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Article 1

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

PART 1

LINE-ITEM APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

Sec. 1-101. Subject to the conditions set forth in this article, the amounts listed in this part for the department of agriculture and rural development are appropriated for the fiscal year ending September 30, 2027, and are anticipated to be appropriated for the fiscal year ending September 30, 2028, from the funds indicated in this part. The following is a summary of the appropriations and anticipated appropriations in this part:

1 **DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

2 **APPROPRIATION SUMMARY**

3 Full-time equated unclassified positions.....	6.0		6.0
4 Full-time equated classified positions.....	552.0		552.0
5 GROSS APPROPRIATION	\$ 148,047,700	\$	147,047,700
6 Total interdepartmental grants and intradepartmental			
7 transfers	338,600		338,600
8 ADJUSTED GROSS APPROPRIATION	\$ 147,709,100	\$	146,709,100
9 Total federal revenues	20,245,000		20,245,000
10 Total local revenues	0		0
11 Total private revenues	0		0
12 Total other state restricted revenues	54,563,700		54,563,700
13 State general fund/general purpose	\$ 72,900,400	\$	71,900,400
14 <i>State general fund/general purpose schedule:</i>			
15 <i>Ongoing state general fund/general purpose</i>	<i>71,900,400</i>		<i>71,900,400</i>
16 <i>One-time state general fund/general purpose</i>	<i>1,000,000</i>		<i>0</i>
17 Sec. 1-102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
18 Full-time equated unclassified positions.....	6.0		6.0
19 Full-time equated classified positions.....	31.0		31.0
20 Unclassified salaries-6.0 FTE positions	\$ 1,096,200	\$	1,096,200
21 Accounting service center	1,206,700		1,206,700
22 Commissions and boards	23,800		23,800
23 Emergency management-8.0 FTE positions	2,799,700		2,799,700
24 Emerging contaminants in food and agriculture-6.0			
25 FTE positions	1,368,700		1,368,700
26 Executive direction-17.0 FTE positions	2,549,600		2,549,600
27 Property management	<u>953,200</u>		<u>953,200</u>
28 GROSS APPROPRIATION	\$ 9,997,900	\$	9,997,900
29 Appropriated from:			
30 Federal revenues:			
31 Other federal revenues	1,065,200		1,065,200
32 Special revenue funds:			

	For Fiscal Year Ending Sept. 30, 2027	For Fiscal Year Ending Sept. 30, 2028
1 Other state restricted revenues	650,000	650,000
2 State general fund/general purpose	\$ 8,282,700	\$ 8,282,700
3 Sec. 1-103. INFORMATION TECHNOLOGY		
4 Information technology services and projects	\$ <u>2,832,300</u>	\$ <u>2,832,300</u>
5 GROSS APPROPRIATION	\$ 2,832,300	\$ 2,832,300
6 Appropriated from:		
7 Special revenue funds:		
8 Other state restricted revenues	674,300	674,300
9 State general fund/general purpose	\$ 2,158,000	\$ 2,158,000
10 Sec. 1-104. FOOD SAFETY AND ANIMAL HEALTH		
11 Full-time equated classified positions.....	217.0	217.0
12 Animal disease prevention and response-63.0 FTE positions	\$ 11,360,700	\$ 11,360,700
13 11,360,700		
14 Animal feed safety-10.0 FTE positions	2,165,200	2,165,200
15 Food safety and quality assurance-108.0 FTE positions	19,656,600	19,656,600
16 Indemnification - livestock depredation	15,000	15,000
17 Milk safety and quality assurance-36.0 FTE positions .	<u>6,160,700</u>	<u>6,160,700</u>
18 GROSS APPROPRIATION	\$ 39,358,200	\$ 39,358,200
19 Appropriated from:		
20 Federal revenues:		
21 Other federal revenues	4,163,400	4,163,400
22 Special revenue funds:		
23 Other state restricted revenues	12,311,700	12,311,700
24 State general fund/general purpose	\$ 22,883,100	\$ 22,883,100
25 Sec. 1-106. ENVIRONMENT AND SUSTAINABILITY		
26 Full-time equated classified positions.....	117.5	117.5
27 Environmental stewardship - MAEAP-27.0 FTE positions .	\$ 11,175,800	\$ 11,175,800
28 Local conservation districts	3,000,000	3,000,000
29 Pesticide and plant pest management-79.0 FTE positions	14,032,100	14,032,100
30 Right-to-farm-6.5 FTE positions	1,073,500	1,073,500
31 Soil health/regenerative agriculture-5.0 FTE positions	<u>2,066,000</u>	<u>2,066,000</u>
32 GROSS APPROPRIATION	\$ 31,347,400	\$ 31,347,400

