



**AGRICULTURE AND RURAL DEVELOPMENT  
APPROPRIATIONS  
BOILERPLATE DECISION DOCUMENT  
FY 2016-17**

**House Bill 5268 (H-1)  
As Reported from Subcommittee  
Compared to Executive Recommendation and  
Current Year Budget, (2015 PA 84)**

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373-8080

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

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





## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

	FY 2015-16 CURRENT LAW	FY 2016-17			
		EXECUTIVE	HOUSE	SENATE	CONFERENCE
<p><u>GENERAL SECTIONS</u></p> <p>Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2015-2016 is \$75,720,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2015-2016 is \$4,750,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:</p> <p><b>DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT</b>            MAEAP environmental            stewardship ..... \$ 3,250,000            Qualified forest program ..... <u>1,500,000</u>  <b>TOTAL ..... \$ 4,750,000</b></p>	<p><u>GENERAL SECTIONS</u></p> <p>Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year <b>2016-2017</b> is <b>\$80,666,200.00</b> and state spending from state resources to be paid to local units of government for fiscal year <b>2016-2017</b> is <b>\$4,750,000.00</b>. The itemized statement below identifies appropriations from which spending to local units of government will occur:</p> <p><b>DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT</b>            MAEAP environmental            stewardship ..... \$ 3,250,000            Qualified forest program ..... <u>1,500,000</u>  <b>TOTAL ..... \$ 4,750,000</b></p>	<p><u>GENERAL SECTIONS</u></p> <p>To be updated by HFA to reflect Part 1.</p>			
<p>Sec. 202. The appropriations authorized under part 1 and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.</p>	<p>Sec. 202. The appropriations authorized under <del>this article part 1 and this part</del> are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.</p>	<p>Retain current law.</p>			



# DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17**

**HOUSE**

**SENATE**

**CONFERENCE**

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

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

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

(c) "EPA" means the United States Environmental Protection Agency.

(d) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.

(e) "FTE" means full-time equated.

(f) "HHS-FDA" means the United States Department of Health and Human Services - Food and Drug Administration.

(g) "IDG" means interdepartmental grant.

(h) "LARA" means the Michigan department of licensing and regulatory affairs.

(i) "LCC" means the Michigan liquor control commission.

(j) "MAEAP" means the Michigan agriculture environmental assurance program.

(k) "MDEQ" means the Michigan department of environmental quality.

(l) "MDNR" means the Michigan department of natural resources.

(m) "MOU" means memorandum of understanding.

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

(o) "TB" means tuberculosis.

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

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(c) "EPA" means the United States Environmental Protection Agency.

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(e) "FTE" means full-time equated.

**(f) "HHS" means the United States Department of Health and Human Services.**

(g) "IDG" means interdepartmental grant.

(h) "LARA" means the Michigan department of licensing and regulatory affairs.

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~~(o) "TB" means tuberculosis.~~

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

Retain current law, with the addition of:

**(d) "FDA" means United States Food and Drug Administration.**

**(f) "HHS" means the United States Department of Health and Human Services.**



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**SENATE**

**CONFERENCE**

Sec. 205. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of \$500,000.00 are appropriated in part 1, the department shall provide not later than November 1, 2015 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

Not Included

Retain current law.  
[Renumbered]

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 210.  
No change other than numbering.

Concur with Executive.

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

No change from current law.

Concur with Executive.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

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CURRENT LAW**

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**SENATE**

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

No change from current law.

Concur with Executive.

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

No change from current law.

Concur with Executive.

**Sec. 207.** The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

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

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

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

Concur with Executive.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
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**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

**Sec. 204.**  
No change other than numbering.

Concur with Executive.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

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**Retain current law language – use Executive numbering.**

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

**Sec. 206.**  
No change other than numbering.

Concur with Executive.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

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**SENATE**

**CONFERENCE**

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

Not Included

Not Included

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

Not Included

Retain current law.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17  
HOUSE**

**EXECUTIVE**

**SENATE**

**CONFERENCE**

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

(a) The dates of each travel occurrence.

