



AGRICULTURE AND RURAL DEVELOPMENT

BOILERPLATE DECISION DOCUMENT

FY 2019-20 Budget Recommendations:

Executive Budget Proposal

House Bill 4229 (H-3)

Senate Bill 133 (S-1)

**House Bill 4229 Enacted as Public Act 65 of 2019
Compared to Current Year (Article I of 2018 PA 207)**

Mary Ann Cleary, Director
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373-8080

House Appropriations Subcommittee on Agriculture and Rural Development

Rep. VanWoerkom, Chair
Rep. Bollin, Maj. VC
Rep. Albert
Rep. Green
Rep. Kennedy, Min. Vice Chair
Rep. Sabo
Rep. Brixie

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DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2018-19 CURRENT LAW	FY 2019-20			
	EXECUTIVE	HOUSE	SENATE	ENACTED/ ENROLLED
<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 sources under part 1 for fiscal year 2018-2019 is \$95,757,200.00 and state spending from state sources to be paid to local units of government for fiscal year 2018-2019 is \$6,350,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:</p> <p>DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT</p> <p>Environmental stewardship/MAEAP..... \$ 4,250,000 Qualified forest program..... 1,500,000 Rural development fund grant program..... 600,000</p> <p>TOTAL..... \$ 6,350,000</p>	<p>Updated to reflect FY 2019-20 fiscal year budget.</p>	<p>Updated to reflect FY 2019-20 fiscal year budget.</p>	<p>Updated to reflect FY 2019-20 fiscal year budget.</p>	<p>Updated to reflect FY 2019-20 fiscal year budget.</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>No change from current law.</p>			



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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) "FDA" means the United States Food and Drug Administration.
- (e) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (f) "FTE" means full-time equated.
- (g) "HHS" means the United States Department of Health and Human Services.
- (h) "IDC" means interdepartmental grant.
- (i) "LARA" means the Michigan department of licensing and regulatory affairs.
- (j) "LCC" means the Michigan liquor control commission.
- (k) "MAEAP" means the Michigan agriculture environmental assurance program.
- (l) "MDEQ" means the Michigan department of environmental quality.
- (m) "MDNR" means the Michigan department of natural resources.
- (n) "MOU" means memorandum of understanding.
- (o) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
- (p) "TB" means tuberculosis.
- (q) "USDA" means the United States Department of Agriculture.

Modified as follows:

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) "FDA" means the United States Food and Drug Administration.~~
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- ~~(i) "LARA" means the Michigan department of licensing and regulatory affairs.~~
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- (k) "MAEAP" means the Michigan agriculture environmental assurance program.
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- ~~(n) "MOU" means memorandum of understanding.~~
- (o) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
- (p) "TB" means tuberculosis.
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Retain Current Law.

Retain Current Law.

Retain Current Law.



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Sec. 204. 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.

No change from current law.

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

Concurs with House.

Sec. 205. 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.

No change from current law.

Sec. 206. 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 or supplies, or both.

No change from current law.



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Sec. 207. 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.

No change from current law.



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<p>Sec. 208. 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.</p>	<p>No change from current law.</p>			
<p>Sec. 209. 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.</p>	<p>No change from current law.</p>			
<p>Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	<p>Not Included.</p>	<p>Revised to \$3.0 million.</p>



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<p>(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.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	<p>Not Included.</p>	<p>Revised to \$2.0 million.</p>	
<p>(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.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	<p>Not Included.</p>	<p>No change from current law.</p>	
<p>(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.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	<p>Not Included.</p>	<p>No change from current law.</p>	
<p>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:</p> <p>(a) Fiscal year-to-date expenditures by category. (b) Fiscal year-to-date expenditures by appropriation unit. (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description. (d) The number of active department employees by job classification. (e) Job specifications and wage rates.</p>	<p>No change from current law.</p>				



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<p>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 subcommittees, 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, 2018 and September 30, 2019.</p>	<p>Updates fiscal year references.</p>	<p>Updates fiscal year references.</p>	<p>Updates fiscal year references.</p>	<p>Updates fiscal year references.</p>
<p>Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>	<p>No change from current law.</p>
<p>Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2019 is \$12,428,400.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$5,729,700.00. Total agency appropriations for retiree health care legacy costs are estimated at \$6,698,700.00.</p>	<p>Updated fiscal year reference, and total legacy costs of \$12,028,500; pension related of \$5,847,300; retiree health care, \$6,181,200.</p>	<p>Concurs with Executive.</p>	<p>Concurs with Executive.</p>	<p>Concurs with Executive.</p>
<p>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.</p>	<p>Not included.</p>	<p>Retains Current Law.</p>	<p>Retains Current Law.</p>	<p>Retains Current Law. The Governor's signing letter indicates that this section is unenforceable in that it violates Article IV, Section 24, of the 1963 Michigan Constitution, which prohibits laws from embracing more than one object, as well as Article III, Section 2, of the 1963 Michigan Constitution, which provides for the separation of powers between three branches of government.</p>



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Sec. 234. 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.

