

Act No. 22
Public Acts of 2025
Approved by the Governor
October 7, 2025
Filed with the Secretary of State
October 7, 2025
EFFECTIVE DATE: October 7, 2025

**STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025**

Introduced by Rep. Bollin

ENROLLED HOUSE BILL No. 4706

AN ACT to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2025 and September 30, 2026; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

ARTICLE 1

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	546.0	
GROSS APPROPRIATION		\$ 145,885,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		336,600
ADJUSTED GROSS APPROPRIATION		\$ 145,548,400
Federal revenues:		
Total federal revenues		20,079,600
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		47,972,400
State general fund/general purpose		\$ 77,496,400

Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	31.0		
Unclassified salaries—FTEs	6.0	\$	1,064,200
Accounting service center			1,190,900
Commissions and boards			23,800
Emergency management—FTEs	8.0		2,774,100
Emerging contaminants in food and agriculture—FTEs	6.0		1,362,200
Executive direction—FTEs	17.0		2,532,200
Property management			876,300
GROSS APPROPRIATION		\$	9,823,700
Appropriated from:			
Federal revenues:			
Deferred federal revenue funding			15,000
HHS, multiple grants			444,800
USDA, multiple grants			600,000
Special revenue funds:			
Agriculture licensing and inspection fees			170,100
Dairy and food safety fund			160,000
Feed control fund			9,000
Fertilizer control fund			10,700
Freshwater protection fund			165,400
Industry support funds			58,300
Michigan craft beverage council fund			8,800
Private forestland enhancement fund			18,100
Refined petroleum fund			21,300
Weights and measures regulation fees			5,000
State general fund/general purpose		\$	8,137,200
Sec. 103. INFORMATION TECHNOLOGY			
Information technology services and projects		\$	2,386,400
GROSS APPROPRIATION		\$	2,386,400
Appropriated from:			
Special revenue funds:			
Agriculture licensing and inspection fees			93,800
Dairy and food safety fund			77,000
Feed control fund			15,200
Fertilizer control fund			15,200
Freshwater protection fund			15,200
Gasoline inspection and testing fund			32,600
State general fund/general purpose		\$	2,137,400
Sec. 104. FOOD SAFETY AND ANIMAL HEALTH			
Full-time equated classified positions	212.0		
Animal disease prevention and response—FTEs	63.0	\$	11,208,400
Animal feed safety—FTEs	10.0		2,127,200
Food safety and quality assurance—FTEs	103.0		18,407,500
Indemnification - livestock depredation			15,000
Milk safety and quality assurance—FTEs	36.0		6,057,500
GROSS APPROPRIATION		\$	37,815,600
Appropriated from:			
Federal revenues:			
HHS, multiple grants			2,929,800
USDA, multiple grants			1,211,100
Special revenue funds:			
Agriculture licensing and inspection fees			73,300

