

**SUBSTITUTE FOR
SENATE BILL NO. 827**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2023; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions 6.0

Full-time equated classified positions 521.0

GROSS APPROPRIATION \$ **142,245,100**

1	Total interdepartmental grants and		
2	intradepartmental transfers		326,700
3	ADJUSTED GROSS APPROPRIATIONS	\$	141,918,400
4	Federal revenues:		
5	Total federal revenues		19,670,900
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		21,300
9	Total other state restricted revenues		44,706,400
10	State general fund/general purpose	\$	77,519,800
11	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
12	SUPPORT		
13	Full-time equated unclassified positions	6.0	
14	Full-time equated classified positions	27.0	
15	Unclassified salaries--FTEs	6.0	\$ 651,900
16	Accounting service center		1,048,500
17	Commissions and boards		23,800
18	Emergency management--FTEs	4.0	1,343,800
19	Executive direction--FTEs	23.0	3,288,800
20	Property management		752,400
21	GROSS APPROPRIATION	\$	7,109,200
22	Appropriated from:		
23	Federal revenues:		
24	HHS, multiple grants		447,400
25	Special revenue funds:		
26	Agriculture licensing and inspection fees		45,400
27	Dairy and food safety fund		102,700
28	Feed control fund		8,100

1	Fertilizer control fund		10,200
2	Freshwater protection fund		62,400
3	Gasoline inspection and testing fund		25,600
4	Industry support funds		57,000
5	Michigan craft beverage council fund		8,800
6	Private forestland enhancement fund		16,000
7	Refined petroleum fund		20,500
8	Weights and measures regulation fees		5,000
9	State general fund/general purpose	\$	6,300,100
10	Sec. 103. INFORMATION AND TECHNOLOGY		
11	Information technology services and projects	\$	2,337,700
12	GROSS APPROPRIATION	\$	2,337,700
13	Appropriated from:		
14	Special revenue funds:		
15	Agriculture licensing and inspection fees		91,400
16	Dairy and food safety fund		74,800
17	Feed control fund		15,000
18	Fertilizer control fund		15,000
19	Freshwater protection fund		15,000
20	Gasoline inspection and testing fund		32,400
21	State general fund/general purpose	\$	2,094,100
22	Sec. 104. FOOD AND DAIRY		
23	Full-time equated classified positions	139.0	
24	Food safety and quality assurance--FTEs	103.0	\$ 18,518,900
25	Milk safety and quality assurance--FTEs	36.0	5,880,600
26	GROSS APPROPRIATION	\$	24,399,500
27	Appropriated from:		
28	Federal revenues:		

1	HHS, multiple grants		2,787,100
2	USDA, multiple grants		137,100
3	Special revenue funds:		
4	Consumer and industry food safety education		
5	fund		242,500
6	Dairy and food safety fund		5,484,400
7	Industry food safety education fund		114,100
8	Marihuana regulatory fund		350,000
9	Marihuana regulation fund		350,000
10	State general fund/general purpose	\$	14,934,300
11	Sec. 105. ANIMAL INDUSTRY		
12	Full-time equated classified positions	62.0	
13	Animal disease prevention and response--FTEs	62.0	\$ 10,320,900
14	Indemnification - livestock depredation		15,000
15	Michigan animal agriculture alliance		3,000,000
16	GROSS APPROPRIATION	\$	13,335,900
17	Appropriated from:		
18	Federal revenues:		
19	HHS, multiple grants		15,100
20	USDA, multiple grants		1,067,400
21	Special revenue funds:		
22	Agriculture licensing and inspection fees		71,800
23	Animal welfare fund		150,000
24	State general fund/general purpose	\$	12,031,600
25	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
26	Full-time equated classified positions	95.0	
27	Animal feed safety--FTEs	10.0	\$ 2,116,100
28	Pesticide and plant pest management--FTEs	85.0	14,436,400

1	GROSS APPROPRIATION		\$ 16,552,500
2	Appropriated from:		
3	Federal revenues:		
4	EPA, multiple grants		578,700
5	HHS, multiple grants		397,400
6	USDA, multiple grants		721,100
7	Special revenue funds:		
8	Private - slow-the-spread foundation		21,300
9	Agriculture licensing and inspection fees		4,579,300
10	Commodity inspection fees		688,600
11	Feed control fund		1,402,100
12	Fertilizer control fund		1,347,800
13	Freshwater protection fund		157,500
14	Horticulture fund		70,000
15	Industrial hemp licensing and registration fund		677,200
16	Industry support funds		228,100
17	State general fund/general purpose		\$ 5,683,400
18	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
19	Full-time equated classified positions	66.5	
20	Agricultural preservation easement grants		\$ 1,900,000
21	Environmental stewardship - MAEAP--FTEs	26.0	11,752,200
22	Farmland and open space preservation--FTEs	10.0	1,608,700
23	Intercounty drain--FTEs	6.0	862,600
24	Local conservation districts		3,000,000
25	Migrant labor housing--FTEs	9.0	1,357,300
26	Qualified forest program--FTEs	9.0	8,078,600
27	Right-to-farm--FTEs	6.5	1,025,600
28	GROSS APPROPRIATION		\$ 29,585,000

