

AGRICULTURE

Summary: FY 2008-09 Appropriations

Public Act 253 of 2008

House Bill 5807

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	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Enacted	Difference: Enacted From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$9,615,400	\$9,539,200	\$9,539,200	\$11,339,200	\$9,539,200	(\$76,200)	(.8)
Federal	21,267,600	14,861,000	14,861,000	14,861,000	16,121,900	(5,145,700)	(24.2)
Local	0	0	0	0	0	0	0.0
Private	233,500	237,200	237,200	237,200	237,200	3,700	1.6
Restricted	46,121,700	45,852,400	45,852,400	45,927,400	36,795,500	(9,326,200)	(20.2)
GF/GP	31,158,100	32,490,200	34,453,400	32,490,200	32,488,600	1,330,500	4.3
Gross	\$108,396,300	\$102,980,000	\$104,943,200	\$104,855,000	\$95,182,400	(\$13,213,900)	(12.2)
FTEs	692.5	599.5	599.5	599.5	600.5	(92.0)	(13.3)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through June 27, 2008.

Overview

The Department of Agriculture promotes Michigan agricultural products and protects the public from disease and unsanitary conditions in food production and handling; regulates product labeling and producer practices for dairy products, animals, and plants; and enforces consumer protection laws in food, standard weights/measures, animal health, plant pests, and diseases.

The **Executive** had proposed a continuation budget with no new programs or revenue. With the exception of a \$1.7 million GF/GP increase in the Bovine TB program, a \$15,000 GF/GP increase in Commissions and Boards, and a \$163,400 GF/GP reduction in Management services. Line item changes primarily reflected economic adjustments and/or adjustment of estimated restricted or federal revenue.

The **Enrolled bill** differed from the Executive recommendation with regard to the following line item appropriations:

- Included \$75,000 in Cervid fee revenue in Animal industry.
- Redirected \$1,471,600 in Agriculture Equine Industry Development Fund (AEIDF) revenue from Bovine TB program to Horse race program line items (\$991,600), and to Building and Track Improvement line (\$480,000).
- Included \$10,900 in anticipated federal revenue in Bovine TB program.
- Included \$1.0 million IDG from DNR for Cooperative Resources Management Initiative (CRMI) program.
- Included a new \$130,000 GF/GP line item for Water Withdrawal Assessment Program.
- Reflected \$53,700 GF/GP reduction in several program lines for reduced employee health care (HMO savings) costs.
- Reduced baseline Food and Dairy, Environmental Stewardship, and Laboratory baseline programs by \$30,000, \$30,000, and \$17,900, respectively, in order to attain GF/GP target.
- Included \$3.8 million for Capital Outlay/Farmland Preservation (\$1.25 million federal, \$2.5 million Ag Preservation Fund).

