

**SUBSTITUTE FOR
HOUSE BILL NO. 4289**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2024; 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, 2024, 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	537.0	
2	GROSS APPROPRIATION		\$ 150,933,100
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		327,000
6	ADJUSTED GROSS APPROPRIATION		\$ 150,606,100
7	Federal revenues:		
8	Department of Interior		96,300
9	Total federal revenues		19,660,400
10	Special revenue funds:		
11	Total local revenues		0
12	Total private revenues		21,300
13	Total other state restricted revenues		48,819,300
14	State general fund/general purpose		\$ 82,105,100
15	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
16	SUPPORT		
17	Full-time equated unclassified positions	6.0	
18	Full-time equated classified positions	31.0	
19	Unclassified salaries--FTEs	6.0	\$ 664,900
20	Accounting service center		1,156,800
21	Commissions and boards		23,800
22	Emergency management--FTEs	8.0	2,918,000
23	Executive direction--FTEs	23.0	3,271,800
24	Property management		768,100
25	GROSS APPROPRIATION		\$ 8,803,400
26	Appropriated from:		
27	Federal revenues:		
28	Deferred federal revenue funding		15,000

1	HHS, multiple grants		432,300
2	Special revenue funds:		
3	Agriculture licensing and inspection fees		46,200
4	Dairy and food safety fund		103,400
5	Feed control fund		8,100
6	Fertilizer control fund		10,200
7	Freshwater protection fund		63,200
8	Gasoline inspection and testing fund		25,600
9	Industry support funds		57,000
10	Michigan craft beverage council fund		8,800
11	Private forestland enhancement fund		16,300
12	Refined petroleum fund		20,500
13	Weights and measures regulation fees		5,000
14	State general fund/general purpose	\$	7,991,800
15	Sec. 103. INFORMATION AND TECHNOLOGY		
16	Information technology services and projects	\$	2,333,800
17	GROSS APPROPRIATION	\$	2,333,800
18	Appropriated from:		
19	Special revenue funds:		
20	Agriculture licensing and inspection fees		91,400
21	Dairy and food safety fund		74,800
22	Feed control fund		15,000
23	Fertilizer control fund		15,000
24	Freshwater protection fund		15,000
25	Gasoline inspection and testing fund		32,400
26	State general fund/general purpose	\$	2,090,200
27	Sec. 104. FOOD AND DAIRY		
28	Full-time equated classified positions		139.0

1	Food safety and quality assurance--FTEs	103.0	\$	18,472,000
2	Milk safety and quality assurance--FTEs	36.0		5,861,400
3	GROSS APPROPRIATION		\$	24,333,400
4	Appropriated from:			
5	Federal revenues:			
6	HHS, multiple grants			2,781,700
7	USDA, multiple grants			137,100
8	Special revenue funds:			
9	Consumer and industry food safety education			
10	fund			242,500
11	Dairy and food safety fund			5,476,800
12	Industry food safety education fund			114,100
13	Marihuana regulatory fund			350,000
14	Marihuana regulation fund			349,800
15	State general fund/general purpose		\$	14,881,400
16	Sec. 105. ANIMAL INDUSTRY			
17	Full-time equated classified positions	62.0		
18	Animal disease prevention and response--FTEs	62.0	\$	10,496,900
19	Indemnification - livestock depredation			15,000
20	Michigan animal agriculture alliance			3,000,000
21	GROSS APPROPRIATION		\$	13,511,900
22	Appropriated from:			
23	Federal revenues:			
24	HHS, multiple grants			15,100
25	USDA, multiple grants			1,066,900
26	Special revenue funds:			
27	Agriculture licensing and inspection fees			71,800
28	Animal welfare fund			150,000

1	State general fund/general purpose		\$	12,208,100
2	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT			
3	Full-time equated classified positions	101.0		
4	Animal feed safety--FTEs	10.0	\$	2,112,000
5	Pesticide and plant pest management--FTEs	91.0		15,567,400
6	GROSS APPROPRIATION		\$	17,679,400
7	Appropriated from:			
8	Federal revenues:			
9	EPA, multiple grants			578,700
10	HHS, multiple grants			396,700
11	USDA, multiple grants			721,100
12	Special revenue funds:			
13	Private - slow-the-spread foundation			21,300
14	Agriculture licensing and inspection fees			4,567,200
15	Commodity inspection fees			686,300
16	Feed control fund			1,399,600
17	Fertilizer control fund			1,347,800
18	Freshwater protection fund			156,800
19	Horticulture fund			70,000
20	Industrial hemp licensing and registration fund			675,300
21	Industry support funds			228,100
22	State general fund/general purpose		\$	6,830,500
23	Sec. 107. ENVIRONMENTAL STEWARDSHIP			
24	Full-time equated classified positions	66.5		
25	Agricultural preservation easement grants		\$	1,900,000
26	Environmental stewardship - MAEAP--FTEs	26.0		11,744,500
27	Farmland and open space preservation--FTEs	10.0		1,606,500
28	Intercounty drain--FTEs	6.0		859,900

