

**SUBSTITUTE FOR
HOUSE BILL NO. 5511**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2025; 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

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2025, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
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1	Full-time equated classified positions	549.0	
2	GROSS APPROPRIATION		\$ 149,938,900
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		332,400
6	ADJUSTED GROSS APPROPRIATION		\$ 149,606,500
7	Federal revenues:		
8	Total federal revenues		20,357,900
9	Special revenue funds:		
10	Total local revenues		0
11	Total private revenues		21,300
12	Total other state restricted revenues		47,170,900
13	State general fund/general purpose		\$ 82,056,400
14	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
15	SUPPORT		
16	Full-time equated unclassified positions	6.0	
17	Full-time equated classified positions	37.0	
18	Unclassified salaries--FTEs	6.0	\$ 1,033,200
19	Accounting service center		1,177,400
20	Commissions and boards		23,800
21	Emergency management--FTEs	8.0	3,553,100
22	Emerging contaminants in food and agriculture--		
23	FTEs	6.0	2,109,900
24	Executive direction--FTEs	23.0	3,354,600
25	Property management		785,000
26	GROSS APPROPRIATION		\$ 12,037,000
27	Appropriated from:		
28	Federal revenues:		



1	Deferred federal revenue funding		15,000
2	HHS, multiple grants		439,000
3	USDA, multiple grants		600,000
4	Special revenue funds:		
5	Agriculture licensing and inspection fees		158,300
6	Dairy and food safety fund		219,600
7	Feed control fund		8,100
8	Fertilizer control fund		10,600
9	Freshwater protection fund		175,700
10	Gasoline inspection and testing fund		26,400
11	Industry support funds		57,000
12	Michigan craft beverage council fund		8,800
13	Private forestland enhancement fund		16,300
14	Refined petroleum fund		21,000
15	Weights and measures regulation fees		5,000
16	State general fund/general purpose	\$	10,276,200
17	Sec. 103. INFORMATION TECHNOLOGY		
18	Information technology services and projects	\$	2,366,400
19	GROSS APPROPRIATION	\$	2,366,400
20	Appropriated from:		
21	Special revenue funds:		
22	Agriculture licensing and inspection fees		93,000
23	Dairy and food safety fund		76,400
24	Feed control fund		15,000
25	Fertilizer control fund		15,000
26	Freshwater protection fund		15,000
27	Gasoline inspection and testing fund		32,400
28	State general fund/general purpose	\$	2,119,600



1	Sec. 104. FOOD SAFETY AND ANIMAL HEALTH		
2	Full-time equated classified positions	212.0	
3	Animal disease prevention and response--FTEs	63.0	\$ 11,103,000
4	Animal feed safety--FTEs	10.0	2,100,800
5	Food safety and quality assurance--FTEs	103.0	18,833,700
6	Indemnification - livestock depredation		15,000
7	Michigan animal agriculture alliance		3,000,000
8	Milk safety and quality assurance--FTEs	36.0	5,999,300
9	GROSS APPROPRIATION		\$ 41,051,800
10	Appropriated from:		
11	Federal revenues:		
12	HHS, multiple grants		3,244,200
13	USDA, multiple grants		1,209,500
14	Special revenue funds:		
15	Agriculture licensing and inspection fees		72,900
16	Animal welfare fund		150,000
17	Consumer and industry food safety education		
18	fund		242,500
19	Dairy and food safety fund		5,506,700
20	Feed control fund		1,431,200
21	Industry food safety education fund		114,100
22	Marihuana regulation fund		350,000
23	Marihuana regulatory fund		349,900
24	State general fund/general purpose		\$ 28,380,800
25	Sec. 105. ENVIRONMENT AND SUSTAINABILITY		
26	Full-time equated classified positions	120.5	
27	Agricultural climate resiliency		\$ 1,000,000
28	Environmental stewardship - MAEAP--FTEs	27.0	10,825,300



1	Local conservation districts		3,000,000
2	Pesticide and plant pest management--FTEs	82.0	14,506,900
3	Right-to-farm--FTEs	6.5	1,042,100
4	Soil health/Regenerative agriculture--FTEs	5.0	1,024,900
5	GROSS APPROPRIATION		\$ 31,399,200
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from MDEGLE, biosolids		95,600
9	Federal revenues:		
10	Department of Interior		96,300
11	EPA, multiple grants		1,142,700
12	USDA, multiple grants		2,046,100
13	Special revenue funds:		
14	Private - slow-the-spread foundation		21,300
15	Agriculture licensing and inspection fees		4,626,800
16	Fertilizer control fund		1,372,700
17	Freshwater protection fund		8,528,400
18	Horticulture fund		70,000
19	Industrial hemp fund		685,700
20	Industry support funds		228,100
21	State general fund/general purpose		\$ 12,485,500
22	Sec. 106. AGRICULTURE DEVELOPMENT		
23	Full-time equated classified positions	71.0	
24	Agricultural preservation easement grants		\$ 1,900,000
25	Agricultural support--FTEs	5.0	1,000,000
26	Agriculture development--FTEs	15.0	4,848,700
27	Fair food network - double up food bucks		4,000,000
28	Farm to family--FTEs	6.0	1,000,000



