 Sec. 302. The department may receive and expend revenue and use  
23 that revenue to cover necessary expenses related to publications, audit  
24 and licensing functions, livestock sales, certification of nursery stock,

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1 bean inspection services, and laboratory analyses as specified in the  
2 following:

3 (a) Management services publications.

4 (b) Management services audit and licensing functions.

5 (c) Upper Peninsula state fair livestock sales.

6 (d) Pesticide and plant pest management propagation and certifica-  
7 tion of virus free foundation stock.

8 (e) Pesticide and plant pest management bean inspection and grading  
9 services.

10 (f) Laboratory support testing for testing horses in draft horse  
11 pulling contests at county fairs when local jurisdictions request state  
12 assistance.

13 (g) Laboratory support analyses to determine foreign substances in  
14 horses engaged in racing or pulling contests at tracks.

15 (h) Laboratory support analysis of food, livestock, and agricultural  
16 products for disease, toxic materials, foreign products for disease,  
17 toxic materials, foreign substances, and quality standards.

18 (i) Laboratory support analysis of liming samples.

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

20 (k) Laboratory support test samples for other agencies and  
21 organizations.

22 (l) Fruit and vegetable inspection at shipping and termination  
23 points and processing plants.

24 Sec. 303. Of the funds appropriated in section 102 for statistical  
25 reporting service, \$120,000.00 shall be used for ongoing rotational crop  
26 surveys of fruit, vegetables, and nursery stock, including Christmas  
27 trees and ornamental plants. The survey shall begin with fruit in the

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1 first year, vegetables in the second year, and nursery stock in the third  
2 year. The rotational cycle of the survey shall continue in the fourth  
3 and subsequent years. The survey shall include existing  
4 plantings/acreage, new plantings/acreage, production, and number of  
5 growers.

6       Sec. 304. The appropriation in section 102 for an environmental  
7 technology research grant is allocated to the Michigan biotechnology  
8 institute, pending receipt of matching federal funds, for the development  
9 and implementation of innovative technologies to be used for environmen-  
10 tally safe products, biodegradable chemicals, environmental cleanup, and  
11 waste stream minimization projects in Michigan.

12       Sec. 305. (1) From the appropriation in section 102 for project  
13 GREEN, \$5,000,000.00 is allocated for grants to state government agen-  
14 cies, local government agencies, institutions of higher education, and/or  
15 nonprofit organizations for the purpose of research and/or extension pro-  
16 grams designed to address critical regulatory, food safety, economic, and  
17 environmental problems faced by Michigan's plant-based agriculture, for-  
18 estry, and processing industries.

19       (2) A consortium of interested parties consisting of, but not  
20 limited to, representatives from the department, local government, insti-  
21 tutions of higher education, and agricultural commodity groups shall  
22 develop the research and/or extension program priorities. The department  
23 shall decide which grants/projects shall be funded.

24       (3) The department shall not expend money allocated in subsection  
25 (1) until the department executes a grant agreement with each grantee.  
26 The grant agreement shall include a list of the projects funded, a  
27 description of each project, and the dollar amount to be granted to each

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1 subgrantee, if applicable, for each project. The department shall  
2 provide notice of all grants to the house and senate appropriations sub-  
3 committees on agriculture and to the house and senate fiscal agencies.

4 (4) Any unexpended balance of the money allocated in subsection (1)  
5 is considered a work project and shall be carried forward into the suc-  
6 ceeding fiscal year.

7 (5) Not later than November 1, 1999, the department shall submit to  
8 the house and senate appropriations subcommittees on agriculture and to  
9 the house and senate fiscal agencies a report for the immediately preced-  
10 ing fiscal year regarding project GREEN grants. The report shall  
11 include, but is not limited to, an accounting of each grant/subgrant  
12 awarded; the dollar amount of each grant/subgrant; and a review of each  
13 grant's/subgrant's performance and accomplishments.

14 (6) Indirect costs in excess of 1% shall not be charged by an admin-  
15 istering agency against grants funded under the allocation in  
16 subsection (1).