1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG from MDEGLE, biosolids		94,800
4	Federal revenues:		
5	Department of Interior		96,300
6	EPA, multiple grants		564,000
7	USDA, multiple grants		6,722,300
8	Special revenue funds:		
9	Agricultural preservation fund		3,508,700
10	Freshwater protection fund		8,331,700
11	Migratory labor housing fund		143,900
12	Private forestland enhancement fund		1,080,100
13	State general fund/general purpose	\$	9,043,200
14	Sec. 108. LABORATORY PROGRAM		
15	Full-time equated classified positions	108.5	
16	Central licensing and customer call center--		
17	FTEs	13.0	\$ 1,533,100
18	Consumer protection program--FTEs	42.0	7,067,100
19	Laboratory services--FTEs	42.5	8,282,800
20	USDA monitoring--FTEs	11.0	1,704,300
21	GROSS APPROPRIATION	\$	18,587,300
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	IDG from LARA (LCC), liquor quality testing		
25	fees		231,900
26	Federal revenues:		
27	EPA, multiple grants		180,600
28	HHS, multiple grants		1,568,100

1	USDA, multiple grants		1,705,500
2	Special revenue funds:		
3	Agriculture licensing and inspection fees		353,400
4	Dairy and food safety fund		526,100
5	Feed control fund		193,100
6	Fertilizer control fund		25,100
7	Freshwater protection fund		48,100
8	Gasoline inspection and testing fund		1,422,900
9	Grain dealers fee fund		8,200
10	Industrial hemp licensing and registration fund		321,300
11	Migratory labor housing fund		30,100
12	Refined petroleum fund		3,454,600
13	Testing fees		356,300
14	Weights and measures regulation fees		750,200
15	State general fund/general purpose	\$	7,411,800
16	Sec. 109. AGRICULTURE DEVELOPMENT		
17	Full-time equated classified positions	23.0	
18	Agriculture development--FTEs	13.0	\$ 4,806,400
19	Fair food network - double up food bucks		900,000
20	Food and agriculture investment program		3,472,600
21	Michigan craft beverage council--FTEs	3.0	926,100
22	Office of rural development--FTE	1.0	179,800
23	Producer security/grain dealers--FTEs	5.0	754,000
24	Rural development fund grant program--FTE	1.0	2,004,800
25	GROSS APPROPRIATION	\$	13,043,700
26	Appropriated from:		
27	Federal revenues:		
28	USDA, multiple grants		2,682,800

1	Special revenue funds:		
2	Agriculture licensing and inspection fees		5,100
3	Grain dealers fee fund		710,100
4	Industry support funds		223,600
5	Michigan craft beverage council fund		896,100
6	Rural development fund		2,004,800
7	State general fund/general purpose	\$	6,521,200
8	Sec. 110. FAIRS AND EXPOSITIONS		
9	County fairs, shows, and expositions	\$	500,000
10	Fairs and racing		258,600
11	Horse racing advisory commission		125,000
12	Licensed tracks - light horse racing		40,300
13	Light horse racing - breeders' awards		20,000
14	Purses and supplements - fairs/licensed tracks		708,300
15	Standardbred breeders' awards		345,900
16	Standardbred purses and supplements - licensed		
17	tracks		671,800
18	Standardbred sire stakes		275,000
19	Thoroughbred breeders' awards		368,600
20	Thoroughbred sire stakes		378,800
21	Thoroughbred supplements - licensed tracks		601,900
22	GROSS APPROPRIATION	\$	4,294,200
23	Appropriated from:		
24	Special revenue funds:		
25	Agriculture equine industry development fund		3,794,200
26	State general fund/general purpose	\$	500,000
27	Sec. 111. ONE-TIME APPROPRIATIONS		
28	Eastern Market		12,000,000

1	Groundwater monitoring		100
2	Select Michigan Campaign		1,000,000
3	GROSS APPROPRIATION	\$	13,000,100
4	Appropriated from:		
5	Special revenue funds:		
6	State general fund/general purpose	\$	13,000,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2022-2023 is \$122,226,200.00 and state spending from state sources to be paid to local units of government for fiscal year 2022-2023 is \$11,800,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

20	Agriculture preservation easement grants	\$	1,900,000
21	Environmental stewardship/MAEAP		4,100,000
22	Local conservation districts		3,000,000
23	Qualified forest program		1,400,000
24	Rural development fund grant program		1,400,000
25	TOTAL	\$	11,800,000

Sec. 202. The appropriations authorized under part 1 and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in part 1 and this part:

1 (a) "Department" means the department of agriculture and rural
2 development.

