



**AGRICULTURE AND RURAL DEVELOPMENT
APPROPRIATIONS
BOILERPLATE DECISION DOCUMENT
FY 2015-16**

Article I, House Bill 4102 (H-1)

Article I, Senate Bill 133 (S-1) *

*** Identical to Senate Bill 115 (S-1)**

Compared to Current Year

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Printed May 20, 2015

**House Appropriations Subcommittee on
Agriculture and Rural Development**

Rep. Jenkins, Chair
Rep. Victory, Vice-Chair
Rep. Pagel
Rep. Canfield
Rep. Hoadley, Minority Vice-Chair
Rep. Singh



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2014-2015 is \$73,919,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$4,750,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Environmental stewardship	\$ 209,000
Michigan agriculture environmental assurance program	2,000,000
Local conservation districts	1,041,000
Qualified forest program	<u>1,500,000</u>
TOTAL	\$4,750,000

Updated to reflect Part 1 and fiscal year references.

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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.

No change from current law.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

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

- (a) "Department" means the department of agriculture and rural development.
- (b) "Director" means the director of the department.
- (c) "EPA" means the United States environmental protection agency.
- (d) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (g) "IDG" means interdepartmental grant.
- (h) "LARA" means the Michigan department of licensing and regulatory affairs.
- (i) "LCC" means the Michigan liquor control commission.
- (j) "MDEQ" means the Michigan department of environmental quality.
- (k) "MDNR" means the Michigan department of natural resources.
- (l) "MOU" means memorandum of understanding.
- (m) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
- (n) "TB" means tuberculosis.
- (o) "USDA" means the United States department of agriculture.

No change from current law.

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- (g) "IDG" means interdepartmental grant.
- (h) "LARA" means the Michigan department of licensing and regulatory affairs.
- (i) "LCC" means the Michigan liquor control commission.
- (j) "MAEAP" means Michigan agriculture environmental assurance program.
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- (n) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
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[MAEAP is the only difference between House and Senate.]



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
<p>Sec. 205. (1) For each new program or program expansion for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Not later than November 1, 2014, the department shall report the proposed benchmarks to the house and senate appropriations subcommittees for that department, the house and senate fiscal agencies, and the state budget director. The department shall provide an update on its progress in achieving those benchmarks at an appropriations subcommittee meeting called for the purpose of discussing benchmarks and their status.</p>	<p style="background-color: yellow;">No change other than date reference.</p>	<p style="background-color: yellow;">Not included. (See Section 240, below)</p>	
<p>(2) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2016, any proposal for a new program or an expansion of an existing program in excess of \$500,000.00 initiated by the executive branch or the legislature shall include, as part of the original proposal or budget request, a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase.</p>	<p>No change from current law.</p>	<p>Not included.</p>	
<p>Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$6,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.	No change from current law.	No change from current law.	
(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.	No change from current law.	No change from current law.	
(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.	No change from current law.	No change from current law.	
<p>Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:</p> <p>(a) Fiscal year-to-date expenditures by category. (b) Fiscal year-to-date expenditures by appropriation unit. (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description. (d) The number of active department employees by job classification. (e) Job specifications and wage rates.</p>	No change from current law.	No change from current law.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
<p>Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.</p>	No change from current law.	No change from current law.	
<p>Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.</p>	No change from current law.	No change from current law.	
<p>Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.</p>	No change from current law.	No change from current law.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

Sec. 212. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

No change from current law.

No change from current law.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

No change from current law.

No change from current law.

Sec. 218. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

No change from current law.

No change from current law.

- (a) The dates of each travel occurrence.
- (b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

Sec. 228. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

No change from current law.

No change from current law.

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees on agriculture and rural development, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2014 and September 30, 2015.

No change from current law other than date references.

No change from current law other than date references.