17 Sec. 306. (1) From the appropriation in section 102 for project  
18 GREEN, \$400,000.00 is allocated for the Michigan agriculture export ini-  
19 tiative and shall be expended by the department only as grants to state  
20 government agencies, local government agencies, institutions of higher  
21 education, and/or nonprofit organizations for the purpose of increasing  
22 the competitiveness of Michigan's agricultural products in international  
23 markets.

24 (2) Two export action teams, each consisting of, but not limited to,  
25 representatives from the department, local government, institutions of  
26 higher education, and agricultural commodity groups, shall be established  
27 to develop the research and/or extension program priorities and recommend

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1 to the department which grants/projects shall be funded under this  
2 section. The \$400,000.00 allocated in subsection (1) shall be expended  
3 only if it is augmented by funding from agricultural commodity groups.

4 (3) One export action team established by subsection (2) shall focus  
5 its efforts on commodities grown in southwest Michigan, and the other  
6 export action team shall focus its efforts on commodities grown in the  
7 thumb region of Michigan. Each export action team shall give the highest  
8 priority to commodities that have significant export potential and/or  
9 have identifiable barriers to export markets.

10 (4) The department shall not expend money allocated in subsection  
11 (1) until the department executes a grant agreement with each grantee.  
12 The grant agreement shall include a list of the projects funded, a  
13 description of each project, and the dollar amount to be granted to each  
14 subgrantee, if applicable, for each project. The department shall pro-  
15 vide notice of all grants to the house and senate appropriations subcom-  
16 mittees on agriculture and to the house and senate fiscal agencies.

17 (5) Any unexpended balance of the money allocated in subsection (1)  
18 is considered a work project and shall be carried forward into the suc-  
19 ceeding fiscal year.

20 (6) Not later than November 1, 1999, the department shall submit to  
21 the house and senate appropriations subcommittees on agriculture and to  
22 the house and senate fiscal agencies a report for the immediately preced-  
23 ing fiscal year regarding the Michigan agriculture export initiative  
24 grants. The report shall include, but is not limited to, an accounting  
25 of each grant/subgrant awarded; a listing of the commodities, interna-  
26 tional markets, and/or trade barriers addressed; and a summary of new  
27 products, services, strategies, and/or processes that help Michigan

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1 agricultural exporters gain a competitive edge or satisfy a new market  
2 niche.

3 (7) Indirect costs in excess of 1% shall not be charged by an admin-  
4 istering agency against grants funded under the allocation in subsection  
5 (1).

## 6 ADMINISTRATIVE SERVICES

7 Sec. 401. Indirect costs may not be charged against the future  
8 farmers of America grant in section 103 by any administering agency.

9 Sec. 402. It is the intent of the legislature in appropriating  
10 funds for the Upper Peninsula state fair that the Upper Peninsula state  
11 fair shall continue to strive toward self-sufficiency.

12 Sec. 403. A county fair, district fair, 4-H fair, or state fair  
13 receiving funds in section 103 to be used for prizes or awards, in whole  
14 or in part, as a condition precedent to the receiving of the funds for  
15 those purposes, shall publish the rules relative to the prizes, awards,  
16 and deadlines for entries eligible for the funds in their official pre-  
17 mium books or lists relative to the prizes or awards. An aggrieved  
18 exhibitor may make a written complaint to the fair within 10 days after  
19 the fair ends. If the fair has not satisfactorily settled the grievance  
20 within 45 days after it is submitted to the fair, the aggrieved person  
21 may file the complaint with the department and the department shall  
22 investigate the complaint and make a finding of fact regarding the com-  
23 plaint and take appropriate action regarding the complaint.

24 Sec. 404. Of the amount appropriated in section 103 for purses and  
25 supplements - fairs/licensed tracks, a sufficient amount is appropriated



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1 to provide for overnight purse supplements pursuant to the horse racing  
2 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

3 Sec. 405. Of the amount appropriated in section 103 for premiums,  
4 \$11,400.00 shall be expended as a grant for the Michigan horse show asso-  
5 ciation - fall youth show at the Michigan exposition and fairgrounds.