1	Farmland and open space preservation--FTEs	10.0	1,638,000
2	Food and agriculture investment program		2,474,800
3	Food and agriculture supply chain--FTE	1.0	804,900
4	Fruit and vegetable inspections--FTEs	8.0	1,308,100
5	Intercounty drain--FTEs	5.0	883,800
6	Michigan craft beverage council--FTE	1.0	1,341,500
7	Migrant labor housing--FTEs	9.0	1,389,500
8	Producer security/grain dealers--FTEs	6.0	1,033,400
9	Qualified forest program--FTEs	4.0	8,107,000
10	Rural development fund grant program--FTE	1.0	2,008,200
11	GROSS APPROPRIATION		\$ 33,737,900
12	Appropriated from:		
13	Federal revenues:		
14	USDA, multiple grants		8,085,600
15	Special revenue funds:		
16	Agricultural preservation fund		3,538,000
17	Agriculture licensing and inspection fees		5,100
18	Commodity inspection fees		700,300
19	Grain dealers fee fund		874,600
20	Industry support funds		223,600
21	Michigan craft beverage council fund		1,311,500
22	Migratory labor housing fund		145,100
23	Private forestland enhancement fund		1,080,100
24	Rural development fund		2,008,200
25	State general fund/general purpose		\$ 15,765,800
26	Sec. 107. LABORATORY PROGRAM		
27	Full-time equated classified positions	108.5	



1	Central licensing and customer call center--		
2	FTEs	13.0	\$ 1,553,500
3	Consumer protection program--FTEs	42.0	7,179,900
4	Laboratory services--FTEs	42.5	8,873,900
5	USDA monitoring--FTEs	11.0	1,725,100
6	GROSS APPROPRIATION		\$ 19,332,400
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG from LARA (LCC), liquor quality testing		
10	fees		236,800
11	Federal revenues:		
12	EPA, multiple grants		180,600
13	HHS, multiple grants		1,572,600
14	USDA, multiple grants		1,726,300
15	Special revenue funds:		
16	Agriculture licensing and inspection fees		356,400
17	Dairy and food safety fund		532,500
18	Feed control fund		194,900
19	Fertilizer control fund		25,500
20	Freshwater protection fund		48,500
21	Gasoline inspection and testing fund		1,932,500
22	Grain dealers fee fund		8,200
23	Industrial hemp fund		323,200
24	Migratory labor housing fund		31,200
25	Refined petroleum fund		3,520,700
26	Testing fees		358,700
27	Weights and measures regulation fees		755,300
28	State general fund/general purpose		\$ 7,528,500



1	Sec. 108. FAIRS AND EXPOSITIONS	
2	County fairs, shows, and expositions	\$ 500,000
3	Fairs and racing	258,600
4	Horse racing advisory commission	125,000
5	Michigan sired championship stakes	720,000
6	Purses and supplements - fairs/licensed tracks	1,353,600
7	Standardbred breeders' awards	345,900
8	Standardbred purses and supplements - licensed	
9	tracks	991,100
10	Standardbred sire stakes	720,000
11	GROSS APPROPRIATION	\$ 5,014,200
12	Appropriated from:	
13	Special revenue funds:	
14	Agriculture equine industry development fund	4,514,200
15	State general fund/general purpose	\$ 500,000
16	Sec. 109. ONE-TIME APPROPRIATIONS	
17	Agricultural climate resiliency	\$ 5,000,000
18	GROSS APPROPRIATION	\$ 5,000,000
19	Appropriated from:	
20	State general fund/general purpose	\$ 5,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2024-2025

GENERAL SECTIONS

26 Sec. 201. In accordance with section 30 of article IX of the
 27 state constitution of 1963, for the fiscal year ending September
 28 30, 2025, total state spending from state sources under part 1 is
 29 \$129,227,300.00 and state spending under part 1 from state sources



1 to be paid to local units of government is \$11,800,000.00. The
 2 following itemized statement identifies appropriations from which
 3 spending to local units of government will occur:

4 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT		
5	Agriculture preservation easement grants	\$ 1,900,000
6	Environmental stewardship/MAEAP	4,100,000
7	Local conservation districts	3,000,000
8	Qualified forest program	1,400,000
9	Rural development fund grant program	1,400,000
10	TOTAL	\$ 11,800,000

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

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

15 (a) "Department" means the department of agriculture and rural
 16 development.

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

18 (c) "Fiscal agencies" means the Michigan house fiscal agency
 19 and the Michigan senate fiscal agency.

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

21 (e) "IDG" means interdepartmental grant.

22 (f) "MAEAP" means the Michigan agriculture environmental
 23 assurance program.