For Fiscal Year
Ending Sept. 30,
2026

Animal welfare fund		\$	150,000
Consumer and industry food safety education fund			242,500
Dairy and food safety fund			6,545,400
Feed control fund			1,451,500
Industry food safety education fund			114,100
Marihuana regulatory fund			50,600
State general fund/general purpose		\$	25,047,300
Sec. 105. ENVIRONMENT AND SUSTAINABILITY			
Full-time equated classified positions	117.5		
Environmental stewardship - MAEAP—FTEs	27.0	\$	11,024,600
Local conservation districts			3,000,000
Pesticide and plant pest management—FTEs	79.0		14,032,300
Right-to-farm—FTEs	6.5		1,060,100
Soil health/Regenerative agriculture—FTEs	5.0		2,035,500
GROSS APPROPRIATION		\$	31,152,500
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDEGLE, biosolids			97,800
Federal revenues:			
Department of Interior			96,300
EPA, multiple grants			1,142,700
USDA, multiple grants			2,048,100
Special revenue funds:			
Agriculture licensing and inspection fees			4,228,600
Fertilizer control fund			1,396,000
Freshwater protection fund			8,560,100
Horticulture fund			70,000
Industrial hemp fund			688,900
Industry support funds			228,100
State general fund/general purpose		\$	12,595,900
Sec. 106. AGRICULTURE DEVELOPMENT			
Full-time equated classified positions	72.0		
Agricultural preservation easement grants		\$	1,900,000
Agricultural support—FTEs	5.0		1,005,000
Agriculture development—FTEs	16.0		4,882,500
Fair food network - double up food bucks			4,000,000
Farm to family—FTEs	6.0		3,014,300
Farmland and open space preservation—FTEs	10.0		1,613,800
Food and agriculture investment program			2,449,300
Food and agriculture supply chain—FTE	1.0		305,100
Fruit and vegetable inspections—FTEs	8.0		1,313,300
Intercounty drain—FTEs	5.0		897,800
Michigan craft beverage council—FTE	1.0		1,346,600
Migrant labor housing—FTEs	9.0		1,410,000
Producer security/grain dealers—FTEs	6.0		1,044,500
Qualified forest program—FTEs	4.0		7,826,500
Rural development fund grant program—FTE	1.0		2,009,500
GROSS APPROPRIATION		\$	35,018,200
Appropriated from:			
Federal revenues:			
USDA, multiple grants			8,089,900
Special revenue funds:			
Agricultural preservation fund			3,513,800
Agriculture licensing and inspection fees			5,100

		For Fiscal Year Ending Sept. 30, 2026
Commodity inspection fees	\$	705,500
Grain dealers fee fund		885,700
Industry support funds		223,600
Michigan craft beverage council fund		1,316,600
Migratory labor housing fund		145,100
Private forestland enhancement fund		1,080,100
Rural development fund		2,009,500
State general fund/general purpose	\$	17,043,300
Sec. 107. LABORATORY AND CONSUMER PROTECTION		
Full-time equated classified positions	113.5	
Consumer protection program—FTEs	39.0	\$ 6,988,800
Integrated solutions—FTEs	25.0	3,724,100
Laboratory services—FTEs	40.5	8,467,700
USDA monitoring—FTEs	9.0	1,743,800
GROSS APPROPRIATION	\$	20,924,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from LARA (LCC), liquor quality testing fees		238,800
Federal revenues:		
EPA, multiple grants		180,600
HHS, multiple grants		1,576,300
USDA, multiple grants		1,745,000
Special revenue funds:		
Agricultural preservation fund		44,600
Agriculture licensing and inspection fees		835,500
Dairy and food safety fund		709,600
Feed control fund		193,000
Fertilizer control fund		23,500
Freshwater protection fund		78,900
Gasoline inspection and testing fund		1,964,300
Grain dealers fee fund		8,400
Industrial hemp fund		322,200
Migratory labor housing fund		29,900
Refined petroleum fund		3,563,700
Testing fees		361,700
Weights and measures regulation fees		763,100
State general fund/general purpose	\$	8,285,300
Sec. 108. FAIRS AND EXPOSITIONS		
County fairs, shows, and expositions	\$	250,000
Fairs and racing		258,600
Horse racing advisory commission		125,000
Purses and supplements - fairs/licensed tracks		2,073,600
Standardbred breeders' awards		345,900
Standardbred purses and supplements - licensed tracks		991,100
Standardbred sire stakes		720,000
GROSS APPROPRIATION	\$	4,764,200
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		4,514,200
State general fund/general purpose	\$	250,000
Sec. 109. ONE-TIME APPROPRIATIONS		
Michigan animal agriculture alliance	\$	1,500,000
County fairs, shows, and expositions		250,000
Emerging contaminants in food and agriculture		250,000

		For Fiscal Year Ending Sept. 30, 2026
Fair food network - double up food bucks	\$	1,000,000
Food and agriculture supply chain		500,000
Food safety/quality assurance		500,000
GROSS APPROPRIATION	\$	4,000,000
Appropriated from:		
State general fund/general purpose	\$	4,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is \$125,468,800.00 and total state spending under part 1 from state sources to be paid to local units of government is \$11,800,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

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

Sec. 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. 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) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (d) "FTE" means full-time equated.
- (e) "IDG" means interdepartmental grant.
- (f) "MAEAP" means the Michigan agriculture environmental assurance program.
- (g) "MDEGLE" means the Michigan department of environment, Great Lakes, and energy.
- (h) "Standard report recipients" means the senate and house appropriations subcommittees on agriculture and rural development the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.
- (i) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
- (j) "TB" means tuberculosis.
- (k) "USDA" means the United States Department of Agriculture.