1	Local conservation districts		2,000,000
2	Migrant labor housing--FTEs	9.0	1,351,000
3	Qualified forest program--FTEs	9.0	8,073,900
4	Right-to-farm--FTEs	6.5	1,021,700
5	USDA reforestation grant program		
6	GROSS APPROPRIATION		\$ 28,557,500
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG from MDEGLE, biosolids		94,400
10	Federal revenues:		
11	Department of Interior		96,300
12	EPA, multiple grants		564,000
13	USDA, multiple grants		6,722,300
14	Special revenue funds:		
15	Agricultural preservation fund		3,506,500
16	Freshwater protection fund		8,328,900
17	Migratory labor housing fund		143,200
18	Private forestland enhancement fund		1,080,100
19	State general fund/general purpose		\$ 8,021,800
20	Sec. 108. LABORATORY PROGRAM		
21	Full-time equated classified positions	108.5	
22	Central licensing and customer call center--		
23	FTEs	13.0	\$ 1,528,100
24	Consumer protection program--FTEs	42.0	7,049,300
25	Laboratory services--FTEs	42.5	8,270,600
26	USDA monitoring--FTEs	11.0	1,700,000
27	GROSS APPROPRIATION		\$ 18,548,000
28	Appropriated from:		

1	Interdepartmental grant revenues:		
2	IDG from LARA (LCC), liquor quality testing		
3	fees		232,600
4	Federal revenues:		
5	EPA, multiple grants		180,600
6	HHS, multiple grants		1,568,700
7	USDA, multiple grants		1,701,200
8	Special revenue funds:		
9	Agriculture licensing and inspection fees		352,300
10	Dairy and food safety fund		524,200
11	Feed control fund		193,200
12	Fertilizer control fund		24,900
13	Freshwater protection fund		47,900
14	Gasoline inspection and testing fund		1,420,700
15	Grain dealers fee fund		8,200
16	Industrial hemp licensing and registration fund		321,000
17	Migratory labor housing fund		29,900
18	Refined petroleum fund		3,447,200
19	Testing fees		355,900
20	Weights and measures regulation fees		748,000
21	State general fund/general purpose	\$	7,391,500
22	Sec. 109. AGRICULTURE DEVELOPMENT		
23	Full-time equated classified positions	23.0	
24	Agriculture development--FTEs	13.0	\$ 4,796,700
25	Fair food network - double up food bucks		900,000
26	Food and agriculture investment program		2,472,200
27	Michigan craft beverage council--FTEs	3.0	1,335,300
28	Office of rural development--FTE	1.0	678,500

1	Producer security/grain dealers--FTEs	5.0	904,300
2	Rural development fund grant program--FTE	1.0	2,004,400
3	GROSS APPROPRIATION		\$ 13,091,400
4	Appropriated from:		
5	Federal revenues:		
6	USDA, multiple grants		2,682,700
7	Special revenue funds:		
8	Agriculture licensing and inspection fees		5,100
9	Grain dealers fee fund		860,500
10	Industry support funds		223,600
11	Michigan craft beverage council fund		1,305,300
12	Rural development fund		2,004,400
13	State general fund/general purpose		\$ 6,009,800
14	Sec. 110. FAIRS AND EXPOSITIONS		
15	County fairs, shows, and expositions	\$	1,500,000
16	Fairs and racing		258,600
17	Horse racing advisory commission		125,000
18	Purses and supplements - fairs/licensed tracks		1,353,600
19	Standardbred breeders' awards		345,900
20	Standardbred purses and supplements - licensed		
21	tracks		991,100
22	Standardbred sire stakes		720,000
23	County fair premiums		1,600,000
24	Equine veterinary research grants		1,000,000
25	GROSS APPROPRIATION		\$ 7,894,200
26	Appropriated from:		
27	Special revenue funds:		
28	Agriculture equine industry development fund		7,394,200