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

26 (h) "Standard report recipients" means the senate and house
 27 appropriations subcommittees on agriculture and rural development,
 28 the senate and house fiscal agencies, the senate and house policy
 29 offices, and the state budget office.



1 (i) "Subcommittees" means all members of the subcommittees of
2 the house and senate appropriations committees with jurisdiction
3 over the budget for the department.

4 (j) "TB" means tuberculosis.

5 (k) "USDA" means the United States Department of Agriculture.

6 Sec. 204. The department shall use the internet to fulfill the
7 reporting requirements of this part. This requirement includes
8 transmitting reports to the standard report recipients and any
9 other required recipients by email and posting the reports on an
10 internet site.

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

14 (a) The funds must not be used for the purchase of foreign
15 goods or services, or both, if competitively priced and of
16 comparable quality American goods or services, or both, are
17 available.

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

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

25 Sec. 206. The department shall not take disciplinary action
26 against an employee of the department for communicating with a
27 member of the legislature or legislative staff, unless the
28 communication is prohibited by law and the department is exercising
29 its authority as provided by law.



1 Sec. 207. Consistent with section 217 of the management and
2 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
3 a report on out-of-state travel expenses not later than January 1.
4 The report must list all travel by classified and unclassified
5 employees outside this state in the previous fiscal year that was
6 funded in whole or in part with funds appropriated in the
7 department's budget. The department shall submit the report to the
8 standard report recipients and to the senate and house
9 appropriations committees. The report must include all of the
10 following information:

11 (a) The dates of each travel occurrence.

12 (b) The total transportation and related expenses of each
13 travel occurrence and the proportions funded with state general
14 fund/general purpose revenues, state restricted revenues, federal
15 revenues, and other revenues.

16 Sec. 208. The department shall not use funds appropriated in
17 part 1 to hire a person to provide legal services that are the
18 responsibility of the attorney general. This section does not apply
19 to legal services for bonding activities or to outside legal
20 services that the attorney general authorizes.

21 Sec. 209. Not later than December 15, the state budget office
22 shall prepare and submit a report that provides estimates of the
23 total general fund/general purpose appropriation lapses at the
24 close of the previous fiscal year. The report must summarize the
25 projected year-end general fund/general purpose appropriation
26 lapses by major departmental program or program areas. The state
27 budget office shall submit the report to the standard report
28 recipients and to the chairpersons of the senate and house
29 appropriations committees.



1 Sec. 210. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$3,000,000.00 for
3 federal contingency authorization. Amounts appropriated under this
4 subsection are not available for expenditure until they have been
5 transferred to another line item in part 1 under section 393(2) of
6 the management and budget act, 1984 PA 431, MCL 18.1393.

7 (2) In addition to the funds appropriated in part 1, there is
8 appropriated an amount not to exceed \$2,000,000.00 for state-
9 restricted contingency authorization. Amounts appropriated under
10 this subsection are not available for expenditure until they have
11 been transferred to another line item in part 1 under section
12 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

13 (3) In addition to the funds appropriated in part 1, there is
14 appropriated an amount not to exceed \$100,000.00 for local-
15 contingency authorization. Amounts appropriated under this
16 subsection are not available for expenditure until they have been
17 transferred to another line item in part 1 under section 393(2) of
18 the management and budget act, 1984 PA 431, MCL 18.1393.

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

25 Sec. 211. The department shall cooperate with the department
26 of technology, management, and budget to maintain a searchable
27 website accessible by the public at no cost that includes, but is
28 not limited to, all of the following for the department:

29 (a) Fiscal year-to-date expenditures by category.



1 (b) Fiscal year-to-date expenditures by appropriation unit.

2 (c) Fiscal year-to-date payments to a selected vendor,
3 including the vendor name, payment date, payment amount, and
4 payment description.

5 (d) The number of active department employees by job
6 classification.

7 (e) Job specifications and wage rates.

8 Sec. 212. Not later than 14 days after the release of the
9 executive budget recommendation, the department shall cooperate
10 with the state budget office to provide an annual report on
11 estimated state restricted fund balances, state restricted fund
12 projected revenues, and state restricted fund expenditures for the
13 previous 2 fiscal years. The report must be submitted to the
14 standard report recipients and to the chairpersons of the senate
15 and house appropriations committees.

16 Sec. 214. To the extent permissible under the management and
17 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
18 take all reasonable steps to ensure geographically disadvantaged
19 business enterprises compete for and perform contracts to provide
20 services or supplies, or both. The director shall strongly
21 encourage firms with which the department contracts to subcontract
22 with certified geographically disadvantaged business enterprises
23 for services, supplies, or both. As used in this section,
24 "geographically disadvantaged business enterprises" means that term
25 as defined in Executive Directive No. 2019-08.