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

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

- (a) The funds must 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.

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

(c) Preference must 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.

Sec. 206. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

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

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

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

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency authorization. Amounts appropriated 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.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for state restricted contingency authorization. Amounts appropriated 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.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency authorization. Amounts appropriated 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.

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

Sec. 211. (1) 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 the department:

(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.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

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

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

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

Sec. 214. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1, shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

Sec. 215. On a quarterly basis, the department or agency receiving appropriations in part 1, shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

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

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

Sec. 222. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

- (a) A list of all work project accounts.
- (b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.
- (c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 224. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act number. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 226. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

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

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed upon business hours.

Sec. 228. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients by March 1 of each year that describes the processes it has developed and implemented under this section.

(3) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 229. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department, including reductions in federal revenue.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Create a regulatory gap that could negatively impact the public.

Sec. 234. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at \$8,872,800.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at \$8,002,700.00. Total appropriations for retiree health care legacy costs for the department are estimated at \$870,100.00.

Sec. 235. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 236. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 237. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 238. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 239. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of \$1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

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

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

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

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

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

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

(4) On or before February 1 of each year, the department shall provide a report to the subcommittees, the fiscal agencies, and the state budget office detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.

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.

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

(3) As used in this section:

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

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

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

(2) The unexpended funds appropriated in part 1 for emerging contaminants in food and agriculture are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are 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 support efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts.

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

(c) The estimated cost of this project is \$1,612,200.00.

(d) The tentative completion date for the work project is September 30, 2030.

BUREAU OF FOOD SAFETY AND ANIMAL HEALTH

Sec. 401. (1) The department shall report on the previous calendar year's activities of the bureau of food safety and animal health. The report must include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.

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

(3) 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:

- (a) The reason for the indemnification.
- (b) The amount of the indemnification.
- (c) The person for whom the indemnification was paid.
- (4) The report must be transmitted on or before April 1 of each year.

Sec. 402. From the funds appropriated in part 1, the department shall pay for all whole herd bovine TB testing costs and individual animal testing costs in the modified accredited zone and buffer counties as referenced in the current memorandum of understanding between the department and the USDA to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Sec. 403. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the current required memorandum of understanding between the department and the USDA.

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

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

Sec. 405. (1) On or before October 15 of each year, the department shall provide to the standard report recipients a report on bovine TB status and department activities.

(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update. The quarterly update reports must 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; and educational programs and information for this state's livestock community.

Sec. 406. From the funds appropriated in part 1 for Michigan animal agriculture alliance, the department shall work with animal industry representatives and state research universities to continue an animal research grant program.

BUREAU OF ENVIRONMENT AND SUSTAINABILITY

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

Sec. 502. (1) The purpose of the part 1 appropriation for soil health/regenerative agriculture is to promote the usage and implementation of best regenerative agricultural farming practices and new technologies related to environmental sustainability.

(2) The purpose of the part 1 appropriation for soil health/regenerative agriculture is advancing the adoption of soil health and regenerative agriculture principles in agriculture in this state.

(3) From the funds appropriated in part 1 for soil health/regenerative agriculture, the department shall do both of the following:

- (a) Promote the principles of soil health and regenerative agriculture through at least the following:
 - (i) The maintenance of soil cover.
 - (ii) The minimization of soil disturbance.
 - (iii) The maximization of plant and crop diversity.