Sec. 230. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

No change from current law.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
<p>Sec. 231. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	
<p>Sec. 232. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2015 is \$11,651,400.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$6,512,000.00. Total agency appropriations for retiree health care legacy costs are estimated at \$5,139,400.00.</p>	<p>Updated to reflect FY 2015-16 estimates: Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2016 is \$12,751,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$7,237,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$5,513,800.00.</p>	<p>Updated to reflect FY 2015-16 estimates: Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2016 is \$12,751,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$7,237,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$5,513,800.00.</p>	
	<p>Not included. (See Section 205, above.)</p>	<p>New. Sec. 240. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1, 2015 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program -specific metrics to members of the senate and house subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.</p>	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

DEPARTMENTWIDE

Sec. 301. (1) Pursuant to the appropriations in part 1, the department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, and laboratory analyses as specified in the following:

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

No change from current law.

No change from current law.

(2) The department shall notify the subcommittees and the fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.

No change from current law.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
(3) Annually, before February 1, the department shall provide a report to the subcommittees and the fiscal agencies detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.	No change from current law.	No change from current law.	
Sec. 302. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the subcommittees and fiscal agencies at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.	No change from current law.	No change from current law.	
	New Sec. 303. It is the intent of the legislature that the department use revenue from licensing and inspection fees to increase the use of technology in licensing and inspection activities to make licensing and inspection functions, including reporting, more efficient. The department shall work to ensure that all license and registration applications can be completed on-line through a secure web portal."	Not included	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
FOOD AND DAIRY	<p>New [State Budget Office language.] Sec. 401: (1) From the increased funds appropriated in part 1 for the food safety and quality assurance line item, the department shall increase the number of inspections performed at licensed food establishments in the current fiscal year. The purpose of this increase is to improve the monthly rate of compliance with the Michigan food law at licensed establishments.</p> <p>(2) The department shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the following: (a) The number of licensed food establishments that are in compliance with the Michigan food law will increase as a result of the department's ability to improve the frequency of initial food safety evaluations.</p>	<p>Not included</p>	
<p>Sec. 402. Not later than April 1, the department shall provide a report to the subcommittees and the fiscal agencies describing significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the immediately preceding fiscal year. .</p>	<p>Modified to read as follows:</p> <p>Sec. 402. The department shall provide information on significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the immediately preceding fiscal year in the food and dairy annual report and post that report on the department's website no later than April 1. The department shall provide electronic notification of where the report can be found on the department's website to the appropriations subcommittees, fiscal agencies and state budget office.</p>	<p>No change from current law.</p>	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
<p>ANIMAL INDUSTRY</p> <p>Sec. 451. From the funds appropriated in part 1 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.</p>	<p>Modified as follows:</p> <p>Sec. 451. From the funds appropriated in part 1 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.</p>	<p>No change from current law.</p>	
<p>Sec. 453. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order from any line item for the current fiscal year. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to the subcommittees and the fiscal agencies.</p>	<p>No change from current law.</p>	<p>Not Included.</p>	
<p>(2) The department of agriculture and rural development shall make an indemnification payment for the fair market value of livestock killed by a wolf, coyote, or cougar, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.</p>	<p>No change from current law.</p>	<p>Not Included.</p>	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
<p>(3) The funds appropriated in part 1 for indemnification - livestock depredation are appropriated for indemnification payments and related department costs under subsection (2). On or before March 1 of the current fiscal year, the department shall report to the subcommittees and the fiscal agencies on costs incurred in the previous 2 fiscal years for indemnification payments to producers made under subsection (2) and related department costs.</p>	<p>No change from current law.</p>	<p>Not Included.</p>	
<p>Sec. 454. The department shall use its resources to collaborate with the USDA to obtain TB-free status for the area of the Lower Peninsula that is zoned as modified accredited advanced. The department shall also aggressively work toward eradicating bovine TB in the modified accredited zone. The department shall also convene a workgroup to work toward eradicating bovine TB in the modified accredited zone.</p>	<p>Modified as follows: Sec. 454. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the May 2014 memorandum of understanding between the department and the USDA.</p>	<p>No change from current law.</p>	
<p>Sec. 456. Of the funds appropriated in part 1, no funds shall be used to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines for electronic animal identification are outlined in statute.</p>	<p>No change from current law.</p>	<p>Not included.</p>	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

HOUSE

FY 2015-16

SENATE

CONFERENCE

Sec. 457. On or before October 15 of the current fiscal year and on a quarterly basis thereafter, the department shall report to the senate and house agriculture committees, the subcommittees, and the fiscal agencies on the department's progress toward meeting the USDA requirements as outlined in the March 2007 bovine TB program review. The report shall include, but is not limited to, information and data on: wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements set out in the June 2007 MOU; efforts to work with slaughter facilities in Michigan, as well as those that slaughter a significant number of animals from Michigan; educational programs and information for Michigan's livestock community; any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB-free status for Michigan.