Retains Current Law.

Retains Current Law.

Retains Current Law.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

- (a) Pesticide and plant pest management propagation and certification of virus-free foundation stock.
- (b) Fruit and vegetable inspection and grading services at shipping and termination points and processing plants.
- (c) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (d) Laboratory support test samples for other state and local agencies and public or private organizations.

No change from current law.



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(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.	No change from current law.			
(3) The department shall notify the subcommittees, the fiscal agencies, and the state budget office 30 days prior to proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.	No change from current law.			
(4) On or before February 1 of each year, the department shall provide a report to the subcommittees, the fiscal agencies, and the state budget office detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.	No change from current law.			



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	<p>Sec. 302. (1) The department may contract with 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.</p>	No change from current law.	No change from current law.	No change from current law.	No change from current law.
	<p>(2) The department shall provide notice of contracts or grants authorized under this section to the subcommittees, the fiscal agencies, and the state budget office not later than 7 days before the department notifies contract or grant recipients.</p>	<p>Modified as follows: (2) The department shall provide notice of contracts or grants from line items not specifically authorized to award grants under this section to the subcommittees, the fiscal agencies, and the state budget office not later than 7 days before the department notifies contract or grant recipients.</p>	Retains Current Law.	Retains Current Law.	Retains Current Law.
<p><u>FOOD AND DAIRY</u></p> <p>Sec. 401. (1) The department shall report on the previous fiscal 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.</p>	No change from current law.	No change from current law.	No change from current law.	No change from current law.	



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(2) The report shall include information on significant foodborne outbreaks and emergencies, including any significant enforcement actions taken related to food safety during the prior calendar year.	No change from current law.			
(3) The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.	No change from current law.			
<p><u>ANIMAL INDUSTRY</u></p> <p>Sec. 451. From the funds appropriated in part 1 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.</p>	Not included.	Retains Current Law.	Retains Current Law.	Retains Current Law.
Sec. 452. (1) The department shall report on the previous calendar year's activities of the animal industry division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.	No change from current law.			
<p>(2) The department shall include in the report all indemnification payments for livestock depredation made in the previous calendar year and shall include all of the following:</p> <p>(a) The reason for the indemnification.</p> <p>(b) The amount of the indemnification.</p> <p>(c) The person for whom the indemnification was paid.</p>	No change from current law.			



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Sec. 454. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the May 2016 memorandum of understanding between the department and the USDA.

No change from current law.

No change from current law other than reference to the April 2019 memorandum of understanding between the department and the USDA.

No change from current law.

No change from current law other than reference to both the Mary 2016 and April 2019 memorandum of understanding between the department and the USDA.

Sec. 457. (1) On or before October 15, 2018, the department shall provide to the subcommittees, the fiscal agencies, and the state budget office a report on bovine TB status and department activities.

Not included.

Retains Current Law – updated to reflect new report dates.

Retains Current Law – updated to reflect new report dates.

Retains Current Law – updated to reflect new report dates.

(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update to the subcommittees, the fiscal agencies, and the state budget office. The quarterly update reports shall identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, and 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; efforts to work with slaughter facilities in this state, as well as those that slaughter a significant number of animals from this state; educational programs and information for this state's livestock community; and any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB-free status for this state.

Not included.

Retains Current Law.

Retains Current Law.

Retains Current Law.



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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.

Not Included.

Not Included.

Not Included.

Sec. 462. From the funds appropriated in part 1, not to exceed \$20,000.00, the department shall establish a grant program to assist in the construction of protective systems for apiaries. The department may make grants under this program to reimburse apiary owners for costs of projects designed to protect apiaries from damage by wildlife, subject to all of the following:

Not included.

Not included.

Not included.

Not included.

- (a) Grants may not exceed \$250.00 per apiary site.
- (b) Grants under this subsection may be made only for projects identified and approved by the department prior to the start of project activity.