The **Enacted bill** (Enacted as 2008 PA 253) differs from the Enrolled bill as a result of vetoes. The Governor vetoed the \$1.0 million IDG from the DNR for the CRMI program, all the Horse racing program lines, and the Building and track improvement line. In her signing statement the Governor indicated that she had vetoed the Horse program lines because the Legislature had increased them by reducing funding for the Bovine Tuberculosis program. The Governor indicated that she supports restoration of funding for the Bovine Tuberculosis program, and the Horse race program lines to levels requested in the original Executive budget recommendation. The Governor also indicated that boilerplate Section 902, dealing with the "escrowing" of thoroughbred industry appropriations, was unenforceable in that it attempted to amend other Michigan statutes by reference, a violation of Section 25, Article IV of the Constitution.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD	Enacted Change From YTD
1. Commissions and Boards	Gross	\$17,800	\$15,000
Appropriates \$32,800; restores GF/GP support which was eliminated in the current year budget.	Restricted	17,800	0
	GF/GP	\$0	\$15,000
2. Executive Direction	FTEs	10.0	0.0
Line reflects economic increases of \$29,700; a \$1,300 GF/GP reduction for employee health insurance (HMO) savings, and a \$263,700 reduction related to transfer of internal audit function to a new line.	Gross	\$1,157,900	(\$235,300)
	Restricted	105,400	2,600
	GF/GP	\$1,052,500	(\$237,900)
3. Management Services	FTEs	31.5	(7.5)
Line reflects economic increases of \$55,700, a \$3,000 GF/GP reduction for employee health insurance (HMO) savings, a \$594,300 reduction related to transfer of human resource functions out of the department, and a \$163,400 GF/GP baseline reduction.	Gross	\$2,430,800	(\$705,000)
	Restricted	418,600	(282,100)
	GF/GP	\$2,012,200	(\$422,900)
4. Agricultural Statistics	FTEs	2.0	(1.0)
Recognizes that funding only supports one FTE position. Reflects economic increases as well as \$100 GF/GP reduction for employee health insurance (HMO) savings.	Gross	\$137,600	\$6,100
	Restricted	75,000	3,400
	GF/GP	\$62,600	\$2,700
5. Food Safety and Quality Assurance (Food and Dairy)	FTEs	107.0	8.0
This program receives the largest share of GF/GP funding in this budget. The enacted budget reflects economic increases, a \$14,500 GF/GP reduction for employee health insurance (HMO) savings, and a \$30,000 GF/GP baseline reduction to hit the GF/GP target.	Gross	\$12,654,600	(\$56,600)
	Federal	434,300	(26,900)
	Restricted	3,013,200	(24,400)
	GF/GP	\$9,207,100	(\$5,300)
6. Animal Health and Welfare (Animal Industry)	FTEs	21.5	0.0
Reflects economic decrease adjustment of \$21,300, a \$2,700 GF/GP reduction for employee health insurance (HMO) savings, and the replacement of a \$75,000 IDG from the DNR (cervid fees) with cervid fee restricted revenue as a direct fund source.	Gross	\$2,407,400	(\$25,200)
	IDG	75,000	(75,000)
	Federal	469,300	(4,200)
	Restricted	166,100	74,000
	GF/GP	\$1,697,000	(\$20,000)
7. Bovine Tuberculosis (Animal Industry)	FTEs	36.5	12.0
This program is second in GF/GP support within this budget. The enacted budget reflects economic increases of \$99,800, a \$6,100 GF/GP reduction for employee health insurance (HMO) savings, recognizes \$10,900 in additional federal revenue, and increases baseline GF/GP support of \$1.7 million. The enacted budget also reduced AEIDF support by \$1,471,600 and redirected to the <i>Building & track improvement</i> line and to Horse race program lines. The Governor vetoed the <i>Building and track improvement</i> line and the Horse race program lines and indicated that she would seek restoration of funding for the Bovine Tuberculosis program to the amounts proposed in the original Executive recommendation.	Gross	\$7,092,200	\$333,000
	Federal	730,800	19,200
	Restricted	2,125,400	(1,471,600)
	GF/GP	\$4,236,000	\$1,785,400
8. Pesticide and Plant Pest Management (PPPM)	FTEs	116.8	(6.8)
Reflects economic increase of \$13,700, a \$13,900 GF/GP reduction for employee health insurance (HMO) savings, and a reduction in federal revenue of \$1.4 million to better align budget with actual anticipated revenue. The budget retains \$200,000 in pesticide license fee revenue in baseline. This revenue, which replaced GF/GP in the current year budget, anticipated the passage of Senate Bill 682.	Gross	\$13,573,200	(\$1,400,200)
	Federal	3,842,200	(1,394,500)
	Private	147,700	300
	Restricted	5,162,000	3,100
	GF/GP	\$4,421,300	(\$9,100)
9. Emerald Ash Borer Program	FTEs	112.0	(87.5)
Appropriates \$5.2 million reflecting continuing reduction in federal support for this program. The appropriation for this program had been as much as \$25.0 million in FYs 2003-04 and 2004-05. The line also reflects economic increases of \$15,100.	Gross	\$10,176,300	(\$4,984,900)
	Federal	10,176,300	(4,984,900)
10. Environmental Stewardship	FTEs	30.2	(3.2)
Reflects economic adjustments, a \$3,400 GF/GP reduction for employee health insurance (HMO) savings, and a \$30,000 reduction in GF/GP baseline to hit GF/GP target.	Gross	\$2,857,300	(\$45,800)
	IDG	269,800	(1,200)
	Federal	232,500	48,800
	Restricted	50,000	(50,000)
	GF/GP	\$2,305,000	(\$43,400)