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

4 (c) "Fiscal agencies" means the Michigan house fiscal agency
5 and the Michigan senate fiscal agency.

6 (d) "FTE" means full-time equated.

7 (e) "IDG" means interdepartmental grant.

8 (f) "MAEAP" means the Michigan agriculture environmental
9 assurance program.

10 (g) "MDEGLE" means the Michigan department of environment,
11 Great Lakes, and energy.

12 (h) "Subcommittees" means all members of the subcommittees of
13 the house and senate appropriations committees with jurisdiction
14 over the budget for the department.

15 (i) "TB" means tuberculosis.

16 (j) "USDA" means the United States Department of Agriculture.

17 Sec. 204. (1) The departments and agencies receiving
18 appropriations in part 1 shall use the internet to fulfill the
19 reporting requirements of this part. This requirement shall include
20 transmission of reports via electronic mail to the recipients
21 identified for each reporting requirement, and shall include
22 placement of reports on an internet site.

23 (2) In fulfilling the reporting requirements of this part, the
24 department shall notify report recipients when reports are posted
25 to the department website.

26 Sec. 205. To the extent permissible under section 261 of the
27 management and budget act, 1984 PA 431, MCL 18.1261, all of the
28 following apply to funds appropriated in part 1:

29 (a) The funds must not be used for the purchase of foreign

1 goods or services, or both, if competitively priced and of
2 comparable quality American goods or services, or both, are
3 available.

4 (b) Preference must be given to goods or services, or both,
5 manufactured or provided by Michigan businesses, if they are
6 competitively priced and of comparable quality.

7 (c) Preference must be given to goods or services, or both,
8 that are manufactured or provided by Michigan businesses owned and
9 operated by veterans, if they are competitively priced and of
10 comparable quality.

11 Sec. 206. To the extent permissible under the management and
12 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
13 take all reasonable steps to ensure businesses in deprived and
14 depressed communities compete for and perform contracts to provide
15 services or supplies, or both. Each director shall strongly
16 encourage firms with which the department contracts to subcontract
17 with certified businesses in depressed and deprived communities for
18 services or supplies, or both.

19 Sec. 207. The departments and agencies receiving
20 appropriations in part 1 shall prepare a report on out-of-state
21 travel expenses not later than January 1 of each year. The travel
22 report shall be a listing of all travel by classified and
23 unclassified employees outside this state in the immediately
24 preceding fiscal year that was funded in whole or in part with
25 funds appropriated in the department's budget. The report shall be
26 submitted to the house and senate appropriations committees, the
27 house and senate fiscal agencies, and the state budget director.
28 The report shall include the following information:

29 (a) The dates of each travel occurrence.

1 (b) The transportation and related costs of each travel
2 occurrence, including the proportion funded with state general
3 fund/general purpose revenues, the proportion funded with state
4 restricted revenues, the proportion funded with federal revenues,
5 and the proportion funded with other revenues.

6 Sec. 208. Funds appropriated in part 1 shall not be used by a
7 principal executive department, state agency, or authority to hire
8 a person to provide legal services that are the responsibility of
9 the attorney general. This prohibition does not apply to legal
10 services for bonding activities and for those outside services that
11 the attorney general authorizes.

12 Sec. 209. Not later than November 30, the state budget office
13 shall prepare and transmit a report that provides for estimates of
14 the total general fund/general purpose appropriation lapses at the
15 close of the prior fiscal year. This report shall summarize the
16 projected year-end general fund/general purpose appropriation
17 lapses by major departmental program or program areas. The report
18 shall be transmitted to the chairpersons of the senate and house of
19 representatives standing committees on appropriations and the
20 senate and house fiscal agencies.

21 Sec. 211. The department shall cooperate with the department
22 of technology, management, and budget to maintain a searchable
23 website accessible by the public at no cost that includes, but is
24 not limited to, all of the following for each department or agency:

- 25 (a) Fiscal year-to-date expenditures by category.
26 (b) Fiscal year-to-date expenditures by appropriation unit.
27 (c) Fiscal year-to-date payments to a selected vendor,
28 including the vendor name, payment date, payment amount, and
29 payment description.