6 Sec. 406. From the appropriations for premiums - county and state  
7 fairs in section 103, \$120,000.00 shall be awarded through a competitive  
8 grant program to local, regional, or state fairs or expositions to pro-  
9 mote youth involvement and adult exhibitions in the animal agriculture  
10 industry. Appropriate exhibition classes for youth shall be developed  
11 that encourage a production exhibit for which premium awards may be  
12 paid. The age for youth exhibitors shall be determined by the standards  
13 of the association requesting the grant or, if standards do not exist,  
14 the age for youth exhibitors shall be ages 9 through 21. Implementation  
15 of the latest technologies into the evaluation of the animals shall be  
16 encouraged in the production exhibit. Adult exhibitions should focus on  
17 the performance or end product, or both, with the appropriate technolo-  
18 gies used to enhance placings and the awarding of premiums.

### 19 PESTICIDE AND PLANT PEST MANAGEMENT

20 Sec. 501. Of the funds appropriated in section 104 to the pesticide  
21 and plant pest management division, up to \$100,000.00 may be made avail-  
22 able to the Michigan cooperative extension service for the purpose of  
23 training of applicators. Reimbursement shall be based on actual expendi-  
24 tures and revenue availability.

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1       Sec. 502. From the appropriation in section 104 for the disease and  
2 pesticide intervention fund program, the department shall utilize these  
3 funds as needed to respond to plant pest diseases.

### 4 LABORATORY PROGRAM

5       Sec. 551. If House Bill Nos. 5294 and 5399 of the 89th Legislature  
6 are enacted into law, there is appropriated an IDG from MDEQ from the oil  
7 and gas regulatory fund created in section 61525b of the natural  
8 resources and environmental protection act, 1994 PA 451, MCL 324.61525b,  
9 an amount not to exceed \$180,000.00 to purchase meter calibration equip-  
10 ment to be used by the department's laboratory division for the purpose  
11 of monitoring oil and gas well meters on state owned land.

### 12 ENVIRONMENTAL STEWARDSHIP

13       Sec. 601. (1) From the amount appropriated in section 108 for the  
14 energy conservation program, \$50,000.00 shall be allocated to Michigan  
15 State University for improved technology for energy conservation in  
16 Michigan.

17       (2) The funds remaining in section 108 for the energy conservation  
18 program after the allocation in subsection (1) shall be distributed on an  
19 equal basis to all local soil conservation districts for local energy  
20 conservation programs.

21       Sec. 602. The amount appropriated in section 108 for grants to  
22 local soil conservation districts shall be used for providing financial  
23 assistance to all soil conservation districts in order to permit the

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1 districts to engage in programs that conserve soil resources and prevent  
2 and control soil erosion. All grants to local soil conservation dis-  
3 tricts shall be allocated according to a formula approved by the commis-  
4 sion of agriculture. Any soil conservation district that allows payment  
5 for expenses to the district associate directors shall be considered  
6 ineligible to receive grant money.

7       Sec. 603. (1) The department may expend the amount appropriated in  
8 section 108 for migrant labor housing grants for construction of new  
9 migrant labor housing. Project grants shall not exceed \$2,000.00 per  
10 unit. An applicant is not eligible for more than a \$10,000.00 grant in  
11 any fiscal year. Units shall be equivalent in construction to units  
12 approved by the DAG-rural development agency for low interest construc-  
13 tion loans and shall be not less than 484 square feet in size and be  
14 self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a  
15 lavatory, and bathing facilities.

16       (2) Any unexpended migrant labor housing funds from the prior year  
17 shall be available for grants in the subsequent fiscal year.

18       Sec. 604. (1) From the amounts appropriated in section 108 for  
19 migrant labor housing, no less than \$100,000.00 shall be allocated to a  
20 private, nonprofit entity for the purpose of providing matching grants  
21 for the improvement or new construction of migrant labor housing. The  
22 terms or requirements imposed on a recipient of a grant awarded for  
23 migrant labor housing improvement or new construction by a private, non-  
24 profit entity shall be no less stringent than those imposed by the  
25 department on recipients of similar grants awarded by the department. An  
26 entity receiving funds under this section shall use no greater than 7% of  
27 the state allocation for the administration of this program.

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1       (2) A private nonprofit entity that receives an allocation to  
2 administer a migrant labor housing construction grant program shall give  
3 priority to grant applicants who are on the department's waiting list of  
4 applicants for migrant labor housing construction grants. The applicants  
5 for migrant labor construction grants administered by a nonprofit entity  
6 who are on the department's waiting list shall be served in the order in  
7 which they reside on the department's waiting list.