26 Sec. 215. On a quarterly basis, the department shall report on
27 the number of full-time equated positions in pay status by civil
28 service classification, including a comparison by line item of the
29 number of full-time equated positions authorized from funds



1 appropriated in part 1 to the actual number of full-time equated
2 positions employed by the department at the end of the reporting
3 period. The report must be submitted to the senate and house
4 appropriations committees and to the standard report recipients.

5 Sec. 216. It is the intent of the legislature that the
6 department maximize the efficiency of the state workforce and, if
7 possible, prioritize in-person work, and post its in-person,
8 remote, or hybrid work policy on its website.

9 Sec. 218. The department shall receive and retain copies of
10 all reports funded from appropriations in part 1. The department
11 shall follow federal and state guidelines for short-term and long-
12 term retention of records. The department may electronically retain
13 copies of reports unless otherwise required by federal and state
14 guidelines.

15 Sec. 219. Not later than April 1, the department shall report
16 on each specific policy change made to implement a public act
17 affecting the department that took effect during the previous
18 calendar year. The department shall submit the report to the
19 standard report recipients, to the senate and house appropriations
20 committees, and to the joint committee on administrative rules.

21 Sec. 221. To the extent possible, the department shall not
22 expend appropriations under part 1 until all existing authorized
23 work project funds available for the same purposes are exhausted.

24 Sec. 222. (1) Funds appropriated in part 1 must not be used to
25 restrict or impede a marginalized community's access to government
26 resources, programs, or facilities.

27 (2) From the funds appropriated in part 1, local governments
28 shall report any action or policy that attempts to restrict or
29 interfere with the duties of the local health officer.



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DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

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

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

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

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

(2) The department may receive and expend revenue from the fees authorized under subsection (1), subject to appropriation, to recover expenses associated with the work activities and services described in subsection (1). Fee revenue collected by the department under subsection (1) does not lapse to the state general fund at the end of the fiscal year but carries forward for appropriation by the legislature in the subsequent fiscal year.

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

(4) On or before February 1 of each year, the department shall provide a report to the subcommittees, the fiscal agencies, and the state budget office 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



1 each fee, and the revenue generated by each fee in the previous
2 fiscal year.

3 Sec. 302. (1) The department may contract with or provide
4 grants to local units of government, institutions of higher
5 education, or nonprofit organizations to support activities
6 authorized by appropriations in part 1. As used in this section:

7 (a) "Contracts" includes, but is not limited to, contracts for
8 delivery of groundwater/freshwater programs, MAEAP technical
9 assistance, forest management, invasive species monitoring,
10 wildlife risk mitigation.

11 (b) "Grants" includes, but is not limited to, grants promoting
12 proper pesticide disposal, and research grants for the purpose of
13 enhancing the 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 Sec. 303. (1) From the funds appropriated in part 1 for
19 emerging contaminants in food and agriculture the department shall
20 support efforts to identify and respond to the impacts of emerging
21 contaminants to the food and agriculture sector, help address and
22 mitigate current issues caused by emerging contaminants, and work
23 to prevent and minimize future impacts. The department shall
24 coordinate these efforts with other state agencies, federal
25 agencies, tribal governments, local governments, institutions of
26 higher learning, and the food and agriculture sector. Emerging
27 contaminants include but are not limited to pesticides, dioxins,
28 and per- and polyfluoroalkyl substances.

29 (2) The unexpended funds appropriated in part 1 for emerging



1 contaminants in food and agriculture are designated as a work
2 project appropriation, and any unencumbered or unallotted funds do
3 not lapse at the end of the fiscal year and are available for
4 expenditures for projects under this section until the projects
5 have been completed. The following is in compliance with section
6 451a(1) of the management and budget act, 1984 PA 431, MCL
7 18.1451a:

8 (a) The purpose of the project support efforts to identify and
9 respond to the impacts of emerging contaminants to the food and
10 agriculture sector, help address and mitigate current issues caused
11 by emerging contaminants, and work to prevent and minimize future
12 impacts.

13 (b) The project will be accomplished by utilizing state
14 employees or contracts with service providers, or both.

15 (c) The estimated cost of this project is \$2,918,000.00.

16 (d) The tentative completion date for the work project is
17 September 30, 2029.

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 must 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 must 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 must 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, the
 7 department shall pay for all whole herd bovine TB 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 department shall, by April 1, submit the report to the
 16 subcommittees, the fiscal agencies, and the state budget office and
 17 post the report to the department's website.

18 (2) The department shall include all of the following in the
 19 report:

20 (a) All indemnification payments for livestock depredation
 21 made in the previous calendar year and must include all of the
 22 following:

23 (b) The reason for the indemnification.

24 (c) The amount of the indemnification.

25 (d) The person for whom the indemnification was paid.

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



1 Sec. 455. From the funds appropriated in part 1 for animal
2 disease prevention and response, the department shall use
3 \$200,000.00 to cover costs associated with testing of registered
4 privately owned cervid facilities as follows:

5 (a) Required surveillance testing for chronic wasting disease.

6 (b) Infected herd bovine TB testing.