No change from current law.

No change from current law.

Sec. 458. From the funds appropriated in part 1 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under section 7 of the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

Not included.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

Sec. 459. It is the intent of the legislature that the department shall not conduct whole herd bovine TB testing on any 1 herd in a TB-free zone more often than every 4 years or re-test until all other herds in their county have been tested, unless involved in an epidemiological investigation, there is an outbreak within a 10 radius mile area, or is not on a verified wildlife risk mitigated premises. If there is an outbreak within a 10 radius mile area, protocols outlined by the current memorandum of understanding with the USDA shall be used.

No change from current law.

Not included.

**PESTICIDE AND PLANT PEST
MANAGEMENT**

New [State Budget Office language.]

Sec. 501. From the increased funds appropriated in part 1 for the pesticide and plant pest management line item, the department shall improve the department's ability to perform proper surveillance of the fertilizer and pesticide industries in the current fiscal year. The purpose of this surveillance is to ensure that statutory requirements related to use and storage are being met, specifically those intended to protect the environment or the food supply.

Not included.

ENVIRONMENTAL STEWARDSHIP

Sec. 601. The part 1 appropriation line item environmental stewardship shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the Michigan natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill of 2014.

Modified as follows:

Sec. 601. The funds appropriated in part 1 for environmental stewardship/MAEAP shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the Michigan natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill of 2014.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
<p>Sec. 603. The appropriation in part 1 for local conservation districts shall be allocated in the following manner:</p> <p>(a) Of the total appropriation, local conservation districts shall receive funds to carry out the functions of environmental conservation and protection programs within that district. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any funds received from local sources.</p> <p>(b) Any amount remaining from the appropriation after distributions under subdivision (a) shall be allocated for local conservation district training.</p>	Not included.	Not included.	
<p>Sec. 604. (1) Federal revenues authorized by and available from the federal government in excess of the appropriation in part 1 under section 107 are appropriated and may be received and expended by the department for purposes authorized under state law and subject to federal requirements.</p>	No change from current law.	No change from current law.	
<p>(2) The department shall notify the subcommittees and fiscal agencies prior to expending federal revenues received and appropriated under subsection (1).</p>	No change from current law.	No change from current law.	
<p>Sec. 605. No funds other than those appropriated in part 1 for the Michigan agriculture environmental assurance program shall be expended for administration or implementation of the Michigan agriculture environmental assurance program.</p>	Not included.	Not included.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

Sec. 607. (1) It is the intent of the legislature that the department continue its activities in support of intercounty drainage districts as provided in chapter 5 of the drain code of 1956, 1956 PA 40, MCL 280.101 to 280.106.

Not included.

No change from current law.

(2) The department shall work with representatives of intercounty drainage districts to develop a mutually agreeable method of funding department costs associated with the intercounty drainage program.

Not included.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

HOUSE

FY 2015-16

SENATE

CONFERENCE

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

No change from current law.

No change from current law.

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

No change from current law.

No change from current law.

Sec. 609. From the appropriation in part 1 for commercial forestry audit program, it is the intent of the legislature to provide grant funding to the qualified nonprofit sustainable forestry initiative to work with public and private forestland owners to conduct site visits and prepare an analysis and audit of statewide best management practices for water quality and the related forest ecosystem, including native plant and animal species and wildlife habitat. The best management practices audit shall be performed by an audit team composed of qualified professionals, including, but not limited to, the department, the department of environmental quality, university faculty, and conservation groups.