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

**Sec. 207.**

No change other than numbering.

Concur with Executive.

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

**Sec. 209.**

No change other than numbering.

Concur with Executive.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17  
HOUSE**

**EXECUTIVE**

**SENATE**

**CONFERENCE**

Sec. 229. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees on agriculture and rural development, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2015 and September 30, 2016.

**Sec. 212.** Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees on agriculture and rural development, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending **September 30, 2016 and September 30, 2017.**

Concur with Executive.

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

**Sec. 208.**  
No change other than numbering.

Concur with Executive.

Sec. 231. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

**Sec. 213.**  
No change other than numbering.

Concur with Executive.

Sec. 232. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2016 is \$12,751,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$7,237,000.00. Total agency appropriations for retiree health care legacy costs are estimated at \$5,513,800.00.

**Sec. 214.** Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending **September 30, 2017** is **\$11,911,300.00**. From this amount, total agency appropriations for pension-related legacy costs are estimated at **\$6,604,500.00**. Total agency appropriations for retiree health care legacy costs are estimated at **\$5,306,800.00**.

Concur with Executive.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17**

**HOUSE**

**SENATE**

**CONFERENCE**

DEPARTMENTWIDE

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

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

DEPARTMENTWIDE

No change from current law.

DEPARTMENTWIDE

**Modified to read as follows:**

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 testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (d) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (e) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (f) Laboratory support test samples for other state and local agencies and public or private organizations.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

		<p>(2) The department may receive and expend revenue from the fees authorized under Subsection (1), subject to appropriation, for the purpose of recovering expenses associated with the work activities and services described in Subsection (1). Fee revenue collected by the department under Subsection (1) shall not lapse to the state General Fund at the end of the fiscal year but shall carry forward for appropriation by the legislature in the subsequent fiscal year.</p>	
<p>(2) The department shall notify the subcommittees and the fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.</p>	<p><b>No change from current law.</b></p>	<p>(3) The department shall notify the subcommittees and the fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of the Market Conditions Act, 1915 PA 91, MCL 285.35.</p>	
<p>(3) Annually, before February 1, the department shall provide a report to the subcommittees and the fiscal agencies detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.</p>	<p><del>(3). Annually, before February 1, the department shall provide a report to the subcommittees and the fiscal agencies detailing</del>  <b>The department shall post on its website a list of</b> all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year. <b>Notification of the location of the report on the website shall be sent to the subcommittees, fiscal agencies, and state budget office by February 1 of each year.</b></p>	<p>(4) On or before February 1 of each year, the department shall provide a report to the subcommittees and the fiscal agencies detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.</p>	



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

Sec. 302. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the subcommittees and fiscal agencies at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Not Included

**Modified to read as follows:**

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

(2) The department shall provide notice of contacts or grants authorized under this section to the subcommittees and the fiscal agencies not later than 7 days after the department notifies contract or grant recipients.

Sec. 303. It is the intent of the legislature that the department use revenue from licensing and inspection fees to increase the use of technology in licensing and inspection activities to make licensing and inspection functions, including reporting, more efficient. The department shall work to ensure that all license and registration applications can be completed online through a secure web portal.

No change from current law.

Concur with Executive.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2015-16 CURRENT LAW	FY 2016-17			
	EXECUTIVE	HOUSE	SENATE	CONFERENCE
<u>FOOD AND DAIRY</u>  Sec. 402. The department shall provide information on significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the immediately preceding fiscal year in the food and dairy annual report and post that report on the department's website no later than April 1. The department shall provide electronic notification of where the report can be found on the department's website to the appropriation subcommittees, fiscal agencies, and state budget office.	<u>FOOD AND DAIRY</u>  No change from current law.	<u>FOOD AND DAIRY</u>  Not included, replaced with alternative Section 401, below.		
		<b>New Food and Dairy Division Report</b>  Sec. 401 (1). The department shall report on the previous calendar year's activities of the food and dairy division. The report shall include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.		
		(2) The report shall include information on significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the prior calendar year.		
		(3) The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website, on or before April 1 of each year.		