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

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

25 Sec. 458. From the funds appropriated in part 1 for Michigan
26 animal agriculture alliance, the department shall work with animal
27 industry representatives and state research universities to
28 continue an animal research grant program.
29



1 **PESTICIDE AND PLANT PEST MANAGEMENT**

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

7 Sec. 503. (1) Subject to subsection (5), from the funds
8 appropriated in part 1 and section 901 for agricultural climate
9 resiliency, the department shall establish an agricultural climate
10 resiliency program.

11 (2) The purpose of the agricultural climate resiliency program
12 described in this section is to promote the usage and
13 implementation of best regenerative agricultural farming practices
14 and new technologies related to environmental sustainability,
15 including measures to address the impacts of climate change.
16 Program goals include enhancing soil and plant health, soil carbon
17 sequestration, efficient use of water, and protection of water
18 resources.

19 (3) Through the program described in this section, the
20 department shall also do all of the following:

21 (a) Promote the principles of soil health and regenerative
22 agriculture, including maintaining soil cover, minimization of soil
23 disturbance, plant and crop diversity, maintenance of live plants
24 and roots, and integration of livestock into cropping systems.

25 (b) Promote the goals and principles of soil health and
26 regenerative agriculture, including increasing soil organic matter
27 content, improving soil water infiltration capacity, increasing
28 soil water holding capacity, improving soil biological capacity to
29 break down plant residue and other substances and to maintain soil



1 aggregation, improving soil nutrient sequestration and cycling
2 capacity, reducing nutrient losses, and increasing carbon
3 sequestration capacity of soil.

4 (4) Program funds described in subsection (1) may not be used
5 for applied research into the precision application of fertilizer,
6 pesticides, or herbicides.

7 (5) Of the funds appropriated in part 1 and section 901 for
8 agricultural climate resiliency, not less than \$9,000,000.00 must
9 be used by the department to partner with a state land-grant
10 university to develop, implement, and evaluate a soil health,
11 regenerative agriculture, and climate resiliency program. The
12 partnership described in this subsection must be focused on
13 researching and assisting the agricultural industry in implementing
14 climate resiliency, soil health, and regenerative agricultural
15 principles and techniques. Partnership goals must include, but are
16 not limited to, establishing program priorities, developing
17 metrics, implementing goals, evaluating outcomes, and engaging with
18 stakeholders. A state land-grant university partner receiving funds
19 as described in this subsection for agriculture climate resiliency
20 shall comply with both of the following requirements concerning the
21 funds:

22 (a) It shall use the funds for direct research support.

23 (b) It shall not charge the funds to the soil health,
24 regenerative agriculture, and climate resiliency program for
25 university indirect costs or administrative burden.

26 (6) In addition to the report required under section 501, by
27 April 1, the department shall prepare a report to be posted on the
28 department's website and provided to the relevant house and senate
29 standing committees and appropriations subcommittees as well as to



1 the fiscal agencies and state budget office. The report must
2 provide information on the agricultural climate resiliency program,
3 including department activities, uses of program funds by activity
4 or project, contractors, grantees, and a summary of projects and
5 project results.

6 Sec. 504. (1) Subject to subsection (2), from the funds
7 appropriated in part 1 for soil health/regenerative agriculture,
8 the department shall establish a program with the purpose of
9 advancing the adoption of soil health and regenerative agriculture
10 principles in agriculture in this state.

11 (2) The department may engage partners to achieve the purposes
12 of the program described in this section, including agriculture
13 extension offices, the national resources conservation service,
14 conservation districts, and nongovernmental organizations to build
15 farmer-to-farmer networks to disseminate practices and information
16 to improve adoption of soil health and regenerative agriculture
17 practices, and other needs that the department identifies to
18 improve adoption of these principles. Program funds under this
19 section may not be used for applied research into precision
20 application of fertilizer, pesticides, or herbicides.

21 (3) Through the program described in this section, the
22 department shall promote all of the following:

23 (a) The principles of soil health and regenerative
24 agriculture, which include maintaining soil cover, minimization of
25 soil disturbance, plant/crop diversity, maintenance of continual
26 live plant/root, and integration of livestock into cropping
27 systems.

28 (b) The goals of the principles of soil health and
29 regenerative agriculture, which include increasing soil organic



1 matter content, improving soil water infiltration capacity,
2 increasing soil water holding capacity, improving soil biological
3 capacity to break down plant residue and other substances and to
4 maintain soil aggregation, improving soil nutrient sequestration
5 and cycling capacity, reducing nutrient losses, and increasing
6 carbon sequestration capacity of soil.

7 (c) The practices of soil health and regenerative agriculture,
8 which include the use of no-till farming, intercropping, cover
9 crops, multispecies cover crops, roll cropping, managed rotational
10 grazing, and other practices identified that utilize natural
11 biological processes to advance the goals of soil health and
12 regenerative agriculture.