1 (d) The number of active department employees by job
2 classification.

3 (e) Job specifications and wage rates.

4 Sec. 212. Within 14 days after the release of the executive
5 budget recommendation, the department shall cooperate with the
6 state budget office to provide the senate and house appropriations
7 chairs, the subcommittees, respectively, and the senate and house
8 fiscal agencies with an annual report on estimated state restricted
9 fund balances, state restricted fund projected revenues, and state
10 restricted fund expenditures for the fiscal years ending September
11 30, 2022 and September 30, 2023.

12 Sec. 213. The department shall maintain, on a publicly
13 accessible website, a department scorecard that identifies, tracks,
14 and regularly updates key metrics that are used to monitor and
15 improve the agency's performance.

16 Sec. 214. Total authorized appropriations from all sources
17 under part 1 for legacy costs for the fiscal year ending September
18 30, 2022 is \$11,574,600.00. From this amount, total agency
19 appropriations for pension-related legacy costs are estimated at
20 \$7,027,300.00. Total agency appropriations for retiree health care
21 legacy costs are estimated at \$4,547,300.00.

22 Sec. 215. The department shall not take disciplinary action
23 against an employee of the department or departmental agency in the
24 state classified civil service because the employee communicates
25 with a member of the senate or house or a member's staff, unless
26 the communication is prohibited by law and the department or agency
27 taking disciplinary action is exercising its authority as provided
28 by law.

29 Sec. 216. (1) On a quarterly basis, the department shall

1 report to the senate and house appropriations committees, the
2 senate and house appropriations subcommittees on the department
3 budget, and the senate and house fiscal agencies the following
4 information:

5 (a) The number of FTEs in pay status by type of staff and
6 civil service classification.

7 (b) A comparison by line item of the number of FTEs authorized
8 from funds appropriated in part 1 to the actual number of FTEs
9 employed by the department at the end of the reporting period.

10 (2) By March 1 of the current fiscal year and annually
11 thereafter, the department shall report to the senate and house
12 appropriations committees, the senate and house appropriations
13 subcommittees on the department budget, and the senate and house
14 fiscal agencies the following information:

15 (a) Number of employees that were engaged in remote work in
16 2022.

17 (b) Number of employees authorized to work remotely and the
18 actual number of those working remotely in the current reporting
19 period.

20 (c) Estimated net cost savings achieved by remote work.

21 (d) Reduced use of office space associated with remote work.

22 Sec. 217. Appropriations in part 1 shall, to the extent
23 possible by the department, not be expended until all existing work
24 project authorization available for the same purposes is exhausted.

25 Sec. 218. If the state administrative board, acting under
26 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
27 appropriated under this act, the legislature may, by a concurrent
28 resolution adopted by a majority of the members elected to and
29 serving in each house, intertransfer funds within this act for the

1 particular department, board, commission, officer, or institution.

2 Sec. 221. (1) From the funds appropriated in part 1, the
3 department shall do all of the following:

4 (a) Report to the house and senate appropriations committees,
5 the house and senate fiscal agencies, the house and senate policy
6 offices, and the state budget office any amount of severance pay
7 for a department director, deputy director, or other high-ranking
8 department official not later than 14 days after a severance
9 agreement with the director or official is signed. The name of the
10 director or official and the amount of severance pay must be
11 included in the report required by this subdivision.

12 (b) Maintain an internet site that posts any severance pay in
13 excess of 6 weeks of wages, regardless of the position held by the
14 former department employee receiving severance pay.

15 (c) By February 1, report to the house and senate
16 appropriations subcommittees on the department budget, the house
17 and senate fiscal agencies, the house and senate policy offices,
18 and the state budget office on the total amount of severance pay
19 remitted to former department employees during the fiscal year
20 ending September 30, 2022 and the total number of former department
21 employees that were remitted severance pay during the fiscal year
22 ending September 30, 2022.

23 (2) As used in this section, "severance pay" means
24 compensation that is both payable or paid upon the termination of
25 employment and in addition to either wages or benefits earned
26 during the course of employment or generally applicable retirement
27 benefits.

28

29 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

1 Sec. 301. (1) The department may establish a fee schedule and
2 collect fees for the following work activities and services:

3 (a) Pesticide and plant pest management propagation and
4 certification of virus-free foundation stock.

5 (b) Fruit and vegetable inspection and grading services at
6 shipping and termination points and processing plants.