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD	Enacted Change From YTD
11. Technical Assistance Match	Gross	\$300,000	\$0
Retains funding for technicians (working out of local conservation districts) who assist farmers and landowners in completion of federally-funded Natural Resources Conservation Service (NRCS) contracts. Line was new in current year budget.	GF/GP	\$300,000	\$0
12. Local Conservation Districts	Gross	\$916,800	\$0
Retains funding at current year level.	GF/GP	\$916,800	\$0
13. Migrant Labor Housing	Gross	\$425,100	\$0
Retains funding at current year level. Restricted funds represent Migrant labor housing fund established under 2005 PA 43.	Federal	400,000	0
	Restricted	25,000	0
	GF/GP	\$100	\$0
14. Cooperative Resources Management Initiative - VETOED	Gross	\$0	\$0
This program, funded from an IDG from the DNR, was to have supported forestry services provided out of local conservation districts. The Governor vetoed this line item.	IDG	0	0
	GF/GP	\$0	\$0
15. Water Withdrawal Assessment Program – NEW	Gross	\$0	\$130,000
Adds new line per Target agreement.	GF/GP	\$0	\$130,000
16. Laboratory Services	FTEs	60.5	2.5
Reflects economic adjustments, as well as a \$7,900 GF/GP reduction to reflect employee health insurance (HMO) savings. The enacted budget also reduces GF/GP baseline by \$17,900 to hit GF/GP target.	Gross	\$6,336,400	(\$17,600)
	IDG	189,100	0
	Federal	916,200	0
	Restricted	2,272,000	4,400
	GF/GP	\$2,959,100	(\$22,000)
17. Consumer Protection Program	FTEs	67.5	(16.5)
Supports motor fuel quality, weights and measures, and metrology laboratory. Reflects economic adjustments.	Gross	\$5,128,700	\$6,500
	Restricted	5,128,500	6,300
	GF/GP	\$200	\$200
18. Agriculture Development	FTEs	5.0	1.0
Reflects economic adjustments, as well as an \$800 GF/GP reduction to reflect employee health insurance (HMO) savings.	Gross	\$1,070,200	\$1,800
	Private	10,800	0
	Federal	274,400	800
	Restricted	605,700	700
	GF/GP	\$179,300	\$300
19. Michigan Agricultural Surplus System (Food Bank)	Gross	\$630,500	\$0
Retains current year funding and fund sources.	IDG	150,000	0
	GF/GP	\$480,500	\$0
20. Building and track improvement – county and state fairs - VETOED	Gross	\$0	\$0
The enrolled bill included \$480,000 from AEIDF (redirected from the Bovine TB program.)	Restricted	0	0
	GF/GP	\$0	\$0

Major Budget Changes From FY 2007-08 YTD Appropriations

FY 2007-08 YTD

Enacted Change From YTD

21. Horse Industry Programs - VETOED

The proposed Executive budget would have maintained current year appropriation of \$10.2 million from the AEIDF for various horse race programs/purses/awards. The enrolled bill included an additional \$991,600 in AEIDF funding by redirecting funds from the Bovine TB program.

Gross	\$10,160,300	(\$10,160,300)
Restricted	10,160,300	(10,160,300)

	FY 2007-08 YTD	FY 2008-09 Enrolled Bill	Enacted
Purses and supplements - fairs/licensed tracks	2,370,000	2,601,300	0
Licensed tracks - light horse racing	132,000	144,900	0
Standardbred breeders' awards	969,000	1,063,600	0
Standardbred purses and supplements - licensed tracks	1,789,300	1,963,900	0
Standardbred sire stakes	810,000	889,100	0
Thoroughbred sire stakes	830,000	911,000	0
Standardbred training and stabling	36,000	39,500	0
Thoroughbred program	2,400,000	2,634,200	0
Thoroughbred owners' awards	124,000	136,100	0
Distribution of outstanding winning tickets	700,000	768,300	0
Total	\$10,160,300	\$11,151,900	\$0

22. Capital Outlay: Farmland and Open Space Development Acquisition

The enacted bill adds Capital Outlay item to Agriculture budget: \$1,250,000 in Federal, \$2.5 million from Ag. Preservation Fund.

Gross	N/A	\$3,750,000
Federal	N/A	1,250,000
Restricted	N/A	2,500,000
GF/GP	N/A	\$0

23. Economics

Provides \$280,000 net for employee related economic increases, including salaries and wages, insurance, and retirement contributions. Offset in part by \$98,600 reduction in estimated building occupancy costs.

Gross	N/A	\$184,200
IDG	N/A	(1,200)
Federal	N/A	20,400
Private	N/A	3,700
Restricted	N/A	27,800
GF/GP	N/A	\$133,500

Major Boilerplate Changes From FY 2007-08

Sec. 201. Total State Payments and Report to Locals – MODIFIED

Identifies payments of state funds to local units of government from the funds appropriated. Updated to reflect Part 1 appropriations.