13 (4) The program's objectives for the program described in this
14 section must be accomplished by utilizing state employees or
15 contracts with service providers, or both. Any program partners
16 receiving funding shall indicate the conservation outcomes they are
17 intending to achieve and how they will measure achievement of those
18 outcomes and provide a report to the department on the uses of
19 funding received and achievement of any outcomes.

20 (5) In addition to the report required under section 501, by
21 April 1, the department shall prepare a report to be posted on the
22 department's website and provided to the relevant house and senate
23 standing committees and appropriations subcommittees as well as to
24 the fiscal agencies and state budget office. The report must
25 provide information on the soil health and regenerative agriculture
26 program, including department activities, uses of program funds by
27 activity or project, contractors, grantees, and a summary of
28 projects and project results.

29



1 **ENVIRONMENTAL STEWARDSHIP**

2 Sec. 601. The funds appropriated in part 1 for environmental
3 stewardship/MAEAP must be used to support department agriculture
4 pollution prevention programs, including groundwater and freshwater
5 protection programs under part 87 of the natural resources and
6 environmental protection act, 1994 PA 451, MCL 324.8701 to
7 324.8717, and technical assistance in implementing conservation
8 grants available under the federal farm bill.

9 Sec. 602. The department shall report on the previous calendar
10 year's activities of the environmental stewardship division. The
11 report must be transmitted to the subcommittees, the fiscal
12 agencies, and the state budget office and posted to the
13 department's website on or before April 1 of each year.

14 Sec. 603. In addition to the report required under section
15 602, by April 1, the department shall prepare a report to be posted
16 on the department's website and provided to the relevant house and
17 senate standing committees and appropriations subcommittees as well
18 as to the fiscal agencies and state budget office. The report must
19 contain the following information for agriculture nutrient best
20 management voluntary practices program:

21 (a) The number and location of acres enrolled in nutrient
22 management or other best management practices.

23 (b) The number of acres enrolled that were not previously
24 verified under the MAEAP.

25 (c) A summary of practices implemented and available incentive
26 programs.

27 (d) The starting and ending balances of the program.

28 (e) A summary of outreach and training efforts.

29 (f) Testing results.



1 Sec. 604. The department may receive and expend federal
2 revenues up to a total of \$1,000,000.00 in excess of the federal
3 revenue appropriated in section 105 of part 1 for environmental
4 stewardship and MAEAP activities. The department shall notify the
5 subcommittees, the fiscal agencies, and the state budget office
6 prior to expending federal revenues authorized under this section.

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

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

16 Sec. 609. (1) The appropriations in part 1 for local
17 conservation districts must be distributed in equal amounts to
18 local conservation districts in this state that were in operation
19 as of April 15, 2021.

20 (2) On or before March 1, 2025, the department shall report on
21 the previous calendar year's activities of local conservation
22 districts. The report must include descriptions of local
23 conservation district activities and funding, including uses of
24 appropriations made in part 1. In preparing this report, the
25 department shall coordinate with representatives of local
26 conservation districts. The report must be transmitted to the
27 subcommittees, the fiscal agencies, and the state budget office and
28 posted to the department's website.

29 Sec. 610. From the funds appropriated in part 1, the



1 department shall maintain coordination with the department of
 2 treasury to improve the timely processing and issuance of tax
 3 credits under section 36109 of the natural resources and
 4 environmental protection act, 1994 PA 451, MCL 324.36109, for the
 5 Michigan's farmland and open space preservation program under parts
 6 361 and 362 of the natural resources and environmental protection
 7 act, 1994 PA 451, MCL 324.36101 to 324.3116 and 324.36201 to
 8 324.36207. This includes, but is not limited to:

- 9 (a) Timely review of mailed applications and paperwork.
 10 (b) Timely and proactive communications to applicants on the
 11 status of their application.
 12 (c) A clear and understood timeline for the issuance of any
 13 tax credits.

14

15 **LABORATORY PROGRAM**

16 Sec. 651. The department shall report on the previous calendar
 17 year's activities of the laboratory division. The report must be
 18 transmitted to the subcommittees, the fiscal agencies, and the
 19 state budget office and posted to the department's website on or
 20 before April 1 of each year.

21 Sec. 652. No funds from the appropriations in part 1 may be
 22 used for the purpose of consolidating state-run laboratories.