1	State general fund/general purpose	\$	500,000
2	Sec. 111. ONE-TIME APPROPRIATIONS		
3	Full-time equated classified positions	6.0	
4	Food and agriculture supply chain investment	\$	2,000,000
5	Northern Michigan herd protection and		
6	management		100
7	Emerging contaminants in food and agriculture--		
8	FTEs	6.0	6,180,000
9	Michigan craft beverage council		1,000,000
10	SEEDSS		7,000,000
11	GROSS APPROPRIATION	\$	16,180,100
12	Appropriated from:		
13	Agriculture licensing and inspection fees		100
14	State general fund/general purpose	\$	16,180,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2023-2024 is \$130,94,400.00 and state spending from state sources to be paid to local units of government for fiscal year 2022-2023 is \$12,300,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Agriculture preservation easement grants	\$	1,900,000
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1	Environmental stewardship/MAEAP	4,100,000
2	Local conservation districts	2,000,000
3	Office of rural development	1,500,000
4	Qualified forest program	1,400,000
5	Rural development fund grant program	1,400,000
6	TOTAL	\$ 12,300,000

7 Sec. 202. The appropriations authorized under part 1 and this
8 part are subject to the management and budget act, 1984 PA 431, MCL
9 18.1101 to 18.1594.

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

11 (a) "Department" means the department of agriculture and rural
12 development.

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

14 (c) "Fiscal agencies" means the Michigan house fiscal agency
15 and the Michigan senate fiscal agency.

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

17 (e) "IDG" means interdepartmental grant.

18 (f) "MAEAP" means the Michigan agriculture environmental
19 assurance program.

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

22 (h) "Subcommittees" means all members of the subcommittees of
23 the house and senate appropriations committees with jurisdiction
24 over the budget for the department.

25 (i) "TB" means tuberculosis.

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

27 Sec. 204. (1) The departments and agencies receiving
28 appropriations in part 1 shall use the internet to fulfill the
29 reporting requirements of this part. This requirement shall include

1 transmission of reports via email to the recipients identified for
2 each reporting requirement, and shall include placement of reports
3 on an internet site.

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

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

10 (a) The funds must not be used for the purchase of foreign
11 goods or services, or both, if competitively priced and of
12 comparable quality American goods or services, or both, are
13 available.

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

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

21 Sec. 206. To the extent permissible under the management and
22 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
23 take all reasonable steps to ensure geographically disadvantaged
24 business enterprises compete for and perform contracts to provide
25 services or supplies, or both. Each director shall strongly
26 encourage firms with which the department contracts to subcontract
27 with certified businesses in depressed and deprived communities for
28 services or supplies, or both.

29 Sec. 207. The departments and agencies receiving

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

10 (a) The dates of each travel occurrence.

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

16 Sec. 208. Funds appropriated in part 1 shall not be used by a
17 principal executive department, state agency, or authority to hire
18 a person to provide legal services that are the responsibility of
19 the attorney general. This prohibition does not apply to legal
20 services for bonding activities and for those outside services that
21 the attorney general authorizes.

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

1 fiscal agencies.

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

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

14 (3) In addition to the funds appropriated in part 1, there is
15 appropriated an amount not to exceed \$100,000.00 for local
16 contingency authorization. These funds are not available for
17 expenditure until they have been transferred to another line item
18 in part 1 under section 393(2) of the management and budget act,
19 1984 PA 431, MCL 18.1393.

20 (4) In addition to the funds appropriated in part 1, there is
21 appropriated an amount not to exceed \$100,000.00 for private
22 contingency authorization. These funds are not available for
23 expenditure until they have been transferred to another line item
24 in part 1 under section 393(2) of the management and budget act,
25 1984 PA 431, MCL 18.1393.

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

- 1 (a) Fiscal year-to-date expenditures by category.
- 2 (b) Fiscal year-to-date expenditures by appropriation unit.
- 3 (c) Fiscal year-to-date payments to a selected vendor,
4 including the vendor name, payment date, payment amount, and
5 payment description.
- 6 (d) The number of active department employees by job
7 classification.
- 8 (e) Job specifications and wage rates.