For Fiscal
Year Ending
Sept. 30, 2027

For Fiscal
Year Ending
Sept. 30, 2028

1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG from department of environment, great lakes, and		
4	energy.....	97,800	97,800
5	Federal revenues:		
6	Other federal revenues	3,389,300	3,389,300
7	Special revenue funds:		
8	Other state restricted revenues	15,019,700	15,019,700
9	State general fund/general purpose	\$ 12,840,600	\$ 12,840,600
10	Sec. 1-108. AGRICULTURE DEVELOPMENT		
11	Full-time equated classified positions.....	73.0	73.0
12	Agricultural support-5.0 FTE positions	\$ 919,900	\$ 919,900
13	Agriculture development-16.0 FTE positions	4,927,800	4,927,800
14	Agricultural preservation easement grants	1,900,000	1,900,000
15	Fair food network - double up food bucks	4,000,000	4,000,000
16	Farm to family-6.0 FTE positions	3,021,100	3,021,100
17	Farm start-2.0 FTE positions	2,000,000	2,000,000
18	Farmland and open space preservation-10.0 FTE		
19	positions	1,639,800	1,639,800
20	Food and agriculture investment program	2,449,300	2,449,300
21	Food and agriculture supply chain-1.0 FTE position ...	305,000	305,000
22	Fruit and vegetable inspections-8.0 FTE positions	1,330,400	1,330,400
23	Intercounty drain-5.0 FTE positions	910,700	910,700
24	Michigan craft beverage council-1.0 FTE position	1,353,000	1,353,000
25	Migrant labor housing-9.0 FTE positions	1,433,500	1,433,500
26	Producer security/grain dealers-6.0 FTE positions	1,059,800	1,059,800
27	Qualified forest program-4.0 FTE positions	<u>8,147,600</u>	<u>8,147,600</u>
28	GROSS APPROPRIATION	\$ 35,397,900	\$ 35,397,900
29	Appropriated from:		
30	Federal revenues:		
31	Other federal revenues	8,091,600	8,091,600
32	Special revenue funds:		

	For Fiscal Year Ending Sept. 30, 2027	For Fiscal Year Ending Sept. 30, 2028	
1	Other state restricted revenues	10,229,600	10,229,600
2	State general fund/general purpose	\$ 17,076,700	\$ 17,076,700
3	Sec. 1-109. LABORATORY AND CONSUMER PROTECTION		
4	Full-time equated classified positions.....	113.5	113.5
5	Consumer protection program-39.0 FTE positions	\$ 7,104,200	\$ 7,104,200
6	Integrated solutions-25.0 FTE positions	3,925,400	3,925,400
7	Laboratory services-40.5 FTE positions	8,545,900	8,545,900
8	USDA monitoring-9.0 FTE positions	<u>1,774,300</u>	<u>1,774,300</u>
9	GROSS APPROPRIATION	\$ 21,349,800	\$ 21,349,800
10	Appropriated from:		
11	Interdepartmental grant revenues:		
12	IDG from department of licensing and regulatory		
13	affairs.....	240,800	240,800
14	Federal revenues:		
15	Other federal revenues	3,535,500	3,535,500
16	Special revenue funds:		
17	Other state restricted revenues	9,164,200	9,164,200
18	State general fund/general purpose	\$ 8,409,300	\$ 8,409,300
19	Sec. 1-111. FAIRS AND EXPOSITIONS		
20	County fairs, shows, and expositions	\$ 250,000	\$ 250,000
21	Fairs and racing	376,600	376,600
22	Horse racing advisory commission	125,000	125,000
23	Purses and supplements - fairs/licensed tracks	3,017,600	3,017,600
24	Standardbred breeders' awards	503,900	503,900
25	Standardbred purses and supplements - licensed tracks	1,441,100	1,441,100
26	Standardbred sire stakes	<u>1,050,000</u>	<u>1,050,000</u>
27	GROSS APPROPRIATION	\$ 6,764,200	\$ 6,764,200
28	Appropriated from:		
29	Special revenue funds:		
30	Other state restricted revenues	6,514,200	6,514,200
31	State general fund/general purpose	\$ 250,000	\$ 250,000
32	Sec. 1-112. ONE-TIME APPROPRIATIONS		