Sec. 202. Management and Budget Act – RETAINED

Subjects authorized appropriations to the Management and Budget Act.

Sec. 203. Abbreviations – MODIFIED

Defines abbreviations; includes DHS.

Sec. 204. Civil Service Charge – MODIFIED

Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; requires payment by the end of the second fiscal quarter. Replaces "Department of Civil Service" with "Civil Service Commission."

Major Boilerplate Changes From FY 2007-08

Sec. 205. *Hiring Freeze* – RETAINED

Imposes a hiring freeze on state classified civil service.

Sec. 208. *Internet Reporting* – RETAINED

Requires Department to use the Internet to fulfill reporting requirements.

Sec. 209. *Buy American* – RETAINED

Prohibits purchase of foreign goods and services when competitively-priced American goods and services are available. Requires that preference be given to Michigan businesses and Michigan businesses owned and operated by veterans.

Sec. 210. *Deprived/Depressed Communities* – RETAINED

Requires director to take reasonable steps to ensure businesses in depressed communities compete for/performance contracts to provide services and supplies, and to encourage contractors to subcontract with such businesses.

Sec. 212. *Indemnification Payments* – RETAINED

Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; requires report on reason for, amount of, and person to whom indemnification is to be paid. Subsection (2) authorizes Department to indemnify for livestock killed by wolves, coyotes, or cougars and to expend funds received from Department of Natural Resources for indemnification payments made pursuant to this section.

Sec. 214. *Grants Reporting* – RETAINED

Requires ten-day notice to House and Senate appropriations subcommittees on Agriculture when a grant is made from any line item other than a grant line item.

Sec. 219. *Information Technology* – RETAINED

Requires Department to pay user fees to DIT subject to provisions of interagency agreement.

Sec. 220. *Information Technology Work Projects* – RETAINED

Authorizes carryforward of funds for technology projects.

Sec. 223. *Out-of-State Travel Restriction* – RETAINED

Requires a report and places limits on all out-of-state travel.

Sec. 224. *Employee Discipline* – MODIFIED

Prohibits disciplinary action against an employee for communicating with a member of the Legislature. Modified to add "truthfully and to the best of his or her knowledge."

Sec. 225. *Agriculture and Livestock Education Pavilion* – RETAINED

Indicates legislative intent that Department explore opportunities to expand facilities and size of MSU Pavilion for Agriculture and Livestock Education.

Sec. 227. *Return on Investment* – MODIFIED

Requires summary report on real and potential return on investment for each of Department's programs.

Sec. 228. *Contingency Appropriations* – RETAINED

Includes \$5.0 million federal, \$6.0 million state restricted, and \$100,000 each local and private.

Sec. 229. *Impact of New Legislation and Administrative Rules* – MODIFIED

Requires Department to report on policy changes made to implement enacted legislation; prohibits disproportionate impact on small businesses. **Adopts new Target language.**

Sec. 230. *Hire of Outside Legal Counsel* – RETAINED

Prohibits state departments from hiring legal services that are the responsibility of the attorney general.

Sec. 231. *Management Service* – RETAINED

Establishes baseline level of direct service Department employees.

Sec. 232. *Implement Continuous Improvements* – RETAINED

Requires report by Department director on continuous improvement.

Sec. 234. *Travel to Out-of-State Training* – NEW

Sets guidelines for out-of-state travel to conferences or training seminars.

Adopts new Target language.

Sec. 235. *C. S. Mott Group* – NEW

Allows the department to provide funds to C. S. Mott group from sustainable food systems at MSU to plan coordinate and leverage federal funds to enhance local markets.

Sec. 301. *Commission and Boards* – NOT INCLUDED

Sets the per diem rates for commodity boards. Not included.

Major Boilerplate Changes From FY 2007-08

Sec. 302. *Miscellaneous Expenditures* – RETAINED

Allows Department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other Department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by Department.

Sec. 304. *Motor Fuel Quality Inspector* – RETAINED

Requires Department to maintain motor fuel quality program at FY 2006-07 level of effort and requires that Department maintain additional field and laboratory staff for the motor fuel quality program.

Sec. 306. *Matching Funds for Agriculture Statistics Studies* – RETAINED

Requires industry matching funds for study costs.

Sec. 401. *Restaurant Inspection and Licensing* – RETAINED

Requires Department to monitor restaurant inspection/licensing activities conducted by locals and report to Legislature.