9 Sec. 212. Within 14 days after the release of the executive
10 budget recommendation, the department shall cooperate with the
11 state budget office to provide the senate and house appropriations
12 chairs, the subcommittees, respectively, and the senate and house
13 fiscal agencies with an annual report on estimated state restricted
14 fund balances, state restricted fund projected revenues, and state
15 restricted fund expenditures for the fiscal years ending September
16 30, 2023 and September 30, 2024 .

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

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

28 Sec. 216. On a quarterly basis, the department shall report to
29 the senate and house appropriations committees, the senate and

1 house appropriations subcommittees on the department budget, the
2 senate and house fiscal agencies and the state budget office a
3 comparison by line item of the number of FTEs authorized from funds
4 appropriated in part 1 to the actual number of FTEs employed by the
5 department at the end of the reporting period.

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

9 Sec. 219. The department and agencies receiving appropriations
10 in part 1 shall receive and retain copies of all reports funded
11 from appropriations in part 1. Federal and state guidelines for
12 short-term and long-term retention of records shall be followed.
13 The department may electronically retain copies of reports unless
14 otherwise required by federal and state guidelines.

15 Sec. 220. The department shall report no later than April 1 on
16 each specific policy change made to implement a public act
17 affecting the department that took effect during the prior calendar
18 year to the senate and house appropriations committees, the senate
19 and house subcommittees on agriculture and rural development, the
20 joint committee on administrative rules, and the senate and house
21 fiscal agencies.

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

24 (a) Report to the house and senate appropriations committees,
25 the house and senate fiscal agencies, the house and senate policy
26 offices, and the state budget office any amount of severance pay
27 for a department director, deputy director, or other high-ranking
28 department official not later than 14 days after a severance
29 agreement with the director or official is signed. The name of the

1 director or official and the amount of severance pay must be
2 included in the report required by this subdivision.

3 (b) By February 1, report to the house and senate
4 appropriations subcommittees on the department budget, the house
5 and senate fiscal agencies, the house and senate policy offices,
6 and the state budget office on the total amount of severance pay
7 remitted to former department employees during the fiscal year
8 ending September 30, 2023 and the total number of former department
9 employees that were remitted severance pay during the fiscal year
10 ending September 30, 2023 .

11 (2) As used in this section, "severance pay" means
12 compensation that is both payable or paid upon the termination of
13 employment and in addition to either wages or benefits earned
14 during the course of employment or generally applicable retirement
15 benefits.

16 Sec. 224. It is the intent of the legislature that departments
17 maximize the efficiency of the state workforce and, where possible,
18 prioritize in-person work. Each executive branch department,
19 agency, board, or commission that receives funding under part 1
20 must post its in-person, remote, or hybrid work policy on its
21 website.

22 Sec. 225. (1) No money appropriated in part 1 shall be used to
23 restrict or interfere with actions related to diversity, equity and
24 inclusion (DEI); to restrict or impede a marginalized community's
25 access to government resources, programs or facilities; or to
26 diminish, interfere with, or restrict an individual's ability to
27 exercise the right to reproductive freedom.

28 (2) From the funds appropriated in part 1, local governments
29 shall report any action or policy that attempts to restrict or

1 interfere with the duties of the local health officer.

2
3 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

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

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

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

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

23 (3) The department shall notify the subcommittees, the fiscal
24 agencies, and the state budget office 30 days prior to proposing
25 changes in fees authorized under this section or under section 5 of
26 1915 PA 91, MCL 285.35.

27 (4) On or before February 1 of each year, the department shall
28 provide a report to the subcommittees, the fiscal agencies, and the
29 state budget office detailing all the fees charged by the

1 department under the authorization provided in this section,
2 including, but not limited to, rates, number of individuals paying
3 each fee, and the revenue generated by each fee in the previous
4 fiscal year.

5 (5) To the extent possible, the department will work with
6 vendors supplying testing for certification of commercial pesticide
7 applicators, private pesticide applicators, registered pesticide
8 applicators, and approved trainers for use with pesticide
9 applicators to ensure adequate testing capacity, statewide access
10 to testing sites, and cost structures comparable to neighboring
11 states.

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

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

26 Sec. 303. From the funds appropriated in part 1 for emerging
27 contaminants in food and agriculture the department will support
28 efforts to identify and respond to the impacts of emerging
29 contaminants to the food and agriculture sector, help address and

1 mitigate current issues caused by emerging contaminants, and work
2 to prevent and minimize future impacts. The department shall
3 coordinate these efforts with other state agencies, federal
4 agencies, tribal governments, local governments, institutions of
5 higher learning, and the food and agriculture sector. Emerging
6 contaminants include but are not limited to pesticides, dioxins,
7 and per- and polyfluoroalkyl substances.