7 (c) Laboratory support analyses of food, livestock, and
8 agricultural products for disease, foreign products for disease,
9 toxic materials, foreign substances, and quality standards.

10 (d) Laboratory support test samples for other state and local
11 agencies and public or private organizations.

12 (2) The department may receive and expend revenue from the
13 fees authorized under subsection (1), subject to appropriation, for
14 the purpose of recovering expenses associated with the work
15 activities and services described in subsection (1). Fee revenue
16 collected by the department under subsection (1) shall not lapse to
17 the state general fund at the end of the fiscal year but shall
18 carry forward for appropriation by the legislature in the
19 subsequent fiscal year.

20 (3) The department shall notify the subcommittees, the fiscal
21 agencies, and the state budget office 30 days prior to proposing
22 changes in fees authorized under this section or under section 5 of
23 1915 PA 91, MCL 285.35.

24 (4) On or before February 1 of each year, the department shall
25 provide a report to the subcommittees, the fiscal agencies, and the
26 state budget office detailing all the fees charged by the
27 department under the authorization provided in this section,
28 including, but not limited to, rates, number of individuals paying
29 each fee, and the revenue generated by each fee in the previous

1 fiscal year.

2 (5) A commercial pesticide applicator fee shall not exceed
3 \$75.00 for a 3-year testing period.

4 Sec. 302. (1) The department may contract with or provide
5 grants to local units of government, institutions of higher
6 education, or nonprofit organizations to support activities
7 authorized by appropriations in part 1. As used in this section,
8 contracts and grants include, but are not limited to, contracts for
9 delivery of groundwater/freshwater programs, MAEAP technical
10 assistance, forest management, invasive species monitoring,
11 wildlife risk mitigation, grants promoting proper pesticide
12 disposal, and research grants for the purpose of enhancing the
13 agricultural industries in this state.

14 (2) The department shall provide notice of contracts or grants
15 authorized under this section to the subcommittees, the fiscal
16 agencies, and the state budget office not later than 7 days before
17 the department notifies contract or grant recipients.

18

19 **FOOD AND DAIRY**

20 Sec. 401. (1) The department shall report on the previous
21 fiscal year's activities of the food and dairy division. The report
22 shall include information on activities and outcomes of the dairy
23 safety and inspection program, the food safety inspection program,
24 the foodborne illness and emergency response program, and the food
25 service program.

26 (2) The report shall include information on significant
27 foodborne outbreaks and emergencies, including any significant
28 enforcement actions taken related to food safety during the prior
29 calendar year.

1 (3) The report shall be transmitted to the subcommittees, the
2 fiscal agencies, and the state budget office and posted to the
3 department's website on or before April 1 of each year.

4
5 **ANIMAL INDUSTRY**

6 Sec. 451. From the funds appropriated in part 1 for bovine TB,
7 the department shall pay for all whole herd testing costs and
8 individual animal testing costs in the modified accredited zone and
9 buffer counties as referenced in the current memorandum of
10 understanding between the department and the USDA to maintain
11 split-state status requirements. These costs include indemnity and
12 compensation for injury causing death or downer to animals.

13 Sec. 452. (1) The department shall report on the previous
14 calendar year's activities of the animal industry division. The
15 report shall be transmitted to the subcommittees, the fiscal
16 agencies, and the state budget office and posted to the
17 department's website on or before April 1 of each year.

18 (2) The department shall include in the report all
19 indemnification payments for livestock depredation made in the
20 previous calendar year and shall include all of the following:

21 (a) The reason for the indemnification.

22 (b) The amount of the indemnification.

23 (c) The person for whom the indemnification was paid.

24 Sec. 454. The department shall use its resources to
25 collaborate with the USDA to monitor bovine TB, consistent with the
26 current required memorandum of understanding between the department
27 and the USDA.

28 Sec. 455. From the funds appropriated in part 1 for animal
29 disease prevention and response, \$200,000.00 shall be used to

1 provide reimbursement to licensed privately owned cervid facilities
2 for the costs of required testing for chronic wasting disease and
3 bovine TB.

4 Sec. 457. (1) On or before October 15 of each year, the
5 department shall provide to the subcommittees, the fiscal agencies,
6 and the state budget office a report on bovine TB status and
7 department activities.

8 (2) For each fiscal quarter following the report required in
9 subsection (1), the department shall provide an update to the
10 subcommittees, the fiscal agencies, and the state budget office.
11 The quarterly update reports shall identify significant impacts to
12 the program, including new incidence of bovine TB in this state,
13 department activity associated with specific new incidence of
14 bovine TB, any changes in USDA requirements or movement orders, and
15 information and data on wildlife risk mitigation plan
16 implementation in the modified accredited zone; implementation of a
17 movement certificate process; progress toward annual surveillance
18 test requirements; efforts to work with slaughter facilities in
19 this state, as well as those that slaughter a significant number of
20 animals from this state; educational programs and information for
21 this state's livestock community; and any other item the
22 legislature should be aware of that will promote or hinder efforts
23 to achieve bovine TB free status for this state.