Sec. 402. *Food Safety* – RETAINED

Requires Department to provide reports on food-borne outbreaks and emergencies related to food safety.

Sec. 403. *Local Programs* – RETAINED

Requires that local units of government obtain permission from the Department prior to moving or reallocating program funds appropriated in section 104.

Sec. 404. *Consumer and Industry Food Education Fund* – RETAINED

Requires that not less than \$150,000 from the fund be expended for purposes required under Section 4117 of the Food Act of 2000.

Sec. 406. *Food Safety FTEs* – RETAINED

Exempts food and dairy inspectors from hiring freeze.

Sec. 407. *Carry Forward for Food and Dairy E-inspector Program* – RETAINED

Directs that funds from FY 2007-08 budget not lapse, but be carried forward as a work project for the e-inspector program.

Sec. 450. *Bovine Tuberculosis* – RETAINED

Requires Department to reimburse DNR for mutually-agreed-to bovine tuberculosis costs.

Sec. 451. *Bovine Tuberculosis Split State Status* – RETAINED

Requires Department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity.

Sec. 452. *Bovine TB* – RETAINED

Requires Department to apply for all available federal funds to support program.

Sec. 454. *Bovine TB* – RETAINED

Directs Department to collaborate with USDA and work to eradicate Bovine TB.

Sec. 455. *Cattle ID* – RETAINED

Directs Department to prepare a plan to provide for cattle without identification in saleyard.
Not included in Executive budget; House/Senate retain current language.

Sec. 456. *Electronic Animal Identification* – RETAINED

Prohibits use of funds to enforce electronic ID program for domestic animals other than cattle without specific authorization in statute. Not included in Executive budget. House/Senate retain current language.

Sec. 457. *Bovine TB Report* – MODIFIED

Requires quarterly report on Bovine TB program; modified from current year which had required a monthly report.

Sec. 458. *Aquaculture and Viral Hemorrhagic Septicemia (VHS) Eradication Programs* – RETAINED

Requires Department support for inspection and testing of aquaculture facilities; states legislative intent with regard to VHS surveillance program.

Sec. 459. *Bovine TB FTEs* – RETAINED

Exempts Bovine TB program from hiring freeze.

Sec. 460. *Agriculture Equine Fund Prorated Reductions* – NEW

Requires that department make proportionate reductions in all appropriations from the AEIDF if revenue falls.

Sec. 501. *Laboratory Services* – RETAINED

Provides a sufficient amount from licensing and inspection fees to provide for animal feed testing programs.

Major Boilerplate Changes From FY 2007-08

Sec. 551. *Fruit and Vegetables Industry Inspections* – NEW

States legislative intent that the Department work with fruit and vegetable industry to ensure development of a sustainable system of third-party inspections of fruits and vegetables.

Sec. 603. *Migrant Labor Housing* – RETAINED

Requires Department to apply for any available federal funds to support the migrant labor housing program.

Sec. 604. *Local Soil Conservation Districts* – RETAINED

Allocates \$11,605 per local conservation district.

Sec. 605. *Technical Assistance Match* – RETAINED

Appropriates \$300,000 to fund local conservation district technical assistance for contracts under Farm Bill of 2002.

Sec. 606. *Environmental Quality Incentives* – RETAINED

Requires the department to actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

Sec. 607. *Inter-County Drain Program* – RETAINED

Indicates legislative intent that Department continue its activities as provided under the Drain Code.

Sec. 702. *Food Bank* – RETAINED

Allows the Food Bank Council to expend unused funds for direct food purchase.

Sec. 703. *Northwest Michigan Horticultural Research Station* – NOT INCLUDED

This section was vetoed by Governor from current year budget. Not included.

Sec. 705. *Export Market* – RETAINED

Directs state funding to be used to leverage export marketing programs offered by the federal government.

Sec. 706. *Agricultural Development* – RETAINED

Requires Department to report on agricultural development and export market development activities.

Sec. 707. *Agricultural Development Fund Grants* – RETAINED

Requires Department, in awarding grants from the fund, to give due consideration to the diversity of Michigan agriculture and its economic importance.

Sec. 708. *Agricultural Development Fund* – RETAINED

Authorizes Department to receive and expend monies from the fund.

Sec. 709. *Grape and Wine Industry Council* – RETAINED

Requires Department to provide report describing activities of the council.