8       Sec. 605. From the section 108 appropriation for local soil conser-  
9 vation districts, \$300,000.00 shall be allocated for district forestry  
10 programs to assist private forest land development. Allocations to dis-  
11 tricts will be made in accordance with a plan developed by the department  
12 of agriculture in cooperation with the forest management division of the  
13 department of natural resources.

### 14 MARKET DEVELOPMENT

15       Sec. 701. Within the appropriations in section 109 for market  
16 development, \$434,000.00 is for the grape and wine industry council, from  
17 which the department may provide grants for the purposes as described in  
18 section 16b of the Michigan liquor control act, 1933 (Ex Sess) PA 8, MCL  
19 436.16b.

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

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1       Sec. 703. (1) The \$100,000.00 appropriated in section 109 for the  
2 grown in Michigan program is to provide competitive grants to Michigan  
3 nonprofit organizations to raise in-state consumer awareness of Michigan  
4 grown commodities.

5       (2) The grants are to be made by the Michigan commission of agricul-  
6 ture on a competitive basis considering the following order of priority:

7       (a) Cooperative efforts by recognized, statewide, grower funded  
8 organizations.

9       (b) The number of consumers made aware of the benefits of Michigan  
10 grown commodities.

11       (c) The number of Michigan grown products encompassed in the  
12 proposal.

13       (d) The amount of the match.

14       (3) A grant made under this section shall not be less than \$5,000.00  
15 or more than \$25,000.00.

16       (4) Each grant shall be matched equally with grantees' funds.  
17 In-kind contributions shall not be considered as matching funds.

18       (5) The Michigan commission of agriculture shall report to the house  
19 and senate appropriations subcommittees on agriculture and senate and  
20 house fiscal agencies 10 days prior to making a grant under this  
21 section.

### 22 AGRICULTURE EQUINE INDUSTRY DEVELOPMENT

23       Sec. 801. The racing commissioner may pay rewards of not more than  
24 \$5,800.00 to a person who provides information that results in the arrest  
25 and conviction on a felony or misdemeanor charge for a crime that

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1 involves the horse racing industry. A reward paid pursuant to this  
2 section shall be paid out of the office of racing commissioner line  
3 item.

4       Sec. 802. The department shall submit a report each month for the  
5 fiscal year ending September 30, 1999 to the state budget director, the  
6 senate and house standing committees on appropriations, and the senate  
7 and house fiscal agencies that sets forth the simulcasting revenues gen-  
8 erated in the preceding month by each licensed track and the amount  
9 received from license fees.

10       Sec. 803. (1) The appropriation of \$246,800.00 in section 110 for  
11 purses and supplements - licensed tracks is intended to provide state  
12 purse supplements for 4 races at state licensed pari-mutuel horse racing  
13 tracks. The purse supplements are to be used for races comprised only of  
14 Michigan bred horses segregated into a 4-year-old colt trot division, a  
15 4-year-old filly trot division, a 4-year-old colt pace division, and a  
16 4-year-old filly pace division.

17       (2) The appropriation in section 110 for licensed tracks - light  
18 horse racing shall be allocated as follows:

19    Arabian and Appaloosa horse racing.....	\$	17,700
20    Quarter horse racing.....	\$	53,300

21       Sec. 804. Included in the appropriation made in section 110 for the  
22 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred  
23 breeders and owners association to conduct a thoroughbred yearling show.  
24 The Michigan united thoroughbred breeders and owners association shall  
25 submit to the department an itemized list of expenses showing that the  
26 expenses of the yearling show were paid.

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1       Sec. 805. From the funds appropriated in section 110 for  
2 thoroughbred owners' awards, the department shall develop a program to  
3 provide for thoroughbred owners' awards that will be given to owners of  
4 Michigan-bred horses finishing first in nonrestricted races at licensed  
5 pari-mutuel tracks in Michigan.

6       Sec. 806. The \$78,800.00 appropriated in section 110 for the Can-Am  
7 draft horse show is to provide for the payment of up to 75% of cash pre-  
8 miums offered at the Can-Am draft horse show held at the Michigan state  
9 fairgrounds.