24 Sec. 458. From the funds appropriated in part 1 for Michigan
25 animal agriculture alliance, the department shall work with animal
26 industry representatives and state research universities to
27 establish an animal research grant program.

28

29 **PESTICIDE AND PLANT PEST MANAGEMENT**

1 Sec. 501. The department shall report on the previous calendar
2 year's activities of the pesticide and plant pest management
3 division. The report shall be transmitted to the subcommittees, the
4 fiscal agencies, and the state budget office and posted to the
5 department's website on or before April 1 of each year.

6
7 **ENVIRONMENTAL STEWARDSHIP**

8 Sec. 601. The funds appropriated in part 1 for environmental
9 stewardship/MAEAP shall be used to support department agriculture
10 pollution prevention programs, including groundwater and freshwater
11 protection programs under part 87 of the natural resources and
12 environmental protection act, 1994 PA 451, MCL 324.8701 to
13 324.8717, and technical assistance in implementing conservation
14 grants available under the federal farm bill of 2018, Public Law
15 115-334.

16 Sec. 602. The department shall report on the previous calendar
17 year's activities of the environmental stewardship division. The
18 report shall be transmitted to the subcommittees, the fiscal
19 agencies, and the state budget office and posted to the
20 department's website on or before April 1 of each year.

21 Sec. 608. (1) The appropriations in part 1 for the qualified
22 forest program are for the purpose of increasing the knowledge of
23 nonindustrial private forestland owners of sound forest management
24 practices and increasing the amount of commercial timber production
25 from those lands.

26 (2) The department shall work in partnership with stakeholder
27 groups and other state and federal agencies to increase the active
28 management of nonindustrial private forestland to foster the growth
29 of Michigan's timber product industry.

1 Sec. 609. (1) The appropriations in part 1 for local
2 conservation districts shall be distributed in equal amounts to
3 local conservation districts in this state that were in operation
4 as of April 15, 2021.

5 (2) On or before March 1, 2023, the department shall report on
6 the previous calendar year's activities of local conservation
7 districts. The report shall include descriptions of local
8 conservation district activities and funding, including uses of
9 appropriations made in part 1. In preparing this report, the
10 department shall coordinate with representatives of local
11 conservation districts. The report shall be transmitted to the
12 subcommittees, the fiscal agencies, and the state budget office and
13 posted to the department's website.

14 Sec. 610. From the funds appropriated in part 1, the
15 department shall coordinate with the department of treasury to
16 improve the timely processing and issuance of tax credits under
17 section 36109 of the natural resources and environmental protection
18 act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and
19 open space preservation program under parts 361 and 362 of the
20 natural resources and environmental protection act, 1994 PA 451,
21 MCL 324.36101 to 324.3116 and 324.36201 to 324.36207. This
22 includes, but is not limited to:

23 (a) Timely review of mailed applications and paperwork.

24 (b) Timely and proactive communications to applicants on the
25 status of their application.

26 (c) A clear and understood timeline for the issuance of any
27 tax credits.

28

29 **LABORATORY PROGRAM**

1 Sec. 651. The department shall report on the previous calendar
2 year's activities of the laboratory division. The report shall be
3 transmitted to the subcommittees, the fiscal agencies, and the
4 state budget office and posted to the department's website on or
5 before April 1 of each year.

6
7 **AGRICULTURE DEVELOPMENT**

8 Sec. 701. (1) From the funds appropriated in part 1 for the
9 food and agriculture investment program, the department shall
10 establish and administer a food and agriculture investment program.

11 (2) The food and agriculture investment program shall expand
12 the Michigan food and agriculture sector, grow Michigan exports,
13 promote the development of value-added agricultural production,
14 food hubs, food incubators, and community-based processing
15 facilities with a focus on new and expanding protein processors,
16 and the expansion of farm markets and urban agriculture, including
17 promotion of hoop houses, and increase food processing activities
18 within this state by accelerating projects and infrastructure
19 development that support growth in the food and agriculture
20 processing industry.