		For Fiscal Year Ending Sept. 30, 2027	For Fiscal Year Ending Sept. 30, 2028
1	Fair food network - double up food bucks	\$ 1,000,000	\$ 0
2	GROSS APPROPRIATION	\$ 1,000,000	\$ 0
3	Appropriated from:		
4	Special revenue funds:		
5	State general fund/general purpose	\$ 1,000,000	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FISCAL YEAR 2027

GENERAL SECTIONS

Sec. 1-201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2027 is \$127,464,100.00 and state spending from state sources to be paid to local units of government for fiscal year 2027 is \$10,400,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Environmental stewardship - MAEAP.....	\$	4,100,000
Local conservation districts.....		3,000,000
Agricultural preservation easement grants.....		1,900,000
Qualified forest program.....		<u>1,400,000</u>
TOTAL	\$	10,400,000

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

Sec. 1-203. 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) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "MAEAP" means the Michigan agriculture environmental assurance program. environment, Great Lakes, and energy.

(f) "Standard report recipients" means the senate and house appropriations subcommittees on the department, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(g) "TB" means tuberculosis.

(h) "USDA" means the United States Department of Agriculture

Sec. 1-204. A department or agency shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and

1 conspicuously post each required report in a single archivable location on the department's
2 or agency's Michigan.gov website not later than the due date required for each report. In
3 addition to placing all reports required in the current fiscal year on the department's or
4 agency's website, the department or agency shall maintain on its website all reports placed
5 on the website from previous fiscal years posted by fiscal year in the same single
6 archivable location. The department or agency shall also transmit all required reports for
7 the current fiscal year to the standard recipients and any other required recipients by
8 email.

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

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

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

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

20 Sec. 1-206. (1) The department shall maximize utilization of its in-person state
21 workforce. The department shall prioritize occupancy utilization of office space for each
22 division within the department. Employees with job responsibilities that require the
23 employees to serve in their capacities outside of an office shall be monitored each pay
24 period to ensure all work hours reported on the timesheet were actually worked.

25 (2) The department shall comply with requirements set forth by the office of the
26 state employer on in-person work and utilization and occupancy rates of state buildings to
27 ensure in-person work is optimized and occupancy rates are 80 percent or higher, subject to
28 market conditions.

29 (3) The department shall adhere to civil service rules and regulations that state the
30 standard biweekly work period for a full-time employee in the classified service of this
31 state is the equivalent of 80.0 hours of work. The department shall establish policies and
32 processes to ensure all employees are working their jobs during agreed upon business hours.

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

9 (a) The dates of each travel occurrence.

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

13 Sec. 1-208. Not later than 6 months after the state budget office issues work project
14 letters, a department, agency and the legislature shall submit an annual report that
15 summarizes all work project accounts. The report must include all of the following:

16 (a) A list of all work project accounts.

17 (b) The status of all work project accounts, including amounts expended, amounts
18 encumbered, and available balances for each account.

19 (c) The amount of funds that lapsed from any previously designated work project
20 accounts, the name and description of the work project account, and the funds that received
21 the lapsed amounts.

22 Sec. 1-209. Not later than December 15, the state budget office shall prepare and
23 submit a report that provides for estimates of the total general fund/general purpose
24 appropriation lapses at the close of the previous fiscal year. The report must summarize
25 the projected year-end general fund/general purpose appropriation lapses by major
26 departmental program or program areas. The state budget office shall submit the report to
27 the standard report recipients and the chairpersons of the senate and house appropriations
28 committees.

29 Sec. 1-210. (1) In addition to the funds appropriated in part 1, there is
30 appropriated an amount not to exceed \$3,000,000.00 for federal contingency funds. These
31 funds are not available for expenditure until they have been transferred to another line
32 item in this article under section 393(2) of the management and budget act, 1984 PA 431,

1 MCL 18.1393.

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

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

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

14 Sec. 1-211. A department or agency shall cooperate with the department of technology,
15 management and budget to maintain a searchable website accessible by the public at no cost
16 that includes, but is not limited to, all of the following for each department or agency:

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

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

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

21 Sec. 1-212. (1) Funds appropriated in part 1 must not be used to restrict or impede a
22 marginalized community's access to government resources, programs, or facilities.