23

24 **AGRICULTURE DEVELOPMENT**

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

28 (2) The food and agriculture investment program shall do all
 29 of the following:



- 1 (a) Expand the Michigan food and agriculture sector.
- 2 (b) Promote food security.
- 3 (c) Develop local and regional food systems.
- 4 (d) Grow Michigan exports.
- 5 (e) Promote the development of value-added agricultural
- 6 production.
- 7 (f) Support urban farms, food hubs, food incubators, and
- 8 community-based processing facilities with a focus on new and
- 9 expanding protein processors.
- 10 (g) Promote the expansion of farm markets, flower markets, and
- 11 urban agriculture, including hoop houses.
- 12 (h) Increase food processing activities within this state by
- 13 accelerating investment projects and infrastructure development
- 14 that support growth in production agriculture and food and
- 15 agriculture processing, expand opportunity to new agricultural
- 16 producers and processors, promote agriculture tourism and
- 17 agricultural heritage, and develop agricultural education and
- 18 interpretation activities.
- 19 (3) In addition to the funds appropriated in part 1, the
- 20 department may receive and expend funds received from outside
- 21 sources for the food and agriculture investment program.
- 22 (4) Before the allocation of funding, all projects must
- 23 receive approval from the Michigan commission of agriculture and
- 24 rural development, except for projects selected through a
- 25 competitive process by a joint evaluation committee selected by the
- 26 director and consisting of representatives that have agriculture,
- 27 food security, local and regional food systems, business, and
- 28 economic development expertise. Projects funded through the food
- 29 and agriculture investment program will be required to have a grant



1 agreement that outlines milestones and activities that must be met
2 in order to receive a disbursement of funds. Projects must also
3 identify measurable project outcomes.

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

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

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

20 (b) The project will be accomplished by utilizing state
21 employees or contracts with service providers, or both.

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

24 (d) The tentative completion date for the work project is
25 September 30, 2026.

26 (7) The department may expend money from the funds
27 appropriated in part 1 for the food and agriculture investment
28 program, including all of the following activities:

29 (a) Grants.



1 (b) Loans or loan guarantees.

2 (c) Infrastructure development.

3 (d) Other economic assistance.

4 (e) Program administration.

5 (f) Export assistance.

6 (8) The department shall expend no more than 5% from the funds
7 appropriated in part 1 for the food and agriculture investment
8 program for administrative purposes.

9 (9) In awarding grants under the food and agriculture
10 investment program, the department shall identify and encourage
11 applications from members of socially disadvantaged groups, women,
12 veterans, and beginning farmers and ranchers. In awarding grants
13 under the food and agriculture investment program, the department
14 must also prioritize Michigan-based small businesses, nonprofits,
15 and organizations promoting agriculture and food security
16 activities.

17 Sec. 703. (1) From the funds appropriated in part 1 and
18 section 901 for fair food network - double up food bucks, the
19 department shall work with the fair food network to ensure that at
20 least 80% of the funds allocated to the double up food bucks
21 program are directly used for the payments to participating
22 vendors.

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

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

28 (b) Notify recipients of food assistance program benefits
29 about the double up food bucks program that is administered by the



1 fair food network. Food assistance program recipients shall receive
2 information about the double up food bucks program.

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

7 (4) On or before June 1, 2025, the department shall submit a
8 report on activities and outcomes of the double up food bucks
9 program to the subcommittees and the fiscal agencies. The report
10 must contain all of the following:

11 (a) Counties in this state with participating double up food
12 bucks vendors, the number of vendors by county, and the name and
13 location of vendors, as of May 1, 2023.

14 (b) Counties in this state with participating double up food
15 bucks vendors, the number of vendors by county, and the name of
16 location of vendors, as of May 1, 2024. The report must highlight
17 counties and vendors added to the program since May 1, 2023.

18 (c) Number of individuals participating in the program, by
19 county.

20 Sec. 706. (1) The department shall report on the previous
21 calendar year's activities of the agriculture development division.
22 The report must be transmitted to the subcommittees, the fiscal
23 agencies, and the state budget office and posted to the
24 department's website on or before April 1 of each year.

25 (2) The report described in subsection (1) must include the
26 following information on any grants awarded during the prior fiscal
27 year:

28 (a) The name of the grantee.

29 (b) The amount of the grant.



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

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

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

5 (3) The report must include the following information on the
6 Michigan craft beverage council established under section 303 of
7 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

8 (a) Council activities and accomplishments for the previous
9 fiscal year.

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

13 (c) Grants awarded during the previous fiscal year and the
14 results of research grant projects completed during the previous
15 fiscal year.

16 (4) The report must identify grant recipients who are members
17 of socially disadvantaged groups, women, veterans, and beginning
18 farmers and ranchers.

19 Sec. 707. Unexpended industry support fund revenues at the end
20 of the fiscal year may be carried forward into the industry support
21 fund in the succeeding fiscal year and do not lapse to the general
22 fund.

23

24 **FAIRS AND EXPOSITIONS**

25 Sec. 801. All appropriations from the agriculture equine
26 industry development fund may be spent on equine-related purposes.
27 No funds from the agriculture equine industry development fund must
28 be expended for non-equine-related purposes without prior approval
29 of the legislature.



1 Sec. 802. The funds appropriated in part 1 from the
2 agriculture equine industry development fund must be allocated as
3 follows:

4 (a) Before any funding is allocated as provided under
5 subdivision (b) or (c), the funds must be allocated to support the
6 actual costs of the Michigan gaming control board attributable to
7 licensing and regulatory activities under the horse racing law of
8 1995, 1995 PA 279, MCL 431.301 to 431.336.