21 (3) Before the allocation of funding, all projects shall
22 receive approval from the Michigan commission of agriculture and
23 rural development, except for projects selected through a
24 competitive process by a joint evaluation committee selected by the
25 director and consisting of representatives that have agriculture,
26 business, and economic development expertise. Projects funded
27 through the food and agriculture investment program will be
28 required to have a grant agreement that outlines milestones and
29 activities that must be met in order to receive a disbursement of

1 funds. Projects must also identify measurable project outcomes.

2 (4) The department shall include in the agriculture
3 development annual report a report on the food and agriculture
4 investment program for the previous fiscal year that includes a
5 listing of the grantees, award amounts, match funding, project
6 locations, and project outcomes.

7 (5) The food and agriculture investment program shall be
8 administered by the department and provide support for food and
9 agriculture projects that will enable growth in the industry and
10 this state's economy.

11 (6) The unexpended funds appropriated in part 1 for the food
12 and agriculture investment program are designated as a work project
13 appropriation, and any unencumbered or unallotted funds shall not
14 lapse at the end of the fiscal year and shall be available for
15 expenditures for projects under this section until the projects
16 have been completed. The following is in compliance with section
17 451a(1) of the management and budget act, 1984 PA 431, MCL
18 18.1451a:

19 (a) The purpose of the project is to promote and expand the
20 Michigan food and agriculture sector, grow Michigan exports, and
21 increase food processing activities within the state.

22 (b) The project will be funded in accordance with this section
23 and the project guidelines approved by the Michigan commission of
24 agriculture and rural development prior to an award.

25 (c) The estimated cost of this project is identified in the
26 appropriation line item.

27 (d) The tentative completion date for the work project is
28 September 30, 2025.

29 (7) From the funds appropriated in part 1 for food and

1 agriculture investment program, \$1,000,000.00 shall be used for
2 grants to new and expanding protein processors.

3 (8) The department may expend money from the funds
4 appropriated in part 1 for the food and agriculture investment
5 program, including all of the following activities:

- 6 (a) Grants.
- 7 (b) Loans or loan guarantees.
- 8 (c) Infrastructure development.
- 9 (d) Other economic assistance.
- 10 (e) Program administration.
- 11 (f) Export assistance.

12 (9) The department shall expend no more than 5% from the funds
13 appropriated in part 1 for the food and agriculture investment
14 program for administrative purposes.

15 Sec. 702. The department shall work with the rural development
16 fund board to establish a process and criteria for funding projects
17 as well as establishing metrics and measurable outcomes for the
18 program. Funds appropriated from the rural development fund shall
19 be used in accordance with the provisions of the rural development
20 fund act, 2012 PA 411, MCL 286.941 to 286.947.

21 Sec. 702a. The office of rural development shall act to
22 encourage and enable appropriate community advancements and
23 improvements, including, but not limited to, housing,
24 infrastructure, education, workforce development, and other needs
25 uniquely present in rural areas of this state that will assist in
26 expansion of rural agriculture development.

27 Sec. 703. (1) From the funds appropriated in part 1 for fair
28 food network - double up food bucks, the department shall work with
29 the fair food network to ensure that at least 80% of the funds

1 allocated to the double up food bucks program are directly used for
2 the payments to participating vendors.

3 (2) The department shall work with the department of health
4 and human services to do all of the following:

5 (a) Notify recipients of food assistance program benefits that
6 food assistance program benefits can be accessed at many farmer's
7 markets in this state with bridge cards.

8 (b) Notify recipients of food assistance program benefits
9 about the double up food bucks program that is administered by the
10 fair food network. Food assistance program recipients shall receive
11 information about the double up food bucks program, including
12 information that explains that when program recipients spend up to
13 \$20.00 at participating farmer's markets and grocery stores, the
14 recipient can receive an additional \$20.00 to buy Michigan produce.

15 (3) The department shall work with the fair food network to
16 expand access to the double up food bucks program in each of the
17 state's counties with grocery stores or farmer's markets that meet
18 the program's eligibility requirements.

19 (4) On or before June 1, 2023, the department shall submit a
20 report on activities and outcomes of the double up food bucks
21 program to the subcommittees and the fiscal agencies. The report
22 shall contain all of the following:

23 (a) Counties in this state with participating double up food
24 bucks vendors, the number of vendors by county, and the name and
25 location of vendors, as of May 1, 2022.

26 (b) Counties in this state with participating double up food
27 bucks vendors, the number of vendors by county, and the name of
28 location of vendors, as of May 1, 2022. The report shall highlight
29 counties and vendors added to the program since May 1, 2022.

1 (c) Number of individuals participating in the program, by
2 county.

3 Sec. 706. (1) The department shall report on the previous
4 calendar year's activities of the agriculture development division.
5 The report shall be transmitted to the subcommittees, the fiscal
6 agencies, and the state budget office and posted to the
7 department's website on or before April 1 of each year.

