

# HOUSE BILL No. 4303

February 18, 1999, Introduced by Reps. Pumford, Jelinek, Caul, Mead, Jellema, Toy, Kukuk, Godchaux, Byl, Geiger, Pappageorge, Jansen, LaSata and Scranton 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, 2000; 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 bill, the  
4 amounts listed in this part are appropriated for the department of  
5 agriculture for the fiscal year ending September 30, 2000, from the  
6 funds indicated in this part. The following is a summary of the

1 appropriations in this part:

2 **DEPARTMENT OF AGRICULTURE**

3 APPROPRIATION SUMMARY:

4	Full-time equated unclassified positions . . .	6.0	
5	Full-time equated classified positions . . .	598.5	
6	GROSS APPROPRIATION . . . . .	\$	86,327,100
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and		
9	intradepartmental transfers . . . . .		8,571,900
10	ADJUSTED GROSS APPROPRIATION . . . . .	\$	77,755,200
11	Federal revenues: . . . . .		
12	Total federal revenues . . . . .		5,379,900
13	Special revenue funds:		
14	Total local revenues . . . . .		0
15	Total private revenues . . . . .		741,900
16	Total other state restricted revenues . . . . .		30,749,500
17	State general fund/general purpose . . . . .	\$	40,883,900

18 **Sec. 102. EXECUTIVE**

19	Full-time equated unclassified positions . . .	6.0	
20	Full-time equated classified positions . . .	9.0	
21	Commission and boards . . . . .	\$	63,300
22	Unclassified positions . . . . .		477,200
23	Executive direction--4.0 FTE positions . . . . .		417,700
24	Statistical reporting service--5.0 FTE positions .		450,400
25	Project GREEEN . . . . .		<u>6,000,000</u>
26	GROSS APPROPRIATION . . . . .	\$	7,408,600

27 Appropriated from:

28 Interdepartmental grant revenues:

29	IDG-MDCIS nonretail liquor revenue . . . . .		8,800
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30 Special revenue funds:

31	Michigan state fair revenue . . . . .		75,600
32	Upper Peninsula state fair revenue . . . . .		9,000
33	State general fund/general purpose . . . . .	\$	7,315,200

34 **Sec. 103. ADMINISTRATIVE SERVICES**

35	Full-time equated classified positions . . . .	58.0	
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1	Management services--58.0 FTE positions . . . . .	\$	4,535,200
2	Property management charges . . . . .		1,023,300
3	Rent . . . . .		<u>289,700</u>
4	GROSS APPROPRIATION . . . . .	\$	5,848,200
5	Appropriated from:		
6	Special revenue funds:		
7	Gasoline inspection and testing fund . . . . .		51,000
8	Licensing and inspection fees . . . . .		62,100
9	Industry support . . . . .		5,000
10	State general fund/general purpose . . . . .	\$	5,730,100
11	<b>Sec. 104. FOOD AND DAIRY</b>		
12	Full-time equated classified positions . . . . .	112.0	
13	Food safety and quality assurance--112.0 FTE		
14	positions . . . . .	\$	8,984,300
15	Local public health operations . . . . .		<u>7,888,300</u>
16	GROSS APPROPRIATION . . . . .	\$	16,872,600
17	Appropriated from:		
18	Interdepartmental grant revenues:		
19	IDG-MDCH local public health operations . . . . .		7,888,300
20	Federal revenues:		
21	DAG-AMS, cooperative agreement . . . . .		22,500
22	HHS-FDA . . . . .		183,600
23	Special revenue funds:		
24	Civil penalties . . . . .		60,000
25	Food handler licensing fees . . . . .		1,339,700
26	Licensing and inspection fees . . . . .		553,200
27	State general fund/general purpose . . . . .	\$	6,825,300
28	<b>Sec. 105. ANIMAL INDUSTRY</b>		
29	Full-time equated classified positions . . . . .	26.0	
30	Animal health and welfare--26.0 FTE positions . . . . .	\$	<u>2,159,600</u>
31	GROSS APPROPRIATION . . . . .	\$	2,159,600
32	Appropriated from:		
33	Federal revenues:		
34	HHS-FDA . . . . .		9,000
35	Special revenue funds:		