9 (b) If funds remain after the obligations under subdivision
10 (a) are met and before funds are allocated as provided under
11 subdivision (c), the remaining funds must be allocated to support
12 the actual costs of the department in administering fair racing
13 programs, awards, and supplements authorized under the horse racing
14 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

15 (c) If funds remain after the obligations under subdivisions
16 (a) and (b) are met, the remaining funds must be allocated for
17 purses and supplements, breeders' awards, and sire stakes awards,
18 in accordance with section 20 of the horse racing law of 1995, 1995
19 PA 279, MCL 431.320, including sire stakes awards for Michigan
20 sired championship stakes as appropriated in part 1 and described
21 in section 803.

22 Sec. 803. (1) Subject to subsection (2), from the funds
23 appropriated in part 1 for Michigan sired championship stakes,
24 \$720,000.00 is designated for races run at a county fair
25 exclusively for 2-year-old and 3-year-old Michigan sired
26 standardbred horses.

27 (2) The appropriation in part 1 for Michigan sired
28 championship stakes may be expended only if either of the following
29 applies:



1 (a) There is no standardbred race meeting in this state that
2 is licensed under the horse racing law of 1995, 1995 PA 279, MCL
3 431.301 to 431.336.

4 (b) There is no standardbred race meeting in this state that
5 is licensed as described in subdivision (a) and that has facilities
6 capable of hosting Michigan sired standardbred stakes races as
7 described under section 20(5)(i) of the horse racing law of 1995,
8 1995 PA 279, MCL 431.320.

9 (3) As used in this section, "Michigan sired standardbred
10 horses" means that term as defined in section 20(5)(i) of the horse
11 racing law of 1995, 1995 PA 279, MCL 431.320.

12 Sec. 805. (1) From the funds appropriated in part 1 for county
13 fairs, shows, and expositions, the department shall establish and
14 administer a county fairs, shows, and expositions grant program.
15 The program must have the following objectives:

16 (a) Assist in the financing of building improvements or other
17 capital improvements at county fairgrounds of this state.

18 (b) Provide financial support, promotion, prizes, and premiums
19 of equine, livestock, and other agricultural commodity expositions
20 in this state.

21 (2) The department shall award grants on a competitive basis
22 to county fairs or other organizations from the funds appropriated
23 in part 1 for county fairs, shows, and expositions grants. Grantees
24 will be required to provide a 50% cash match with grant awards and
25 identify measurable project outcomes. A county fair organization
26 that received a county fair capital improvement grant in the prior
27 fiscal year must not receive a grant from the appropriation in part
28 1.

29 (3) From the amount appropriated in part 1 for county fairs,



1 shows, and expositions, up to \$25,000.00 must be expended for the
2 purpose of financial support, promotion, prizes, and premiums of
3 equine, livestock, and other agricultural commodity expositions and
4 festivals in this state.

5 (4) All fairs receiving grants under this section must provide
6 a report to the department on the financial impact resulting from
7 the capital improvement project on both fair and nonfair events.
8 These reports are due for 3 years immediately following the
9 completion of the capital improvement project.

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

13 (6) The department may expend money from the funds
14 appropriated in part 1 for the county fairs, shows, and expositions
15 for administering the program.

16 (7) The unexpended portion of the appropriation in part 1 for
17 county fairs, shows, and expositions grants are designated as a
18 work project appropriation and any unencumbered or unallotted funds
19 do not lapse at the end of the fiscal year and are available for
20 expenditures for projects under this section until the projects
21 have been completed. The following is in compliance with section
22 451a(1) of the management and budget act, 1984 PA 431, MCL
23 18.1451a:

24 (a) The purpose of the project is to support building
25 improvements or other capital improvements at county fairgrounds of
26 this state.

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



1 (c) The project will be accomplished by utilizing state
2 employees or contracts with service providers, or both.

3 (d) The estimated cost of the project is \$2,500,000.00.

4 (e) The tentative completion date for the work project is
5 September 30, 2026.

6 (8) The department shall provide a year-end report on the
7 county fairs, shows, and expositions grants no later than December
8 1, 2025 to the subcommittees, the fiscal agencies, and the state
9 budget director that includes a listing of the grantees, award
10 amounts, match funding, project outcomes, and department costs of
11 grant administration.

12

13 **WORK PROJECT REPURPOSE**

14 Sec. 901. From the unexpended and unencumbered funds
15 appropriated in article 1 of 2021 PA 87 for agricultural nutrient
16 best management voluntary practices program, the following
17 appropriations must be made:

18 (a) \$1,000,000.00 for fair food network - double up food bucks
19 to be used by the department in accordance with Sec. 703.

20 (b) \$3,000,000.00 for agricultural climate resiliency to be
21 used by the department in accordance with Sec. 503.

22 (c) \$850,000.00 to the Michigan craft beverage council.

23 (d) \$150,000.00 to the Flint Farmers' Market.