Modified as follows:

Sec. 609 (1). From the appropriation in part 1 for commercial forestry audit program, the department shall develop an analysis and audit of forestry best management practices for water quality and the related forest ecosystem, including native plant and animal species and wildlife habitat. The analysis and audit shall have a statewide perspective. The best management practices audit shall be performed by an audit team composed of qualified professionals, including, but not limited to, the department, the department of environmental quality, university faculty, and conservation groups.

No change from current law.

(2) At the close of the fiscal year, the unexpended portion of the commercial forestry audit program is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(3) At the completion of the analysis and audit, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and rural development, and the house and senate fiscal agencies, describing the results of the analysis and audit.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
<p><u>AGRICULTURE DEVELOPMENT</u></p> <p>Sec. 701. (1) The department shall establish and administer a rural development value-added grant program. The program shall promote the expansion of value-added agricultural production, processing, and access within the state.</p>	Not included.	No change from current law.	
<p>(2) The department shall award grants on a competitive basis from the funds appropriated in part 1 for rural development value-added grants. Grantees will be required to provide a cash match and identify measurable project outcomes. Eligible grantees may include, but are not limited to, individuals, partnerships, cooperatives, private or public corporations, and local units of government.</p>	Not included.	No change from current law.	
<p>(3) A joint evaluation committee shall be selected by the director with representatives with agriculture, business, and economic development expertise. The joint evaluation committee shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.</p>	Not included.	No change from current law.	
<p>(4) The department may expend money from the funds appropriated in part 1 for the rural development value-added grants for administering the program.</p>	Not included.	No change from current law.	
<p>(5) The unexpended portion of the rural development value-added grant program is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.</p>	Not included.	No change from current law.	
<p>(6) The department shall provide an interim report no later than March 15 of the current fiscal year and a year-end report no later than September 30 of the current fiscal year to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.</p>	Not included.	No change from current law.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
CURRENT LAW**

FY 2015-16

HOUSE

SENATE

CONFERENCE

(7) Notwithstanding any other provisions of this section, the department shall award a \$200,000.00 rural development value-added grant to the Eastern Michigan food bank for completion of its new food hub facility.

Not included.

Not included.

Sec. 706. Not later than April 1 of the current fiscal year, the department shall provide a report to the subcommittees and the fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Modified as follows:

Sec. 706. On or before April 1, the department shall report to the house and senate appropriations subcommittees on agriculture and rural development, and the house and senate fiscal agencies, on the department's agriculture development and export market development activities. The report shall include the following information on agriculture industry, rural development, and strategic growth grants awarded during the prior fiscal year:

- a. the name of grantee
- b. the amount of the grant
- c. the purpose of the grant including measurable outcomes
- d. additional state, federal, private or local funds contributed to the grant project
- e. completion date of grant-funded activities

No change from current law.

Sec. 709. (1) Not later than April 1 of the current fiscal year, the department shall provide a report to the subcommittees and the fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

No change from current law.

No change from current law.

(2) The report shall include all of the following:

- (a) Council activities and accomplishments for the previous fiscal year.
- (b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.
- (c) Grants awarded during the prior fiscal year and the results of research grant projects completed during the prior fiscal year.