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

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**CONFERENCE**

**NEW**

Sec. 403. The department will establish an on-farm food safety program to assist farmers impacted by the new FDA Food Safety Modernization Act (FSMA) requirements. The purpose of this new program is to create a state and local partnership to provide training, education and technical assistance to Michigan farmers in order for them to be compliant with these federal requirements. The department will track the outcomes of the program to determine the number of farmers that were provided assistance and the number of farms that complete a food safety plan as a result of this program.

**Modified as follows:**

Sec. 403. It is the intent of the legislature that the department work with the FDA and representatives of agriculture producers to develop on-farm food safety education and training programs to assist producers implement Food Safety Modernization Act (FSMA) requirements. The department may receive and expend federal revenues in excess of the federal revenue appropriated in part 1, section 104, for FSMA education and training program activities. The department shall notify the subcommittees and the fiscal agencies prior to expending federal revenues authorized under this section.

**ANIMAL INDUSTRY**

Sec. 451. From the funds appropriated in part 1 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

**ANIMAL INDUSTRY**

**Not Included**

**ANIMAL INDUSTRY**

**Retain current law.**

**New Animal Industry Report**

Sec. 452. The department shall report on the previous calendar year's activities of the animal industry division. The report shall be transmitted to the subcommittees and the fiscal agencies and posted to the department's website on or before April 1 of each year.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17**

**HOUSE**

**SENATE**

**CONFERENCE**

Sec. 453. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order from any line item for the current fiscal year. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to the subcommittees and the fiscal agencies.

~~Sec. 453. (1) Of From the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order from any line item for the current fiscal year. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to the subcommittees and the fiscal agencies.~~

**Modified to read as follows:**

Sec. 453. (1) From the funds appropriated in part 1 for animal disease prevention and response, the department may provide for indemnity pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order. Any indemnification agreement between the department and an owner of livestock that exceeds \$100,000.00 shall be subject to specific appropriation by the legislature.

(2) The department shall not make an indemnification payment under the animal industry act until the department provides the following information to the House and Senate subcommittees and the fiscal agencies:

- a. the reason for the indemnification
- b. the amount of the indemnification
- c. the person to whom the indemnification is to be paid.

(2) The department of agriculture and rural development shall make an indemnification payment for the fair market value of livestock killed by a wolf, coyote, or cougar, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

**Not Included**

(3) From the funds appropriated in part 1 for indemnification - livestock depredation, the department shall make indemnification payments for livestock killed by a wolf, coyote, or cougar pursuant to the Wildlife Depredation Indemnification Act, 2012 PA 487, MCL 285.361 to 285.365.



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**SENATE**

**CONFERENCE**

(3) The funds appropriated in part 1 for indemnification - livestock depredation are appropriated for indemnification payments and related department costs under subsection (2). On or before March 1 of the current fiscal year, the department shall report to the subcommittees and the fiscal agencies on costs incurred in the previous 2 fiscal years for indemnification payments to producers made under subsection (2) and related department costs.

(2) From the funds appropriated in part 1 for indemnification - livestock depredation, the department may provide for indemnity as provided for pursuant to the wildlife depredations indemnification act, 2012 PA 487, MCL 285.361 to 285.365. ~~are appropriated for indemnification payments and related department costs under subsection (2). On or before March 1 of the current fiscal year, the department shall report to the subcommittees and the fiscal agencies on costs incurred in the previous 2 fiscal years for indemnification payments to producers made under subsection (2) and related department costs.~~

(4) On or before March 1, 2017, the department shall report to the subcommittees and the fiscal agencies on indemnification payments for livestock depredation made in the previous fiscal year. The report shall include the following information:

- a. the reason for the indemnification
- b. the amount of the indemnification
- c. the person to whom the indemnification was paid.