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

25 Sec. 1-213. To the extent permissible under the management and budget act, 1984 PA
26 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving
27 appropriations in part 1 shall take all reasonable steps to ensure geographically
28 disadvantaged business enterprises compete for and perform contracts to provide services or
29 supplies, or both. Each director shall strongly encourage firms with which the department
30 or agency contracts to subcontract with certified geographically disadvantaged business
31 enterprises for services, supplies, or both. As used in this section, "geographically
32 disadvantaged business enterprises" means that term as defined in Executive Directive No.

1 2023-1.

2 Sec. 1-214. The department must provide an annual report to the standard report
3 recipients detailing significant federal policy changes that do, or are expected to
4 significantly impact the operations of the department, including reductions in federal
5 revenue and/or changes that are likely to lead to a reduction in the department's ability
6 to safeguard the health or welfare of the public.

7 Sec. 1-215. (1) Within 30 days of enactment of this act, the house and senate fiscal
8 agencies shall provide to the state budget office a jointly agreed upon list of
9 legislatively directed spending items funded in part 1 as defined in Public Acts 32 and 33
10 of 2025. The list must include all information and documents pertaining to the funded items
11 as publicly disclosed in accordance with Public Acts 32 and 33 of 2025.

12 (2) In accordance with section 364(4) of the Management and Budget Act, the
13 department or agency administering the grant shall post a report in a publicly accessible
14 location on its website beginning March 15 of the current fiscal year. The department or
15 agency shall update the report and shall post an updated report not later than June 15 of
16 the current fiscal year and again not later than September 15 of the current fiscal year.
17 The department shall include in the report the most comprehensive information the
18 department has available at the time of posting for grants awarded.

19 Sec. 1-216. On a quarterly basis, a department or agency receiving appropriations in
20 part 1 shall report on the number of FTEs in pay status by type of staff and civil service
21 classification, including comparison by line item of the number of FTEs authorized from
22 funds appropriated in part 1 to the actual number of FTE positions employed by the
23 department or agency at the end of the reporting period. The report must be submitted to
24 the senate and house appropriations committees and to the standard report recipients.

25 Sec. 1-217. The state budget director shall take steps to ensure that all state
26 fiscal recovery funds allocated to this state under the American rescue plan act of 2021,
27 Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal
28 recovery funds that would otherwise lapse after September 30, 2026, are automatically
29 reappropriated for the same purpose as originally authorized and available for expenditure
30 through December 31, 2026, and any subsequent financial close out period.

31 Sec. 1-218. (1) The state budget director shall take steps to ensure that all state
32 fiscal recovery funds allocated to this state under the American rescue plan act of 2021,

1 Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget
2 director may reallocate appropriated funds for the purpose of fully utilizing state fiscal
3 recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons
4 that may include, but are not limited to, completed projects coming in under budget or
5 funds unable to be fully used by subrecipients. The state budget director shall reallocate
6 any of the funds reallocated under this subsection to the programs or purposes specified in
7 this section. Any funds reallocated are unappropriated and immediately reappropriated for
8 the following purposes:

9 (a) To reclassify general fund/general purpose appropriations for payroll and covered
10 benefits for eligible public health and safety employees at the department of corrections.

11 (b) To reclassify general fund/general purpose appropriations for payroll and covered
12 benefits for eligible public health and safety employees at the department of state police.

13 (2) All applicable guidance, implementation, and reporting provisions of Public Law
14 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under
15 subsection (1).

16 (3) The state budget director shall notify the senate and house appropriations
17 committees not later than 10 business days after making any reallocations under subsection
18 (1). The notification must include the authorized program under which funds were originally
19 appropriated, the amount of the reallocation, the program, or programs, or purpose, and the
20 department to which the funds are being reallocated under subsection (1), and the amount
21 reallocated to each program or purpose.

22

23 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

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

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

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

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

9 (3) The department shall notify the standard report recipients 30 days before
10 proposing changes in fees authorized under this section or under section 5 of 1915 PA 91,
11 MCL 285.35.

12 Sec. 1-302. (1) The department may contract with or provide grants to local units of
13 government, institutions of higher education, or nonprofit organizations to support
14 activities authorized by appropriations in part 1.

15 (2) The department shall notify members of the legislature of grants or contracts
16 awarded to recipients located within a member's legislative district.