1	Licensing and inspection fees . . . . .	33,400
2	Pseudorabies and swine brucellosis fund . . . . .	87,100
3	State general fund/general purpose . . . . . \$	2,030,100
4	<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>	
5	Full-time equated classified positions . . . . 131.3	
6	Pesticide and plant pest management--131.3 FTE	
7	positions . . . . . \$	11,781,000
8	Disease and pest intervention fund . . . . .	341,800
9	Michigan State University . . . . .	<u>210,000</u>
10	GROSS APPROPRIATION . . . . . \$	12,332,800
11	Appropriated from:	
12	Federal revenues:	
13	DAG-AMS, cooperative agreement . . . . .	35,300
14	DAG-APHIS, plant and animal disease and pest	
15	control . . . . .	34,600
16	DAG-FS, multiple grants . . . . .	2,011,200
17	EPA-OECA, pesticides enforcement program	
18	grants . . . . .	974,000
19	HHS-FDA . . . . .	15,400
20	Special revenue funds:	
21	Commodity inspection fees . . . . .	991,500
22	Licensing and inspection fees . . . . .	2,053,000
23	State general fund/general purpose . . . . . \$	6,217,800
24	<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>	
25	Full-time equated classified positions . . . . 40.0	
26	Environmental stewardship--30.0 FTE	
27	positions . . . . . \$	2,702,600
28	Groundwater and freshwater protection program	
29	--10.0 FTE positions . . . . .	5,152,000
30	Energy conservation program . . . . .	138,000
31	Forest stewardship program . . . . .	100,000
32	Local soil conservation districts . . . . .	1,400,000
33	Migrant labor housing . . . . .	<u>300,000</u>
34	GROSS APPROPRIATION . . . . . \$	9,792,600
35	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG-MDEQ sewage sludge fund . . . . .	70,000
3	IDG-MDEQ type II well survey . . . . .	15,000
4	Federal revenues:	
5	DAG-NRCS . . . . .	250,000
6	DAG-FS, multiple grants . . . . .	100,000
7	EPA-OW . . . . .	236,300
8	EPA-RCRA . . . . .	165,000
9	Special revenue funds:	
10	Private - oil company overcharge settlement . . .	193,900
11	Industry support . . . . .	40,000
12	Groundwater and freshwater protection fund . . . .	4,902,000
13	State general fund/general purpose . . . . . \$	3,820,400
14	<b>Sec. 108. LABORATORY PROGRAM</b>	
15	Full-time equated classified positions . . .	127.0
16	Laboratory analysis program--71.5 FTE positions . \$	5,498,100
17	Pesticide data program--11.0 FTE positions . . . .	1,096,500
18	Consumer protection program--44.5 FTE positions .	<u>3,304,000</u>
19	GROSS APPROPRIATION . . . . . \$	9,898,600
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG-MDCIS (LCC) liquor quality testing fees . . .	155,300
23	Federal revenues:	
24	DAG-AMS, cooperative agreement . . . . .	1,096,500
25	DAG-APHIS, plant and animal disease and pest . .	
26	control . . . . .	20,400
27	Special revenue funds:	
28	Private - oil company overcharge settlement . . .	548,000
29	Agriculture equine industry development fund . . .	500,000
30	Gasoline inspection and testing fund . . . . .	1,918,000
31	Testing fees . . . . .	167,100
32	Weights and measures regulation fees . . . . .	323,400
33	State general fund/general purpose . . . . . \$	5,169,900
34	<b>Sec. 109. MARKET DEVELOPMENT</b>	
35	Full-time equated classified positions . . . .	20.5