Sec. 454. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the May 2014 memorandum of understanding between the department and the USDA.

Not Included

**Retain Current Law.**

Sec. 456. Of the funds appropriated in part 1, no funds shall be used to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines for electronic animal identification are outlined in statute.

Not Included

**Retain Current Law**



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17  
HOUSE**

**SENATE**

**CONFERENCE**

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

Sec. 457. The animal industry division shall include in their annual report the department's progress toward meeting the USDA requirements as outlined in the ~~March 2014~~ ~~March 2007~~ bovine tuberculosis TB MOU with USDA. Notification of the location of the report on the website shall be sent to the senate and house agriculture committee, the subcommittees, fiscal agencies, and state budget office.

**Modified to read as follows:**

Sec. 457(1). On or before December 1, the department shall provide to the subcommittees and the fiscal agencies a copy of the report on bovine TB required under Section 14(11) of the animal industry act, MCL 287.714 (11).

(2) For each fiscal quarter following the report required in subsection 1, the department shall provide an update to the subcommittees and fiscal agencies. The quarterly update reports shall identify significant impacts to the program, including new incidence of bovine TB in Michigan, department activity associated with specific new incidence of bovine TB, and any changes in USDA requirements or movement orders



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17  
HOUSE**

**SENATE**

**CONFERENCE**

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

Sec. 458. From the funds appropriated in part 1 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under section 7 of the Michigan aquaculture development act, 1996 PA 199, MCL 286.877.

~~It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.~~

Concur with Executive.

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

Not Included

**Retain Current Law.**



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

**New PPPM Report**

**PESTICIDE AND PLANT PEST MANAGEMENT**

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

ENVIRONMENTAL STEWARDSHIP

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

ENVIRONMENTAL STEWARDSHIP

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

ENVIRONMENTAL STEWARDSHIP

**Retain Current Law.**

**New Environmental Stewardship Report**

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



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2015-16 CURRENT LAW	FY 2016-17			
	EXECUTIVE	HOUSE	SENATE	CONFERENCE
Sec. 604. (1) Federal revenues authorized by and available from the federal government in excess of the appropriation in part 1 under section 107 are appropriated and may be received and expended by the department for purposes authorized under state law and subject to federal requirements.	No change from current law.	<b>Modified to read as follows:</b> Sec. 604. The department may receive and expend federal revenues in excess of the federal revenue appropriated in part 1, section 107 for environmental stewardship and MAEAP activities. The department shall notify the subcommittees and the fiscal agencies prior to expending federal revenues authorized under this section.		
(2) The department shall notify the subcommittees and fiscal agencies prior to expending federal revenues received and appropriated under subsection (1).	No change from current law.	<b>See above.</b>		
Sec. 608. (1) The appropriations in part 1 for qualified forest affidavit program are for the purpose of increasing the knowledge of nonindustrial private forestland owners of sound forest management practices and increasing the amount of commercial timber production from those lands.	No change from current law.	Concur with Executive.		
(2) The department shall work in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of Michigan's timber product industry.	No change from current law.	Concur with Executive.		



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

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

Not Included

Not Included

(2) At the close of the fiscal year, the unexpended portion of the commercial forestry audit program is considered a work project appropriation in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Not Included

Not Included

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

Not Included

Not Included

Sec. 610. Of the amount appropriated in part 1 from the freshwater protection fund, the department shall use not more than \$500,000.00 for replacement of the data system for the MAEAP program.

Not Included

Not Included



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17**

**HOUSE**

**SENATE**

**CONFERENCE**

**LABORATORY PROGRAM**

**LABORATORY PROGRAM**

**New Laboratory Report**

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

**New**

Sec. 701. The program will increase the turnaround times in the Geagley laboratory from 30-50% to 75-80% and implement a risk based inspection program on devices and package content in the consumer protection program in the current fiscal year. The purpose of these programs is to ensure the protection of consumers from economic harm due to labeling or measurement fraud and to ensure the safety of the food supply. The department will track the outcome of the program by measuring sample analysis turnaround times and the percentage of compliant measurement devices inspected in the fiscal year.