17 (3) As used in this section:

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

21 (b) "Grants" includes, but is not limited to, grants promoting proper pesticide
22 disposal and research grants for the purpose of enhancing the agricultural industries in
23 this state.

24 Sec. 1-303. (1) From the funds appropriated in part 1 for emerging contaminants in
25 food and agriculture the department shall support efforts to identify and respond to the
26 impacts of emerging contaminants to the food and agriculture sector, help address and
27 mitigate current issues caused by emerging contaminants, and work to prevent and minimize
28 future impacts. The department shall coordinate these efforts with other state agencies,
29 federal agencies, tribal governments, local governments, institutions of higher learning,
30 and the food and agriculture sector. Emerging contaminants include but are not limited to
31 pesticides, dioxins, and per- and polyfluoroalkyl substances.

32 (2) The unexpended funds appropriated in part 1 for emerging contaminants in food and

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

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

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

12 (c) The estimated cost of this project is \$1,368,700.00.

13 (d) The tentative completion date for the work project is September 30, 2031.

14

15 **FOOD SAFETY AND ANIMAL HEALTH**

16 Sec. 1-401. Not later than April 1, the department shall report on the previous
17 calendar year's activities of the bureau of food safety and animal health. The report must
18 include the following:

19 (a) Information on activities and outcomes of the dairy safety and inspection
20 program, the food safety inspection program, the foodborne illness and emergency response
21 program, and the food service program.

22 (b) Significant foodborne outbreaks and emergencies, including any significant
23 enforcement actions taken related to food safety.

24 (c) All indemnification payments for livestock depredation made including all of the
25 following:

26 (i) The reason for the indemnification.

27 (ii) The amount of the indemnification.

28 (iii) The person for whom the indemnification was paid.

29 Sec. 1-402. From the funds appropriated in part 1, the department shall pay for all
30 whole herd bovine TB testing costs and individual animal testing costs in the modified
31 accredited zone and buffer counties as referenced in the current memorandum of
32 understanding between the department and the USDA to maintain split-state status

1 requirements. These costs include indemnity and compensation for injury causing death or
2 downer to animals.

3 Sec. 1-403. The department shall collaborate with the USDA to monitor bovine TB,
4 consistent with the current required memorandum of understanding between the department and
5 the USDA.

6 Sec. 1-404. From the funds appropriated in part 1 for animal disease prevention and
7 response, the department shall use \$200,000.00 to cover costs associated with testing of
8 registered privately owned cervid facilities as follows:

- 9 (a) Required surveillance testing for chronic wasting disease.
- 10 (b) Infected herd bovine TB testing.

11 Sec. 1-405. (1) Not later than October 15, the department shall provide a report on
12 bovine TB status and department activities.

13 (2) For each fiscal quarter following the report required in subsection (1), the
14 department shall provide an update that identifies the following:

- 15 (a) Significant impacts to the program, including new incidence of bovine TB in this
16 state, department activity associated with specific new incidence of bovine TB, any changes
17 in USDA requirements or movement orders, and information and data on wildlife risk
18 mitigation plan implementation in the modified accredited zone.
- 19 (b) Implementation of a movement certificate process.
- 20 (c) Progress toward annual surveillance test requirements.
- 21 (d) Efforts to work with slaughter facilities in this state, as well as those that
22 slaughter a significant number of animals from this state.
- 23 (e) Educational programs and information for this state's livestock community.

24

25 **ENVIRONMENT AND SUSTAINABILITY**

26 Sec. 1-501. The department shall report on the previous calendar year's activities of
27 the bureau of environment and sustainability on or before April 1.

28 Sec. 1-502. (1) The purpose of the part 1 appropriation for soil health and
29 regenerative agriculture is to advance the adoption and implementation of best regenerative
30 agricultural practices and new environmentally sustainable technologies, promoting soil
31 health and regenerative agriculture principles throughout the state.

32 (2) From the funds appropriated in part 1 for soil health/regenerative agriculture,

1 the department shall do both of the following:

2 (a) Promote the principles of soil health and regenerative agriculture through at
3 least the following:

4 (i) The maintenance of soil cover.

5 (ii) The minimization of soil disturbance.

6 (iii) The maximization of plant and crop diversity.

7 (iv) The maximization of the presence of living roots.

8 (v) The integration of livestock into the cropping systems.

9 (b) Ensure that program outcomes include at least the following:

10 (i) The increase of soil organic matter content.

11 (ii) The improvement of soil water infiltration capacity.