8 (2) The report shall include the following information on any
9 grants awarded during the prior fiscal year:

10 (a) The name of the grantee.

11 (b) The amount of the grant.

12 (c) The purpose of the grant, including measurable outcomes.

13 (d) Additional state, federal, private, or local funds
14 contributed to the grant project.

15 (e) The completion date of grant-funded activities.

16 (3) The report shall include the following information on the
17 Michigan craft beverage council established under section 303 of
18 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

19 (a) Council activities and accomplishments for the previous
20 fiscal year.

21 (b) Council expenditures for the previous fiscal year by
22 category of administration, industry support, research and
23 education grants, and promotion and consumer education.

24 (c) Grants awarded during the previous fiscal year and the
25 results of research grant projects completed during the previous
26 fiscal year.

27 Sec. 707. Unexpended industry support fund revenues at the end
28 of the fiscal year may be carried forward into the industry support
29 fund in the succeeding fiscal year and shall not lapse to the

1 general fund.

2

3 **FAIRS AND EXPOSITIONS**

4 Sec. 801. All appropriations from the agriculture equine
5 industry development fund shall be spent on equine-related
6 purposes. No funds from the agriculture equine industry development
7 fund shall be expended for nonequine-related purposes without prior
8 approval of the legislature.

9 Sec. 802. From the funds appropriated in part 1 from
10 agriculture equine industry development funds, available revenue
11 shall be allocated in the following priority order:

12 (a) To support all administrative, contractual, and regulatory
13 costs incurred by the department and the Michigan gaming control
14 board.

15 (b) Up to \$495,000.00 shall be allocated to the purses and
16 supplements - fairs/licensed tracks line item.

17 (c) Any remaining funds collected through September 30, 2022,
18 after the obligations in subdivisions (a) and (b) have been met,
19 shall be prorated equally among the supplements, breeders' awards,
20 and sire stakes awards to eligible race meeting licensees in
21 accordance with section 20 of the horse racing law of 1995, 1995 PA
22 279, MCL 431.320.

23 Sec. 805. (1) The department shall establish and administer a
24 county fairs, shows, and expositions grant program. The program
25 shall have the following objectives:

26 (a) Assist in the promotion of building improvements or other
27 capital improvements at county fairgrounds of this state.

28 (b) Provide financial support, promotion, prizes, and premiums
29 of equine, livestock, and other agricultural commodity expositions

1 in this state.

2 (2) The department shall award grants on a competitive basis
3 to county fairs or other organizations from the funds appropriated
4 in part 1 for county fairs, shows, and expositions grants. Grantees
5 will be required to provide a 50% cash match with grant awards and
6 identify measurable project outcomes. A county fair organization
7 that received a county fair capital improvement grant in the prior
8 fiscal year shall not receive a grant from the appropriation in
9 part 1.

10 (3) From the amount appropriated in part 1 for county fairs,
11 shows, and expositions, up to \$25,000.00 shall be expended for the
12 purpose of financial support, promotion, prizes, and premiums of
13 equine, livestock, and other agricultural commodity expositions in
14 this state, and festivals.

15 (4) All fairs receiving grants under this section shall
16 provide a report to the department on the financial impact
17 resulting from the capital improvement project on both fair and
18 nonfair events. These reports are due for 3 years immediately
19 following the completion of the capital improvement project.

20 (5) The department shall identify criteria, evaluate
21 applications, and provide recommendations to the director for final
22 approval of grant awards.

23 (6) The department may expend money from the funds
24 appropriated in part 1 for the county fairs, shows, and expositions
25 grants for administering the program.

26 (7) The unexpended portion of the appropriation in part 1 for
27 county fairs, shows, and expositions grants is considered a work
28 project appropriation in accordance with section 451a of the
29 management and budget act, 1984 PA 431, MCL 18.1451a. The following

1 apply to the project:

2 (a) The purpose of the project is to support building
3 improvements or other capital improvements at county fairgrounds of
4 this state.

5 (b) All grants will be distributed in accordance with this
6 section and the grant guidelines published prior to the request for
7 proposals.

8 (c) The estimated cost of the project is identified in the
9 appropriation line item.

10 (d) The tentative completion date for the work project is
11 September 30, 2025.

12 (8) The department shall provide a year-end report on the
13 county fairs, shows, and expositions grants no later than December
14 1, 2023 to the subcommittees, the fiscal agencies, and the state
15 budget director that includes a listing of the grantees, award
16 amounts, match funding, and project outcomes.