8 Sec. 304. The department shall maintain on a publicly
9 accessible website registered agricultural businesses and shall
10 regularly update the website to include key contact information. In
11 carrying out the requirements of this section, the department shall
12 partner with Michigan State University's Michigan Market Maker.

13

14 **FOOD AND DAIRY**

15 Sec. 401. (1) The department shall report on the previous
16 fiscal year's activities of the food and dairy division. The report
17 shall include information on activities and outcomes of the dairy
18 safety and inspection program, the food safety inspection program,
19 the foodborne illness and emergency response program, and the food
20 service program.

21 (2) The report shall include information on significant
22 foodborne outbreaks and emergencies, including any significant
23 enforcement actions taken related to food safety during the prior
24 calendar year.

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

28

29 **ANIMAL INDUSTRY**

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

8 Sec. 452. (1) The department shall report on the previous
9 calendar year's activities of the animal industry division. The
10 report shall be transmitted to the subcommittees, the fiscal
11 agencies, and the state budget office and posted to the
12 department's website on or before April 1 of each year.

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

16 (a) The reason for the indemnification.

17 (b) The amount of the indemnification.

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

19 Sec. 454. The department shall use its resources to
20 collaborate with the USDA to monitor bovine TB, consistent with the
21 current required memorandum of understanding between the department
22 and the USDA.

23 Sec. 455. From the funds appropriated in part 1 for animal
24 disease prevention and response, \$200,000.00 shall be used to cover
25 costs associated with testing of registered privately owned cervid
26 facilities as follows: for required surveillance testing for
27 chronic wasting disease and for infected herd bovine TB testing.

28 Sec. 457. (1) On or before October 15 of each year, the
29 department shall provide to the subcommittees, the fiscal agencies,

1 and the state budget office a report on bovine TB status and
2 department activities.

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

17 Sec. 458. From the funds appropriated in part 1 for Michigan
18 animal agriculture alliance, the department shall work with animal
19 industry representatives and state research universities to
20 continue an animal research grant program.

21

22 **PESTICIDE AND PLANT PEST MANAGEMENT**

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

28 Sec. 502. From the funds appropriated in part 1 for pesticide
29 and plant pest management, \$1,170,000.00 shall be used for staffing

1 and operational support for education and compliance assistance
2 efforts to ensure uniform application of pesticide regulations.

3
4 **ENVIRONMENTAL STEWARDSHIP**

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

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

17 Sec. 603. In addition to the report required under section
18 602, by April 1, the department shall prepare a report to be posted
19 on the department's website and provided to the relevant house and
20 senate standing committees and appropriations subcommittees as well
21 as to the fiscal agencies and state budget office. The report shall
22 contain the following information for agriculture nutrient best
23 management voluntary practices program: number and location of
24 acres enrolled in nutrient management or other best management
25 practices; number of acres enrolled that were not previously
26 verified under the MAEAP; summary of practices implemented and
27 available incentive programs; starting and ending balances of the
28 program; summary of outreach and training efforts; and testing
29 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 107 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 shall 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, 2024, the department shall report on
21 the previous calendar year's activities of local conservation
22 districts. The report shall 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 shall be transmitted to the
27 subcommittees, the fiscal agencies, and the state budget office and
28 posted to the department's website.

29

LABORATORY PROGRAM

1 Sec. 651. The department shall report on the previous calendar
2 year's activities of the laboratory division. The report shall be
3 transmitted to the subcommittees, the fiscal agencies, and the
4 state budget office and posted to the department's website on or
5 before April 1 of each year.
6

7

AGRICULTURE DEVELOPMENT

8 Sec. 701. (1) From the funds appropriated in part 1 for the
9 food and agriculture investment program, the department shall
10 establish and administer a food and agriculture investment program.
11