1	Marketing and emergency management--15.5 FTE		
2	positions . . . . .	\$	2,199,200
3	Agriculture development--5.0 FTE positions . . . .		907,900
4	Food bank . . . . .		725,000
5	Grown in Michigan . . . . .		100,000
6	Michigan festivals . . . . .		50,000
7	Northwest Michigan horticultural research		
8	station . . . . .		41,800
9	Southwestern Michigan tourist council - taste		
10	of Michigan . . . . .		60,400
11	Future farmers of America . . . . .		<u>40,000</u>
12	GROSS APPROPRIATION . . . . .	\$	4,124,300
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG-MDCIS (LCC) nonretail liquor license		
16	fees . . . . .		434,500
17	Federal revenues:		
18	DAG-ERS-ARED . . . . .		126,100
19	DAG, federal/state marketing improvement		
20	program . . . . .		100,000
21	Special revenue funds:		
22	Industry support funds . . . . .		225,000
23	State general fund/general purpose . . . . .	\$	3,238,700
24	<b>Sec. 110. FAIRS AND EXPOSITIONS</b>		
25	Full-time equated classified positions . . . .	35.0	
26	State fair operations--22.0 FTE positions . . . .	\$	6,276,600
27	Fairs and racing--5.0 FTE positions . . . . .		507,200
28	Upper Peninsula state fair--8.0 FTE positions . .		1,122,000
29	Building and track improvements--county and		
30	state fairs . . . . .		416,400
31	Premiums--county and state fairs . . . . .		1,611,200
32	Purses and supplements--fairs and licensed tracks		1,536,900
33	Standardbred Fedele Fauri futurity . . . . .		51,000
34	Standardbred Michigan futurity . . . . .		51,000
35	Standardbred breeders' awards . . . . .		785,300

1	Standardbred purses and supplements--licensed	
2	tracks . . . . .	169,200
3	Standardbred training and stabling . . . . .	23,400
4	Thoroughbred program . . . . .	1,019,500
5	Thoroughbred owners' awards . . . . .	83,500
6	Sire stakes program . . . . .	1,130,700
7	Quarterhorse programs . . . . .	21,200
8	Licensed tracks - light horse racing . . . . .	41,100
9	Draft horse show . . . . .	<u>43,600</u>
10	GROSS APPROPRIATION . . . . .	\$ 14,889,800

11 Appropriated from:

12 Special revenue funds:

13	Agriculture equine industry development funds . .	6,984,000
14	State fair revenue . . . . .	6,364,100
15	Upper Peninsula state fair revenue . . . . .	1,005,300
16	State general fund/general purpose . . . . .	\$ 536,400

17 **Sec. 111. OFFICE OF RACING COMMISSIONER**

18 Full-time equated classified positions . . . . 39.7

19	Office of racing commissioner--39.7 FTE positions	\$ <u>3,000,000</u>
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20	GROSS APPROPRIATION . . . . .	\$ 3,000,000
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21 Appropriated from:

22 Special revenue funds:

23	Agriculture equine industry development fund . . .	3,000,000
24	State general fund/general purpose . . . . .	\$ 0

25 **PART 2**

26 **PROVISIONS CONCERNING APPROPRIATIONS**

27 **GENERAL SECTIONS**

28 Sec. 201. (1) Pursuant to section 30 of article IX of the state  
 29 constitution of 1963, total state spending under part 1 for fiscal year  
 30 1999-2000 is \$71,633,400.00 and state appropriations to be paid to local  
 31 units of government are as follows:

32 **DEPARTMENT OF AGRICULTURE**

33	Local soil conservation districts . . . . .	\$ <u>1,400,000</u>
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34	Total . . . . .	\$ 1,400,000
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35 (2) If it appears to the principal executive officer of a department

1 or branch that state spending to local units of government will be less  
2 than the amount that was projected to be expended under subsection (1),  
3 the principal executive officer shall immediately give notice of the  
4 approximate shortfall to the state budget director.

5 Sec. 202. The expenditures and funding sources authorized under  
6 this bill are subject to the management and budget act, 1984 PA 431, MCL  
7 18.1101 to 18.1594.

8 Sec. 203. (1) In addition to the funds appropriated in part 1,  
9 there is appropriated an amount not to exceed \$4,000,000.00 for federal  
10 contingency funds. These funds are not available for expenditure until  
11 they have been transferred to another line item in this bill pursuant to  
12 section 393(2) of the management and budget act, 1984 PA 431, MCL  
13 18.1393.