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<p>PESTICIDE AND PLANT PEST MANAGEMENT</p> <p>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, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.</p>	No change from current law.	No change from current law.	No change from current law.	No change from current law.
<p>ENVIRONMENTAL STEWARDSHIP</p> <p>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.</p>	No change from current law.	No change from current law other than reference to federal farm bills of both 2014 and 2018.	No change from current law.	No change from current law other than reference to federal farm bills of both 2014 and 2018.



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	<p>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, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.</p>	No change from current law.	No change from current law.	No change from current law.
<p>Sec. 604. The department may receive and expend federal revenues in excess of the federal revenue appropriated in section 107 of part 1 for environmental stewardship and MAEAP activities. The department shall notify the subcommittees, the fiscal agencies, and the state budget office prior to expending federal revenues authorized under this section.</p>	No change from current law.	No change from current law.	Not included.	No change from current law.
<p>Sec. 608. (1) The appropriations in part 1 for the 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.</p>	No change from current law.	No change from current law.	No change from current law.	No change from current law.
<p>(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.</p>	No change from current law.	No change from current law.	No change from current law.	No change from current law.



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<p><u>LABORATORY PROGRAM</u></p> <p>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, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.</p>	No change from current law.			
<p><u>AGRICULTURE DEVELOPMENT</u></p> <p>Sec. 701. (1) From the funds appropriated in part 1 for the food and agriculture investment program, the department shall establish and administer a food and agriculture investment program.</p>	No change from current law.			
<p>(2) The food and agriculture investment program shall expand the Michigan food and agriculture sector, grow Michigan exports, promote the development of value-added agricultural production, food hubs, food incubators, and community-based processing facilities, and the expansion of farm markets and urban agriculture, and increase food processing activities within the state by accelerating projects and infrastructure development that support growth in the food and agriculture processing industry.</p>	No change from current law.	No change from current law.	No change from current law.	<p>No change from current law other than to include hoop houses in list of eligible projects: "and urban agriculture, including promotion of hoop houses, and increase food processing..."</p>
<p>(3) In addition to the funds appropriated in part 1, the department may receive and expend funds received from outside sources for the food and agriculture investment program.</p>	No change from current law.			



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(4) Before the allocation of funding, all projects shall receive approval from the Michigan commission of agriculture and rural development, except for projects selected through a competitive process by a joint evaluation committee selected by the director and consisting of representatives that have agriculture, business, and economic development expertise. Projects funded through the food and agriculture investment program will be required to have a grant agreement that outlines milestones and activities that must be met in order to receive a disbursement of funds. Projects must also identify measurable project outcomes.	No change from current law.			
(5) The department shall include in the agriculture development annual report a report on the food and agriculture investment program for the previous fiscal year that includes a listing of the grantees, award amounts, match funding, project locations, and project outcomes.	No change from current law.			
(6) The food and agriculture investment program shall be administered by the department and provide support for food and agriculture projects that will enable growth in the industry and this state's economy.	No change from current law.			



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

- (a) The purpose of the project is to promote and expand the Michigan food and agriculture sector, grow Michigan exports, and increase food processing activities within the state.
- (b) The project will be funded in accordance with this section and the project guidelines approved by the Michigan agriculture commission prior to an award.
- (c) The estimated cost of this project is identified in the appropriation line item.
- (d) The tentative completion date for the work project is September 30, 2021.

No change from current law other than fiscal year reference.

No change from current law other than fiscal year reference.

No change from current law other than fiscal year reference.

No change from current law other than fiscal year reference.

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

- (a) Grants.
- (b) Loans or loan guarantees.
- (c) Infrastructure development.
- (d) Other economic assistance.
- (e) Program administration.
- (f) Export assistance.

No change from current law.



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(9) The department shall expend no more than 10% from the funds appropriated in part 1 for the food and agriculture investment program for administrative purposes.

No change from current law.

Revised as follows:

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

No change from current law.

Concurs with House.

NEW

Sec. 702. The department shall 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 shall be used in accordance with the provisions of the rural development fund act, 2012 PA 411, MCL 286.941 to 286.947.

Concurs with House.



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NEW

Sec. 703(1). The department shall work with the Department of Health and Human Services to do all of the following:

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

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

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



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Concurs with House.