Sec. 710. *Export Markets* – RETAINED

Allows Department to match external funding for domestic and international marketing programs to develop new and enhance existing export markets for Michigan agricultural products.

Sec. 711. *Michigan Strategic Fund* – NEW

Indicates legislative intent that MSF work with MDA to promote Michigan agriculture.

Sec. 712. *Specialty Crop* – NOT INCLUDED

Requires 20% of Department applications for USDA specialty block grants be for support of farm markets and agriculture tourism.

Sec. 801. *State Simulcasting Tax Revenue Report* – MODIFIED

Requires Department to submit a monthly report on state simulcasting tax revenue and license fees.

"Within sixty days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in the Horse Racing Law of 1995 (PA 279 of 1995). The report shall identify actual revenue and fund balance through the preceding fiscal quarter and estimated revenue and fund balance through the end of the fiscal year. The report shall identify simulcast racing revenue generated by each licensed track, license fees, and revenue generated from the casino wagering tax."

Sec. 802. *Purses and Supplements - Licensed Tracks* – VETOED

Reduces boilerplate earmark for Michigan-bred 4-year olds from \$280,000 to \$220,000 (AEIDF).

VETOED ALONG WITH RELATED Line item.

Major Boilerplate Changes From FY 2007-08

Sec. 803. *Thoroughbred Program Tracks* – VETOED

Provides funds from Thoroughbred program line to Michigan United Thoroughbred Breeders and Owners Association to conduct a thoroughbred yearling show. Reduces earmark from \$30,500 to \$23,500 (AEIDF).

VETOED ALONG WITH RELATED Line item.

Sec. 804. *Thoroughbred Owners Awards* – VETOED

Provides funding for thoroughbred owners' awards; references Horse Racing Law of 1995.

VETOED ALONG WITH RELATED Line item.

Sec. 805. *Agriculture Equine Fund Reduction Report* – MODIFIES

Requires Department to notify Legislature on November 1, 2008 and April 1, 2009 on allocations or expenditures from the Agriculture Equine Industry Development Fund.

Sec. 806. *Fairs* – RETAINED

Requires fairs to publish rules and guidelines for exhibits eligible for state premiums; establishes grievance procedures.

Sec. 807. *Purse Supplements* – VETOED

Provides for overnight purse supplements.

VETOED ALONG WITH RELATED Line item.

Sec. 808. *Livestock and Equine Exhibits* – RETAINED

Allocates \$91,400 from Premiums-county and state fairs line item for grants for large livestock and equine exhibitors, including Michigan Horse Show Association's Fall Youth Show.

Sec. 809. *Youth in Agriculture* – RETAINED

Allocates \$40,000 from Premiums-county and state fairs line for a grant to promote youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. *Outstanding Unclaimed Tickets* – VETOED

Prohibits using funds for distribution of outstanding winning tickets until they are deposited in the Agriculture Equine Industry Development Fund. Department is to provide ten-day notice before funds are spent.

VETOED ALONG WITH RELATED Line item.

Sec. 813. *Building and Track Improvement* – NOT INCLUDED

Indicated legislative intent to restore line in FY 2008-09.

Sec. 901. *Criminal Activity Information Rewards* – RETAINED

Allows racing commissioner to pay rewards up to \$5,800 to individuals who provide information on criminal activity involving the horse racing industry.

Sec. 902. *Thoroughbred Program Escrow* – RETAINED

Provides for "escrowing" of funds for thoroughbred program.

The enacted bill retained current language, (*updated to reflect 2008-09 fiscal year*). The Governor indicated that the section was unenforceable in that it attempted to amend other Michigan statutes by reference, a violation of Section 25, Article IV of the Constitution.

Sec. 903. *Audit of Licensed Tracks* – NEW

Requires Office of Racing Commissioner to perform audits.

CAPITAL OUTLAY – NEW per Target Agreement

Sec. 1001. *Farmland and Open Space Development Rights* – NEW

Indicates that the appropriation for farmland and open space development acquisition shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act.

Adopts language from previous Capital Outlay bills.

Sec. 1002. *Provisions Regarding Lump Sum Payments* – NEW

Indicates that the director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Limits lump sum appropriation carry forward to no more than 3 fiscal years following appropriation and provides for lapse of funds to original fund source per DMB Act.

Adopts standard language from previous Capital Outlay bills.

Sec. 1003. *Provisions Regarding Carry Forward Authority* – NEW

Provides for appropriation carry-forward authority per DMB Act.

Adopts standard language from previous Capital Outlay bills.