14 (2) In addition to the funds appropriated in part 1, there is  
15 appropriated an amount not to exceed \$6,000,000.00 for state restricted  
16 contingency funds. These funds are not available for expenditure until  
17 they have been transferred to another line item in this bill pursuant to  
18 section 393(2) of the management and budget act, 1984 PA 431, MCL  
19 18.1393.

20 (3) In addition to the funds appropriated in part 1, there is  
21 appropriated an amount not to exceed \$100,000.00 for local contingency  
22 funds. These funds are not available for expenditure until they have  
23 been transferred to another line item in this bill pursuant to section  
24 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

25 (4) In addition to the funds appropriated in part 1, there is  
26 appropriated an amount not to exceed \$100,000.00 for private contingency  
27 funds. These funds are not available for expenditure until they have  
28 been transferred to another line item in this bill pursuant to section  
29 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

30 Sec. 204. (1) Beginning October 1, 1999 a hiring freeze is imposed  
31 on the state classified civil service. State departments and agencies  
32 are prohibited from hiring any new full-time state classified civil  
33 service employees and prohibited from filling any vacant state  
34 classified civil service positions. This hiring freeze does not apply  
35 to internal transfers of classified employees from one position to



1 another within a department or to positions that are funded with 80% or  
2 more federal or restricted funds.

3 (2) The state budget director shall grant exceptions to this hiring  
4 freeze when the state budget director believes that the hiring freeze  
5 will result in rendering a state department or agency unable to deliver  
6 basic services.

7 Sec. 205. The department of civil service shall bill departments  
8 and agencies at the end of the first fiscal quarter for the 1% charge  
9 authorized by section 5 of article XI of the state constitution of 1963.  
10 Payments shall be made for the total amount of the billing by the end of  
11 the second fiscal quarter.

12 Sec. 206. As used in this bill:

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

14 (b) "DAG-AMS" means the DAG agriculture marketing service.

15 (c) "DAG-APHIS" means the DAG animal and plant health inspection  
16 service.

17 (d) "DAG-ERS-ARED" means the DAG economic research service -  
18 agriculture and rural economy division.

19 (e) "DAG-FS" means the DAG forest service.

20 (f) "Department" means the Michigan department of agriculture.

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

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

23 (i) "EPA-OECA" means the EPA office of enforcement and compliance  
24 assistance.

25 (j) "EPA-OW" means the EPA office of water.

26 (k) "EPA-RCRA" means the EPA resource conservation and recovery act.

27 (l) "FTE" means full-time equated position.

28 (m) "GREEN" means generating research and extension to meet  
29 environmental and economic needs.

30 (n) "HHS" means the United States department of health and human  
31 services.

32 (o) "HHS-FDA" means the HHS food and drug administration.

33 (p) "IDG" means interdepartmental grant.

34 (q) "MDCH" means the Michigan department of community health.

35 (r) "MDCIS" means the Michigan department of consumer and industry  
36 services.

- (s) "MDCIS (LCC)" means the MDCIS liquor control commission.
- (t) "MDEQ" means the Michigan department of environmental quality.
- (u) "NRCS" means the natural resources conservation service.

**EXECUTIVE**

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

- (a) Commission of agriculture . . . . . \$ 75.00 per day
- (b) Upper Peninsula state fair board . . . . . \$ 50.00 per day
- (c) Agricultural marketing and bargaining board \$ 35.00 per day
- (d) Michigan state fair council . . . . . \$ 50.00 per day
- (e) Grape and wine industry council . . . . . \$ 50.00 per day

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

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Upper Peninsula state fair livestock sales.
- (d) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (e) Pesticide and plant pest management, bean inspection, and grading services.
- (f) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (g) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (h) Laboratory support analysis of food, livestock, and agricultural products for disease, foreign products, substances, and quality standards.
- (i) Laboratory support test samples for other agencies and

1 organizations.

2 (j) Fruit and vegetable inspection at shipping and termination  
3 points and processing plants.

4 Sec. 303. (1) From the appropriation in section 102 for project  
5 GREEN, \$6,000,000.00 is allocated for a grant to an institution of  
6 higher education for the purpose of research and/or extension programs  
7 designed to address critical regulatory, food safety, economic, and  
8 environmental problems faced by Michigan's plant-based agriculture,  
9 forestry, and processing industries.