No change from current law.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
Sec. 711. (1) The department shall establish and administer the food and agriculture industry growth initiative. The program shall use a grant process to support research, education, and technical assistance efforts focused on removing barriers and leveraging opportunities identified by those in the food and agriculture industry as critical to business development and growth within the state.	Modified to reference <i>strategic growth initiative</i> rather than the <i>food and agriculture industry growth initiative</i> .	No change from current law.	
(2) In addition to the funds appropriated in part 1, the department of agriculture and rural development may receive and expend funds received from outside sources for the food and agriculture industry growth initiative.	Modified to reference <i>strategic growth initiative</i> rather than the <i>food and agriculture industry growth initiative</i> .	No change from current law.	
(3) The director shall establish a consortium of interested parties including those involved in the food and agriculture industry sector to develop the program priorities described in subsection (1).	No change from current law.	No change from current law.	
(4) The department shall award grants from the funds appropriated in part 1 or received from outside sources under subsection (2) for food and agriculture industry growth initiative grants. Grantees will be required to identify measurable project outcomes.	Modified to reference <i>strategic growth initiative</i> rather than the <i>food and agriculture industry growth initiative</i> .	No change from current law.	
(5) A joint evaluation committee selected by the director shall evaluate applications and provide recommendations to the director for final approval of grant awards.	No change from current law.	No change from current law.	
(6) The department may expend money from the funds appropriated in part 1 for the food and agriculture industry growth initiative for administering the program.	Modified to reference <i>strategic growth initiative</i> rather than the <i>food and agriculture industry growth initiative</i> .	No change from current law.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
(7) Notwithstanding other provisions of this section, of the funds appropriated in part 1 for food and agriculture industry growth initiative, \$250,000.00 shall be designated for a regional public private partnership consisting of Michigan Technological University and at least 1 pulp and paper manufacturing operation focused on removing existing barriers and leveraging opportunities directly related to combined heat and power co-located with sustainable agricultural food processing operations.	Not included.	Not included.	
<u>FAIRS AND EXPOSITIONS</u> Sec. 801. All appropriations from the agriculture equine industry development fund shall be spent on equine-related purposes. No funds from the agriculture equine industry development fund shall be expended for nonequine-related purposes without prior approval of the legislature.	No change from current law.	No change from current law.	
Sec. 802. All appropriations from the agriculture equine industry development fund, except for the Michigan gaming control board's regulatory expenses and the department's expenses to administer horse racing programs and laboratory analysis, shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the preceding fiscal year to a level lower than the amounts appropriated in part 1.	No change from current law.	No change from current law.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
Sec. 803. (1) In the event there is no live thoroughbred race meet in 2014 or 2015, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2013-2014 and fiscal year 2014-2015 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the Michigan gaming control board.	No change from current law other than date references.	Not included.	
(2) In the event there is no live standardbred race meet in 2014 or 2015, all purse money and program money appropriated for the standardbred industry in fiscal year 2013-2014 and fiscal year 2014-2015 shall be held in escrow for a period not to exceed 18 months, or until a standardbred race meet license is applied for and granted by the Michigan gaming control board.	No change from current law other than date references.	Not included.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2014-15
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HOUSE

FY 2015-16

SENATE

CONFERENCE

Sec. 804. It is the intent of the legislature that the Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house of representatives appropriations subcommittees on agriculture and rural development and general government and the fiscal agencies by November 1 of the current fiscal year. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

No change from current law.

No change from current law.



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
Sec. 805. (1) The department shall establish and administer a county fairs capital improvement grant program. The program shall assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state.	No change from current law.	No change from current law.	
(2) The department shall award grants on a competitive basis to county fair organizations from the funds appropriated in part 1 for county fairs capital improvements grants. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.	No change from current law.	No change from current law.	
(3) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.	No change from current law.	No change from current law.	
(4) The department may expend money from the funds appropriated in part 1 for the county fairs capital improvement grants for administering the program.	No change from current law.	No change from current law.	
(5) The unexpended portion of the county fairs capital improvement grant program is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.	No change from current law.	No change from current law.	
(6) The department shall provide a year-end report no later than December 1, 2015 to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.	No change from current law other than date references.	No change from current law other than date references.	



DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2014-15 CURRENT LAW	FY 2015-16		
	HOUSE	SENATE	CONFERENCE
Sec. 806. (1) The amount appropriated in part 1 for shows and expositions shall be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in Michigan.	Not included.	No change from current law.	
(2) The department shall award grants for the purposes stipulated in subsection (1) on a competitive basis to persons organizing shows and expositions from the funds appropriated in part 1 for shows and expositions. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.	Not included.	No change from current law.	
(3) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.	Not included.	No change from current law.	
(4) The unexpended portion of the appropriation for shows and expositions is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.	Not included.	No change from current law.	
(5) The department shall provide a year-end report no later than December 1, 2015 to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.	Not included.	No change from current law other than date references.	
<u>ONE-TIME BASIS ONLY APPROPRIATIONS</u>			
Sec. 1101. The 1-time appropriations in part 1 for food and agriculture industry growth initiative shall be expended in accordance with the requirements of section 711 of this part.	Not included.	Not included.	