12 (2) The food and agriculture investment program shall expand
13 the Michigan food and agriculture sector, promote food security,
14 develop local and regional food systems, grow Michigan exports,
15 promote the development of value-added agricultural production,
16 food hubs, food incubators, and community-based processing
17 facilities with a focus on new and expanding protein processors,
18 and promote the expansion of farm markets, flower markets, and
19 urban agriculture, including promotion of hoop houses, and increase
20 food processing activities within this state by accelerating
21 investment projects and infrastructure development that support
22 growth in production agriculture and food and agriculture
23 processing; expand opportunity to new agricultural producers and
24 processors, promote agriculture tourism agricultural heritage and
25 develop agricultural education and interpretation activities. The
26 food and agriculture development fund awards will emphasize
27 Michigan-based small business, nonprofits, and organizations
28 promoting agriculture and food security activities. The food and
29 agriculture development fund awards will emphasize Michigan-based

1 small business, nonprofits, and organizations promoting agriculture
2 and food security activities.

3 (3) In addition to the funds appropriated in part 1, the
4 department may receive and expend funds received from outside
5 sources for the food and agriculture investment program.

6 (4) Before the allocation of funding, all projects shall
7 receive approval from the Michigan commission of agriculture and
8 rural development, except for projects selected through a
9 competitive process by a joint evaluation committee selected by the
10 director and consisting of representatives that have agriculture,
11 food security, local and regional food systems, business, and
12 economic development expertise. Projects funded through the food
13 and agriculture investment program will be required to have a grant
14 agreement that outlines milestones and activities that must be met
15 in order to receive a disbursement of funds. Projects must also
16 identify measurable project outcomes.

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

22 (6) The food and agriculture investment program shall be
23 administered by the department.

24 (7) The unexpended funds appropriated in part 1 for the food
25 and agriculture investment program are designated as a work project
26 appropriation, and any unencumbered or unallotted funds shall not
27 lapse at the end of the fiscal year and shall be available for
28 expenditures for projects under this section until the projects
29 have been completed. The following is in compliance with section

1 451a(1) of the management and budget act, 1984 PA 431, MCL
2 18.1451a:

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

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

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

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

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

- 15 (a) Grants.
- 16 (b) Loans or loan guarantees.
- 17 (c) Infrastructure development.
- 18 (d) Other economic assistance.
- 19 (e) Program administration.
- 20 (f) Export assistance.

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

24 (10) In awarding grants under the program, the department
25 shall identify and encourage applications from beginning, socially
26 disadvantaged, women, and veteran farmers and ranchers.

27 Sec. 702a. The office of rural development shall act to
28 encourage and enable appropriate community advancements and
29 improvements, including, but not limited to, housing,

1 infrastructure, education, workforce development, and other needs
2 uniquely present in rural areas of this state that will assist in
3 expansion of rural agriculture development.

4 Sec. 703. (1) From the funds appropriated in part 1 for fair
5 food network - double up food bucks, the department shall work with
6 the fair food network to ensure that at least 80% of the funds
7 allocated to the double up food bucks program are directly used for
8 the payments to participating vendors.

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

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

14 (b) Notify recipients of food assistance program benefits
15 about the double up food bucks program that is administered by the
16 fair food network. Food assistance program recipients shall receive
17 information about the double up food bucks program.

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

22 (4) On or before June 1, 2024 , the department shall submit a
23 report on activities and outcomes of the double up food bucks
24 program to the subcommittees and the fiscal agencies. The report
25 shall contain all of the following:

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

29 (b) Counties in this state with participating double up food

1 bucks vendors, the number of vendors by county, and the name of
2 location of vendors, as of May 1, 2023. The report shall highlight
3 counties and vendors added to the program since May 1, 2022.

4 (c) Number of individuals participating in the program, by
5 county.

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

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

13 (a) The name of the grantee.

14 (b) The amount of the grant.

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

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

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

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

22 (a) Council activities and accomplishments for the previous
23 fiscal year.

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

27 (c) Grants awarded during the previous fiscal year and the
28 results of research grant projects completed during the previous
29 fiscal year.

1 (4) The report shall identify grant recipients who are
2 beginning, socially disadvantaged, women, and veteran farmers and
3 ranchers.

4 Sec. 707. Unexpended industry support fund revenues at the end
5 of the fiscal year may be carried forward into the industry support
6 fund in the succeeding fiscal year and shall not lapse to the
7 general fund.

8

9 **FAIRS AND EXPOSITIONS**

10 Sec. 801. All appropriations from the agriculture equine
11 industry development fund shall be spent on equine-related
12 purposes. No funds from the agriculture equine industry development
13 fund shall be expended for non-equine-related purposes without
14 prior approval of the legislature.