10 (2) A consortium of interested parties consisting of, but not  
11 limited to, representatives from the department, institutions of higher  
12 education, and agricultural commodity groups shall develop the research  
13 and/or extension program priorities described in subsection (1).

14 (3) Any unexpended balance of the appropriation in part 1 of this  
15 bill is considered a work project appropriation. The projects will be  
16 accomplished by the use of contractual services with an estimated  
17 completion date of September 30, 2001.

18 (4) Not later than November 1, 2000, the grantee under subsection  
19 (1) shall submit to the house and senate appropriations subcommittees on  
20 agriculture and to the house and senate fiscal agencies a report for the  
21 immediately preceding fiscal year regarding project GREEN projects.  
22 The report shall include, but is not limited to, the dollar amount of  
23 each project and a review of each project's performance and  
24 accomplishments.

25 (5) Indirect costs shall not be charged by an administering agency  
26 against a grant funded under the allocation in subsection (1).

27 **PESTICIDE AND PLANT PEST MANAGEMENT**

28 Sec. 401. Of the funds appropriated in section 106 to the pesticide  
29 and plant pest management division, up to \$100,000.00 may be made  
30 available to the Michigan cooperative extension service for the purpose  
31 of training of applicators. Reimbursement shall be based on actual  
32 expenditures and revenue availability.

33 Sec. 402. From the appropriation in section 106 for the disease and  
34 pest intervention fund program, the department shall utilize these funds  
35 as needed to respond to exotic or regulatory pests or diseases.

**ENVIRONMENTAL STEWARDSHIP**

Sec. 501. The funds in section 107 for the energy conservation program shall be distributed on a competitive basis which will be based on statewide energy conservation criteria.

Sec. 502. The amount appropriated in section 107 for grants to local soil conservation districts shall be used for providing financial assistance to all soil conservation districts in order to permit the districts to engage in programs that conserve soil resources and prevent and control soil erosion. All grants to local soil conservation districts shall be allocated according to a formula approved by the commission of agriculture. Any soil conservation district that allows payment for expenses to the district associate directors shall be considered ineligible to receive grant money.

Sec. 503. (1) The department may expend the amount appropriated in section 107 for migrant labor housing grants for construction of new migrant labor housing. Project grants shall not exceed \$2,000.00 per unit. An applicant is not eligible for more than a \$10,000.00 grant in any fiscal year. Units shall be equivalent in construction to units approved by the DAG - rural development agency for low interest construction loans and shall be not less than 484 square feet in size and be self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a lavatory, and bathing facilities.

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

Sec. 504. (1) From the amounts appropriated in section 107 for migrant labor housing, no less than \$100,000.00 shall be allocated to a private, nonprofit entity for the purpose of providing matching grants for the improvement or new construction of migrant labor housing. The terms or requirements imposed on a recipient of a grant awarded for migrant labor housing improvement or new construction by a private, nonprofit entity shall be no less stringent than those imposed by the department on recipients of similar grants awarded by the department. An entity receiving funds under this section shall use no greater than 7% of the state allocation for the administration of this program.

(2) A private nonprofit entity that receives an allocation to administer a migrant labor housing construction grant program shall give

1 priority to grant applicants who are on the department's waiting list of  
2 applicants for migrant labor housing construction grants. The  
3 applicants for migrant labor construction grants administered by a  
4 nonprofit entity who are on the department's waiting list shall be  
5 served in the order in which they reside on the department's waiting  
6 list.

7 **MARKET DEVELOPMENT**

8 Sec. 601. Within the appropriations in section 109 for market  
9 development, \$434,500.00 is for the grape and wine industry council,  
10 from which the department may provide grants for the purposes as  
11 described in section 16b of the Michigan liquor control act, 1933 (Ex  
12 Sess) PA 8, MCL 436.16b.

13 Sec. 602. In any given year when insufficient amounts of Michigan  
14 surplus products are offered to the food bank council and accepted for  
15 distribution, unused funds may be applied by the food bank council for  
16 the direct purchase of foods from Michigan growers, manufacturers, or  
17 wholesalers.