NEW

(3). On or before June 1, 2020, the department shall submit a report on activities and outcomes of the double up food bucks program to the house and senate appropriations subcommittees on agriculture and rural development and the fiscal agencies. The report shall contain all of the following:

- a. Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name and location of vendors, as of May 1, 2019.
- b. Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name and location of vendors, as of May 1, 2020. The report shall highlight counties and vendors added to the program since May 1, 2019.
- c. Number of individuals participating in the program, by county.
- d. A breakdown of program participation by county and by day of week.

(4) The report required under subsection 3 shall also include a discussion of program evaluation criteria, as well as recommendation of a reporting metric for tracking health outcomes of program participants.”



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	<p>Sec. 706. (1) The department shall report on the previous calendar year's activities of the agriculture development division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.</p>	No change from current law.	No change from current law.	No change from current law.
<p>(2) The report shall include the following information on any grants awarded during the prior fiscal year:</p> <ul style="list-style-type: none"> (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. 	No change from current law.	No change from current law.	No change from current law.	No change from current law.
<p>(3) The report shall include the following information on the Michigan craft beverage council established under section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:</p> <ul style="list-style-type: none"> (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. 	No change from current law.	No change from current law.	No change from current law.	No change from current law.



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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.

No change from current law.

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

- (a) To support all administrative, contractual, and regulatory costs incurred by the department and the Michigan gaming control board.
- (b) Up to \$395,000.00 shall be allocated to the purses and supplements - fairs/licensed tracks line item.
- (c) Any remaining funds collected through September 30, 2019, after the obligations in subdivisions (a) and (b) have been met, shall be prorated equally among the supplements, breeders' awards, and sire stakes awards to eligible race meeting licensees in accordance with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Modified as follows:

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

- (a) To support all administrative, contractual, and regulatory costs incurred by the department and the Michigan gaming control board.
- ~~(b) Up to \$395,000.00 shall be allocated to the purses and supplements - fairs/licensed tracks line item.~~
- (c) Any remaining funds collected through September 30, 2019, after the obligations in subdivision **(a)** ~~and (b)~~ have been met, shall be prorated equally among the supplements, **including the fairs and licensed tracks**, breeders' awards, and sire stakes awards to eligible race meeting licensees in accordance with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Retains Current Law.

Concurs with Executive.

Retains Current Law



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

- (a) Assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state.
- (b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in the state.

No change from current law.

The Governor vetoed this section and related \$1.0 million appropriation line item.

(2) The **department** shall award grants on a competitive basis to county fairs or other organizations from the funds appropriated in part 1 for county fairs, shows, and expositions grants. Grantees will be required to provide a **50% cash match** with grant awards and identify measurable project outcomes. 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 part 1.
(As amended by SB 601.)

No change from current law.

The Governor vetoed this section and related \$1.0 million appropriation line item.

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

No change from current law.

The Governor vetoed this section and related \$1.0 million appropriation line item.

NEW
(4) From the amount appropriated in part 1 for county fairs, shows, and expositions, \$50,000.00 shall be expended for the promotion of festivals in this state.

Included as separate section, Sec. 806.



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(4) All fairs receiving grants under this section shall provide a report to the department on the financial impact resulting from the capital improvement project on both fair and nonfair events. These reports are due for 3 years immediately following the completion of the capital improvement project.	No change from current law.	No change from current law.	No change from current law.	No change from current law. The Governor vetoed this section and related \$1.0 million appropriation line item.
(5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.	No change from current law.	No change from current law.	No change from current law.	No change from current law. The Governor vetoed this section and related \$1.0 million appropriation line item.
(6) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and expositions grants for administering the program.	No change from current law.	No change from current law.	No change from current law.	No change from current law. The Governor vetoed this section and related \$1.0 million appropriation line item.
(7) From the funds appropriated in part 1 for county fairs, shows, and expositions grants, \$25,000.00 shall be used for renovations to the Tuscola County fair grandstand, \$250,000.00 shall be used for the construction and furnishing of a community center at the Tuscola County fair, and \$150,000.00 shall be used for improvements at the Antrim County fair. (As amended by SB 601.)	Not Included.	Not Included.	Not Included.	Not Included.