**Renumbered, minor wording changes**

Sec. 652. The laboratory program shall increase turnaround times in the Geagley laboratory from 30%-50% to 75%-80% and implement a risk-based inspection program on devices and package content in the consumer protection program in the current fiscal year. The purpose of these programs is to ensure the protection of consumers from economic harm due to labeling or measurement fraud and to ensure the safety of the food supply. The department will track the outcome of the program by measuring sample analysis turnaround times and the percentage of compliant measurement devices inspected in the fiscal year.

**AGRICULTURE DEVELOPMENT**

Sec. 701. (1) The department shall establish and administer a rural development value-added grant program. The program shall promote the expansion of value-added agricultural production, processing, and access within the state.

**AGRICULTURE DEVELOPMENT**

**Sec. 801.** (1) The department shall establish and administer a rural development value-added grant program. The program shall promote the expansion of value-added agricultural production, processing, and access within the state.

**AGRICULTURE DEVELOPMENT**

**Concur with Executive, retain numbering as Sec. 701.**



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17  
HOUSE**

**EXECUTIVE**

**SENATE**

**CONFERENCE**

(2) In addition to the funds appropriated in part 1, the department of agriculture and rural development may receive and expend funds received from outside sources for rural development value-added grants.

~~(2) In addition to the funds appropriated in part 1, the department of agriculture and rural development may receive and expend funds received from outside sources for rural development value-added grants.~~

**Retain current law.**

(3) The department shall award grants on a competitive basis from the funds appropriated in part 1 for rural development value-added grants. Grantees will be required to provide a cash match and identify measurable project outcomes. Eligible grantees may include, but are not limited to, individuals, partnerships, cooperatives, private or public corporations, and local units of government. Grantees will be required to identify measurable project outcomes.

~~(2) The department shall award grants on a competitive basis from the funds appropriated in part 1 for rural development value-added grants. Grantees will be required to provide a cash match and identify measurable project outcomes. Eligible grantees may include, but are not limited to, individuals, partnerships, cooperatives, private or public corporations, and local units of government. Grantees will be required to identify measurable project outcomes.~~

**Modified to read as follows:**

(4) The department shall make value-added grant awards from the funds appropriated in part 1 for value-added grants.

(4) A joint evaluation committee shall be selected by the director with representatives with agriculture, business, and economic development expertise. The joint evaluation committee shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

**No change from current law other than renumbering subsection.**

**Modified as follows:**

(3) The director shall appoint a joint evaluation committee comprised of persons with expertise in agriculture, business, and economic development. The joint evaluation committee shall identify criteria, for evaluation of grant applications. Criteria shall include the requirement that grant funding provide no more than 90% of proposed project cost and that grantees identify measurable project outcomes. **Projects eligible for grant funding shall include projects that assist in making healthy foods available to underserved communities, including projects for the development of food hubs, community-based processing facilities, and the expansion of farm markets.** Upon evaluation of applications, the joint evaluation committee shall provide recommendations to the director for final approval of grant awards.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17**

**HOUSE**

**SENATE**

**CONFERENCE**

(5) The department may expend money from the funds appropriated in part 1 for the rural development value-added grants for administering the program.

(4) The department may expend money from the funds appropriated in part 1 for the rural development value-added grants for administering the program.

**Modified as follows:**  
(5) The department may expend money from the funds appropriated in part 1 for value-added grants for costs associated with administering the program.

(6) The unexpended portion of the rural development value-added grant program is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

**No change from current law other than renumbering subsection.**

Concur with Executive.

**NEW**  
(7) The department shall provide notice of the grants awarded under this section to the subcommittees and the fiscal agencies at the same time the department notifies grant recipients.