12 (iii) The increase in soil water holding capacity.

13 (iv) The improvement of soil biological capacity to break down plant residue and
14 other substances and to maintain soil aggregation.

15 (v) The improvement of soil nutrient sequestration and cycling capacity.

16 (vi) The reduction of nutrient losses.

17 (vii) The increase of carbon sequestration capacity of soil.

18 (3) From the funds appropriated in part 1 for soil health/regenerative agriculture,
19 the department shall promote practices of soil health and regenerative agriculture,
20 including the use of no-till farming, intercropping, cover crops, multispecies cover crops,
21 roller crimping, managed rotational grazing, and other practices identified that utilize
22 natural biological processes to advance the goals of soil health and regenerative
23 agriculture.

24 (4) Funds appropriated in part 1 for soil health/regenerative agriculture shall not
25 be used for applied research into the precision application of fertilizer, pesticides, or
26 herbicides.

27 (5) In the report required under section 501 of this part, the department shall
28 provide information on the program described in this section, including department
29 activities, uses of program funds by activity or project, contractors, grantees, and a
30 summary of projects and project results.

31 (6) Of the funds appropriated in part 1 for soil health/regenerative agriculture, not
32 less than \$1,000,000.00 must be used by the department to partner with the state land grant

1 university through MSU Extension and AgBioResearch to develop, implement, and evaluate a
2 soil health/regenerative agriculture program. The partnership described in this subsection
3 must be focused on researching and assisting the agricultural industry in implementing soil
4 health/regenerative agricultural principles and techniques.

5 Sec. 1-505. The funds appropriated in part 1 for environmental stewardship-MAEAP must
6 be used to support department agriculture pollution prevention programs, including
7 groundwater and freshwater protection programs under part 87 of the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical
9 assistance in implementing conservation grants available under the federal farm bill.

10 Sec. 1-506. The department may receive and expend federal revenues up to a total of
11 \$1,000,000.00 in excess of the federal revenue appropriated in part 1 for environmental
12 stewardship and MAEAP activities.

13 Sec. 1-507. (1) From the appropriations in part 1 for local conservation districts,
14 \$3,000,000.00 must be distributed through a grant program to local conservation districts
15 in this state that were in operation in the previous fiscal year based upon criteria
16 established by the department.

17 (2) On or before April 1, the department shall report on the previous calendar year's
18 activities of local conservation districts. The report must include descriptions of local
19 conservation district activities and the use of funding. In preparing this report, the
20 department shall coordinate with representatives of local conservation districts.

21

22 **AGRICULTURE DEVELOPMENT**

23 Sec. 1-601. (1) From the funds appropriated in part 1 for the food and agriculture
24 investment program, the department shall operate a food and agriculture investment program
25 that does the following:

26 (a) Expand the Michigan food and agriculture sector.

27 (b) Promote food security.

28 (c) Develop local and regional food systems.

29 (d) Grow Michigan exports.

30 (e) Promote the development of value-added agricultural production.

31 (f) Support urban farms, food hubs, food incubators, and community-based processing
32 facilities with a focus on new and expanding protein processors.

1 (g) Promote the expansion of farm markets, flower markets, and urban agriculture,
2 including hoop houses.

3 (h) Increase food processing activities within this state by accelerating investment
4 projects and infrastructure development that support growth in production agriculture and
5 food and agriculture processing, expand opportunity to new agricultural producers and
6 processors, promote agriculture tourism and agricultural heritage, and develop agricultural
7 education and interpretation activities.

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

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

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

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

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

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

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

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

1 (a) Grants.

2 (b) Loans or loan guarantees.

3 (c) Infrastructure development.

4 (d) Other economic assistance.

5 (e) Program administration.

6 (f) Export assistance.

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

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

15 Sec. 1-602. (1) From the funds appropriated in part 1 for fair food network - double
16 up food bucks, the department shall work with the fair food network to ensure that at least
17 80% of the funds allocated to the double up food bucks program are directly used for the
18 payments to participating vendors.

19 (2) The department shall work with the department of health and human services to do
20 the following:

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

23 (b) Notify recipients of food assistance program benefits about the double up food
24 bucks program and that it is administered by the fair food network. Food assistance program
25 recipients shall receive information about the double up food bucks program.