18 Sec. 603. (1) The \$100,000.00 appropriated in section 109 for the  
19 grown in Michigan program is to provide competitive grants to Michigan  
20 nonprofit organizations to raise in-state consumer awareness of Michigan  
21 grown commodities.

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

25 (a) Cooperative efforts by recognized, statewide, grower funded  
26 organizations.

27 (b) The number of consumers made aware of the benefits of Michigan  
28 grown commodities.

29 (c) The number of Michigan grown products encompassed in the  
30 proposal.

31 (d) The amount of the match.

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

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

36 Sec. 604. Indirect costs may not be charged against the future

1 farmers of America grant in section 109 by any administering agency.

2 **FAIRS AND EXPOSITIONS**

3 Sec. 701. A county fair, district fair, 4-H fair, or state fair  
4 receiving funds in section 110 to be used for prizes or awards, in whole  
5 or in part, as a condition precedent to the receiving of the funds for  
6 those purposes, shall publish the rules relative to the prizes, awards,  
7 and deadlines for entries eligible for the funds in their official  
8 premium books or lists relative to the prizes or awards. An aggrieved  
9 exhibitor may make a written complaint to the fair within 10 days after  
10 the fair ends. If the fair has not satisfactorily settled the grievance  
11 within 45 days after it is submitted to the fair, the aggrieved person  
12 may file the complaint with the department and the department shall  
13 investigate the complaint and make a finding of fact regarding the  
14 complaint and take appropriate action regarding the complaint.

15 Sec. 702. Of the amount appropriated in section 110 for purses and  
16 supplements - fairs/licensed tracks, a sufficient amount is appropriated  
17 to provide for overnight purse supplements pursuant to the horse racing  
18 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

19 Sec. 703. From the appropriations for premiums - county and state  
20 fairs in section 110 not more than \$120,000.00 shall be awarded through  
21 a competitive grant program to local, regional, or state fairs or  
22 expositions to promote youth involvement and adult exhibitions in the  
23 animal agriculture industry. Appropriate exhibition classes for youth  
24 shall be developed that encourage a production exhibit for which premium  
25 awards may be paid. The age for youth exhibitors shall be determined by  
26 the standards of the association requesting the grant or, if standards  
27 do not exist, the age for youth exhibitors shall be ages 9 through 21.  
28 Implementation of the latest technologies into the evaluation of the  
29 animals shall be encouraged in the production exhibit. Adult  
30 exhibitions should focus on the performance or end product, or both,  
31 with the appropriate technologies used to enhance placings and the  
32 awarding of premiums.

33 Sec. 704. The racing commissioner may pay rewards of not more than  
34 \$5,800.00 to a person who provides information that results in the  
35 arrest and conviction on a felony or misdemeanor charge for a crime that  
36 involves the horse racing industry. A reward paid pursuant to this

section shall be paid out of the office of racing commissioner line item.

Sec. 705. The department shall submit a report each month for the fiscal year ending September 30, 2000 to the state budget director, the senate and house standing committees on appropriations, and the senate and house fiscal agencies that sets forth the simulcasting revenues generated in the preceding month by each licensed track and the amount received from license fees.

Sec. 706. (1) The appropriation of \$169,200.00 in section 110 for standardbred purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

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

Arabian and Appaloosa horse racing . . . . .	\$	10,275.00
Quarter horse racing . . . . .	\$	30,825.00

Sec. 707. Included in the appropriation made in section 110 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 708. From the funds appropriated in section 110 for thoroughbred owners' awards, the department shall develop a program to provide for thoroughbred owners' awards that will be given to owners of Michigan-bred horses finishing first in nonrestricted races at licensed pari-mutuel tracks in Michigan.

Sec. 709. If Michigan state fair revenue is less than \$6,439,700.00, there is an appropriation from the state general fund in an amount equal to the difference between \$6,439,700.00 and the amount of Michigan state fair revenue received for the fiscal year ending September 30, 2000, not to exceed \$1,000,000.00.

final page