(7) The department shall provide an interim report no later than March 15 of the current fiscal year and a year-end report no later than September 30 of the current fiscal year to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.

~~(7) The department shall provide an interim report no later than March 15 of the current fiscal year and a year-end report no later than September 30 of the current fiscal year to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.~~

**Modified to read as follows:**  
(8) The department shall report on grant-funded projects, including grantee name, project description, grant amount, source of matching funds, completion date, and project outcomes as part of the agriculture development division annual report under Section 706.

The department shall electronically notify the appropriations subcommittees, fiscal agencies, and the state budget office house of the location of this list.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

**New**  
Sec. 802. The department will work with the rural development fund board to establish a process and criteria for funding projects as well as establishing metrics and measurable outcomes for the program. Funds appropriated from the rural development fund must be used in accordance with the provisions outlined in PA 41 of 2012.

**Concur with Executive.  
Renumbered as Section 711.**

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

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

**Not Included**

**Modified to read as follows:**

Sec. 706. The department shall report on the previous calendar year's activities of the agriculture development division. The report shall be transmitted to the subcommittees and the fiscal agencies, and posted to the department's website on or before April 1 of each year.

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

**Not Included**

**Retain current law.**



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

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

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

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

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

Not Included

Retain current law.

**FAIRS AND EXPOSITIONS**

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

**FAIRS AND EXPOSITIONS**

Not Included

**FAIRS AND EXPOSITIONS**

Retain current law.

Sec. 802. All appropriations from the agriculture equine industry development fund, except for the Michigan gaming control board's regulatory expenses and the department's expenses to administer horse racing programs and laboratory analysis, shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the preceding fiscal year to a level lower than the amounts appropriated in part 1.

Renumbered as Sec 902  
No change from current law other than renumbering.

Concur with Executive, retain current numbering.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**EXECUTIVE**

**FY 2016-17  
HOUSE**

**SENATE**

**CONFERENCE**

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

Not Included

Retain current law.



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2015-16 CURRENT LAW	FY 2016-17			
	EXECUTIVE	HOUSE	SENATE	CONFERENCE
Sec. 805. (1) The department shall establish and administer a county fairs capital improvement grant program. The program shall assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state.	Not Included	Retain Current Law.		
(2) The department shall award grants on a competitive basis to county fair organizations from the funds appropriated in part 1 for county fairs capital improvements grants. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.	Not Included	<b>Modified as follows:</b> (2) The department shall award grants on a competitive basis to county fair organizations from the funds appropriated in part 1 for county fairs capital improvements grants. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes. <b>A county fair organization that received a county fair capital improvement grant in the prior fiscal year shall not receive a grant from the appropriation in section 109.</b>		
(3) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.	Not Included	Retain Current Law.		
(4) The department may expend money from the funds appropriated in part 1 for the county fairs capital improvement grants for administering the program.	Not Included	Retain Current Law.		
(5) The unexpended portion of the county fairs capital improvement grant program is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.	Not Included	Retain Current Law.		
(6) The department shall provide a year-end report no later than December 1, 2016 to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.	Not Included	Retain Current Law – update report due date.		



## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**FY 2015-16  
CURRENT LAW**

**FY 2016-17**

**EXECUTIVE**

**HOUSE**

**SENATE**

**CONFERENCE**

Sec. 806. (1) The amount appropriated in part 1 for shows and expositions shall be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in Michigan.

Not Included

Not Included

(2) The department shall award grants for the purposes stipulated in subsection (1) on a competitive basis to persons organizing shows and expositions from the funds appropriated in part 1 for shows and expositions. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.

Not Included

Not Included

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

Not Included

Not Included

(4) The unexpended portion of the appropriation for shows and expositions is considered a work project appropriation in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Not Included

Not Included

(5) The department shall provide a year-end report no later than December 1, 2016 to the subcommittees and the fiscal agencies, including the grantees, award amount, match funding, and project outcomes.

Not Included

Not Included