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

29 (4) Not later than June 1, the department shall submit a report on activities and
30 outcomes of the double up food bucks program. The report must contain the following:

31 (b) Counties with participating double up food bucks vendors, the number of vendors
32 by county, and the name and location of vendors, as of May 1. The report must identify

1 counties and vendors added to the program or removed from the program since May 1 of the
2 prior fiscal year.

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

4 Sec. 1-603. (1) Not later than April 1, the department shall report on the previous
5 calendar year's activities of the agriculture development bureau.

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

8 (a) The name of the grantee.

9 (b) The amount of the grant.

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

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

13 (e) The completion date of grant-funded activities

14 (3) The report must include the following information on the Michigan craft beverage
15 council established under section 303 of the Michigan liquor control code of 1998, 1998 PA
16 58, MCL 436.1303:

17 (a) Council activities and accomplishments

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

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

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

24 Sec. 1-604. Unexpended industry support fund revenues at the end of the fiscal year
25 shall be carried forward into the industry support fund in the succeeding fiscal year and
26 do not lapse to the general fund.

27 Sec. 1-605. (1) The appropriations in part 1 for the qualified forest program are for
28 the purpose of increasing the knowledge of nonindustrial private forestland owners
29 regarding sound forest management practices and increasing the amount of commercial timber
30 production from those lands.

31 (2) The department shall work in partnership with stakeholder groups and other state
32 and federal agencies to increase the active management of nonindustrial private forestland

1 to foster the growth of this state's timber product industry.

2 Sec. 1-606. From the funds appropriated in part 1, the department shall maintain
3 coordination with the department of treasury to improve the timely processing and issuance
4 of tax credits under section 36109 of the natural resources and environmental protection
5 act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation
6 program under parts 361 and 362 of the natural resources and environmental protection act,
7 1994 PA 451, MCL 324.36101 to 324.36116 and 324.36201 to 324.36207. The improvement of
8 timely processing and issuance, as described in this section, includes, but is not limited
9 to:

10 (a) Timely review of mailed applications and paperwork.

11 (b) Timely and proactive communications to applicants on the status of their
12 application.

13 (c) The provision of a clear and understood timeline for the issuance of any tax
14 credits.

15 Sec. 1-607. The department shall collaborate with the department of labor and
16 economic opportunity's office of rural prosperity on the rural development fund grant
17 program as part of the state's coordinated strategy for achieving rural prosperity across
18 the state.

19

20 **LABORATORY AND CONSUMER PROTECTION**

21 Sec. 1-701. The department shall report by April 1 on the previous calendar year's
22 activities of the laboratory bureau.

23 Sec. 1-702. Funds from the appropriations in part 1 shall not be used for the purpose
24 of consolidating state-run laboratories.

25

26 **FAIRS AND EXPOSITIONS**

27 Sec. 1-801. All appropriations from the agriculture equine industry development fund
28 must be spent on equine-related purposes. Funds from the agriculture equine industry
29 development fund shall not be expended for non-equine-related purposes without prior
30 approval of the legislature.

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

1 (a) To support all administrative, contractual, and regulatory costs incurred by the
2 department and the Michigan gaming control board.

3 (b) Any remaining funds collected through September 30, 2026 after the obligations in
4 subdivision (a) have been met, must be prorated among the county fairs, supplements,
5 breeders' awards, and sire stakes awards to eligible race meeting licensees in accordance
6 with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

7 Sec. 1-803. From the funds appropriated in part 1 from purses and supplements -
8 fairs/licensed tracks, \$720,000.00 may be spent only if there is no standardbred race
9 meeting in this state that is licensed under the horse racing law of 1995, 1995 PA 279, MCL
10 431.301 to 431.336, by January 1.

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

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

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

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

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

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

32 (5) The department shall identify criteria, evaluate applications, and provide

1 recommendations to the director for final approval of grant awards.

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

4 (7) The unexpended portion of the appropriation in part 1 for county fairs, shows,
5 and expositions grants are designated as a work project appropriation and any unencumbered
6 or unallotted funds do not lapse at the end of the fiscal year and are available for
7 expenditures for projects under this section until the projects have been completed. The
8 following is in compliance with section 451a(1) of the management and budget act, 1984 PA
9 431, MCL 18.1451a:

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

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

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

16 (d) The estimated cost of the project is \$250,000.00.

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

18 (8) The department shall provide a year-end report on the county fairs, shows, and
19 expositions grants no later than December 1, that includes a listing of the grantees, award
20 amounts, match funding, project outcomes, and department costs of grant administration.