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<p>(8) The unexpended portion of the county fairs, shows, and expositions grants is considered a work project appropriation in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a. The following apply to the project:</p> <p>(a) The purpose of the project is to support building improvements or other capital improvements at county fairgrounds of the state.</p> <p>(b) All grants will be distributed in accordance with this section and the grant guidelines published prior to the request for proposals.</p> <p>(c) The estimated cost of the project is identified in the appropriation line item.</p> <p>(d) The tentative completion date for the work project is September 30, 2021.</p>	<p>No change from current law other than date references.</p>	<p>No change from current law other than date references.</p>	<p>No change from current law other than date references.</p>	<p>No change from current law other than date references.</p> <p style="background-color: yellow;">The Governor vetoed this section and related \$1.0 million appropriation line item.</p>
<p>(9) The department shall provide a year-end report on the county fairs, shows, and expositions grants no later than December 1, 2019 to the subcommittees, the fiscal agencies, and the state budget director that includes a listing of the grantees, award amounts, match funding, and project outcomes.</p>	<p>No change from current law other than date references.</p>	<p>No change from current law other than date references.</p>	<p>No change from current law other than date references.</p>	<p>No change from current law other than date references.</p> <p style="background-color: yellow;">The Governor vetoed this section and related \$1.0 million appropriation line item.</p>
		<p>Sec. 806. From the funds appropriated in part 1 for festivals and events, \$50,000.00 shall be used to promote festivals and events in this state.</p>		<p>Concurs with House.</p> <p style="background-color: yellow;">Vetoed by the Governor.</p>



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Sec. 807. From the funds appropriated in part 1 for food and agriculture investment program, \$150,000.00 shall be used to establish a hoophouse revolving loan fund. Program funds shall be used to provide no-interest loans to assist qualified growers in constructing hoophouses. The department shall work with the Michigan farmers market association to establish program criteria.

Not Included.

ONE-TIME APPROPRIATIONS
Sec. 901. From the funds appropriated in part 1 for hoophouses for health, \$100.00 shall be used to establish a hoophouse revolving loan fund. Program funds shall be used to provide no-interest loans to assist qualified growers in constructing hoophouses. The department shall work with the Michigan farmers market association to establish program criteria.

Not Included.

ONE-TIME APPROPRIATIONS
Sec. 901. The appropriation in part 1 for the farm stress program shall be used to respond to the mental stress and fatigue of Michigan farmers and agricultural producers and their families through utilizing existing services that offer behavioral health specialists in the agriculture industry.

The Governor vetoed this section and the related \$500,000 line item.



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Sec. 901. The amount appropriated in part 1 for conservation districts pilot project shall be distributed in equal amounts to each conservation district in the state, to be used to develop a natural resources assessment. The assessment shall describe the conservation district and identify, at a minimum, the top 5 natural resources needs for each district. The funds shall also be used for the development of a business plan on how the conservation district will implement the programs and services necessary to meet the top 5 natural resource needs in the district. Conservation districts shall submit their natural resources assessment and business plans to the department and subcommittees by September 30, 2020.

Sec. 902. The funds appropriated in part 1 for local conservation districts -pilot project shall be used for the development of a conservation district natural resources assessment model. The assessment model shall be designed for the purposes of assisting the department and conservation districts in creating a standardized report that would provide a description of each of the conservation districts in the state, identify, at a minimum, the top 5 natural resources needs for each conservation district, and provide a business plan on how each conservation district will implement programs and services necessary to meet the top 5 resources needs in a district. A status update on the progress toward completion of a conservation district natural resources assessment model shall be presented to the department and the subcommittees no later than May 1, 2020, with a final completion deadline of no later than September 9, 2020.

The Governor vetoed this section and the related \$200,000 line item.



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Sec. 302. From the funds appropriated in part 1 for agriculture development, \$150,000.00 shall be used for activities under the industrial hemp research act, 2014 PA 547, MCL 286.841 to 286.844.
(As added by SB 601.)

Not Included.

Not Included.

Not Included.

Not Included.

Sec. 303. From the funds appropriated in part 1 for agriculture industry research and development, \$550,000.00 shall be used for upgrades to mobile fruit and vegetable processing teaching laboratories.
(As added by SB 601.)

Not Included.

Not Included.

Not Included.

Not Included.

Sec. 304. From the funds appropriated in part 1 for the dairy industry assistance program, the department of agriculture and rural development shall establish a grant program to provide assistance to dairy producers during the current period of economic distress in the dairy industry. Grants shall be awarded to producers licensed under either the grade A milk law of 2001, 2001 PA 266, MCL 288.471 to 288.540, or the manufacturing milk law of 2001, 2001 PA 267, MCL 288.561 to 288.740, to reimburse eligible dairy producers up to 9 cents per hundredweight of milk produced.
[Section added by SB 601. This may be repealed and replaced with new language in the FY 2018-19 Supplemental, SB 150.]

Not Included.

Not Included.

Not Included.

Not Included.