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

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

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

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

1 part 1.

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

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

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

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

18 (7) The unexpended portion of the appropriation in part 1 for
19 county fairs, shows, and expositions grants is considered a work
20 project appropriation in accordance with section 451a of the
21 management and budget act, 1984 PA 431, MCL 18.1451a. The following
22 apply to the project:

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

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

29 (c) The estimated cost of the project is identified in the

1 appropriation line item.

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

4 (8) The department shall provide a year-end report on the
5 county fairs, shows, and expositions grants no later than December
6 1, 2024 to the subcommittees, the fiscal agencies, and the state
7 budget director that includes a listing of the grantees, award
8 amounts, match funding, project outcomes, and department costs of
9 grant administration.

10 Sec. 806. From the funds appropriated in part 1 for county
11 fair premiums, the department shall establish and administer a
12 county fair premium program in accordance with R 285.811.1 to R
13 285.811.10 of the Michigan Administrative Code.

14

15 **ONE-TIME APPROPRIATIONS**

16 Sec. 903. (1) From the funds appropriated in part 1 for equine
17 veterinary research, the department shall establish an equine
18 veterinary research grant program. The equine veterinary research
19 grant program shall provide grant funding for research related to
20 equine health, disease prevention, and treatment.

21 (2) Grants shall be awarded to state agricultural research
22 universities or colleges of veterinary medicine. Projects funded
23 under the equine veterinary research grant program must include
24 work activities carried out by veterinary students.

25 (3) Each project funded through an equine veterinary research
26 grant must be established through a grant agreement that defines
27 project goals, project milestones, and actions or milestones that
28 must be met in order to receive a disbursement of funds. Projects
29 must identify measurable project outcomes.

1 (4) A university or college receiving grants under the equine
2 veterinary research grant program may not charge administrative
3 costs, including the allocation of general administrative burden,
4 to the grant.

5 (5) In addition to the funds appropriated in part 1, the
6 department may receive and expend funds received from outside
7 sources for the equine veterinary research grant program.

8 (6) On or before September 30, 2024, the department shall
9 report on grants funded from the equine veterinary research grant
10 program. The report shall be transmitted to the subcommittees, the
11 fiscal agencies, and the state budget office and posted to the
12 department's website. The report shall include all of the
13 following:

14 (a) Grantee name.

15 (b) Description of the project purpose, including measurable
16 outcomes.

17 (c) Amount of the grant, and any additional funds provided for
18 the project from other sources.

19 Sec. 904. (1) From the funds appropriated in part 1 for
20 SEEDSS, the department shall establish and administer a SEEDSS
21 program.

22 (2) The purpose of the SEEDSS program is to support the
23 development and implementation of best farming practices and new
24 technologies related to environmental sustainability, including
25 measures to address the impacts of climate change. Program goals
26 include enhancing soil and plant health, soil carbon sequestration,
27 efficient use of water, and protection of water resources.

28 (3) The department shall work with agriculture industry
29 stakeholders, including state agriculture research colleges and

1 universities, in developing and implementing the SEEDSS program.

2 (4) The department may expend money from the funds
3 appropriated in part 1 for the SEEDSS program for grants in support
4 of SEEDSS program goals.

5 (5) In addition to the funds appropriated in part 1, the
6 department may receive and expend funds received from other public
7 and private persons for the SEEDSS program.

8 (6) Each project funded through a SEEDSS grant must be
9 established through a grant agreement that defines project goals,
10 project milestones, and actions or milestones that must be met in
11 order to receive a disbursement of funds. Projects must identify
12 measurable project outcomes.

13 (7) If grants are awarded to a state agriculture research
14 college or university, the college or university may charge only
15 direct project costs to the grant agreement. Administrative burden
16 or overhead may not be allocated to grant agreement project costs.

17 (8) On or before September 30, 2024, the department shall
18 report on grants funded from the SEEDSS program. The report shall
19 be transmitted to the subcommittees, the fiscal agencies, and the
20 state budget office and posted to the department's website. The
21 report shall include all of the following:

22 (a) Grantee name.

23 (b) Description of the project purpose, including measurable
24 outcomes.

25 (c) Amount of the grant, and any additional funds provided for
26 the project from other sources.

27 (9) As used in this act, "SEEDSS" stands for Solving Emerging
28 Environmental Developments and Securing Sustainability.