- (iv) The maximization of the presence of living roots.
- (v) The integration of livestock into the cropping systems.
- (b) Ensure that program outcomes include at least the following:
 - (i) The increase of soil organic matter content.
 - (ii) The improvement of soil water infiltration capacity.
 - (iii) The increase in soil water holding capacity.
 - (iv) The improvement of soil biological capacity to break down plant residue and other substances and to maintain soil aggregation.
 - (v) The improvement of soil nutrient sequestration and cycling capacity.
 - (vi) The reduction of nutrient losses.
 - (vii) The increase of carbon sequestration capacity of soil.
- (4) From the funds appropriated in part 1 for soil health/regenerative agriculture, the department shall promote practices of soil health and regenerative agriculture, including the use of no-till farming, intercropping, cover crops, multispecies cover crops, roller crimping, managed rotational grazing, and other practices identified that utilize natural biological processes to advance the goals of soil health and regenerative agriculture.
- (5) No funds appropriated in part 1 for soil health/regenerative agriculture may be used for applied research into the precision application of fertilizer, pesticides, or herbicides.
- (6) It is the intention of the legislature that the department engage with program partners to achieve the purposes of the soil health/regenerative agriculture programs through research, education, and outreach. Program partners include, but are not limited to, farmer-to-farmer networks, Michigan State University Extension, Michigan State University AgBioResearch, the USDA Natural Resources Conservation Service, local conservation districts, and other nongovernmental organizations. Agreements with program partners receiving funds through soil health/regenerative agriculture appropriations must describe intended outcomes and how intended outcomes will be measured and require the provision of a report to the department on uses of funding received and a progress report on outcomes.
- (7) The department may use state employees or contract service providers, or both, to achieve the purposes of the soil health/regenerative agriculture programs.
- (8) In the report required under section 501 of this part, the department shall provide information on the program described in this section, including department activities, uses of program funds by activity or project, contractors, grantees, and a summary of projects and project results.
- (9) Of the funds appropriated in part 1 for soil health/regenerative agriculture, not less than \$1,000,000.00 must be used by the department to partner with the state land grant university through MSU Extension and AgBioResearch to develop, implement, and evaluate a soil health/regenerative agriculture program. The partnership described in this subsection must be focused on researching and assisting the agricultural industry in implementing soil health/regenerative agricultural principles and techniques. Partnership goals must include, but are not limited to, establishing program priorities, developing metrics, implementing goals, evaluating outcomes, and engaging with stakeholders.

Sec. 503. Not later than April 1, the department shall prepare a report to be posted on the department's website and provided to the relevant house and senate standing committees and appropriations subcommittees as well as to the fiscal agencies and state budget office. The report must contain the following information for agriculture nutrient best management voluntary practices program:

- (a) The number and location of acres enrolled in nutrient management or other best management practices.
- (b) The number of acres enrolled that were not previously verified under the MAEAP.
- (c) A summary of practices implemented and available incentive programs.
- (d) The starting and ending balances of the program.
- (e) A summary of outreach and training efforts.
- (f) Testing results.

Sec. 505. The funds appropriated in part 1 for environmental stewardship/MAEAP must be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the 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.

Sec. 506. The department may receive and expend federal revenues up to a total of \$1,000,000.00 in excess of the federal revenue appropriated in 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.

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

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

LABORATORY AND CONSUMER PROTECTION BUREAU

Sec. 601. The department shall report by April 1 on the previous calendar year's activities of the laboratory bureau.

Sec. 602. No funds from the appropriations in part 1 may be used for the purpose of consolidating state-run laboratories.

AGRICULTURE DEVELOPMENT BUREAU

Sec. 701. (1) From the funds appropriated in part 1 for the food and agriculture investment program, the department shall operate a food and agriculture investment program.

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

- (a) Expand the Michigan food and agriculture sector.
- (b) Promote food security.
- (c) Develop local and regional food systems.
- (d) Grow Michigan exports.
- (e) Promote the development of value-added agricultural production.
- (f) Support urban farms, food hubs, food incubators, and community-based processing facilities with a focus on new and expanding protein processors.
- (g) Promote the expansion of farm markets, flower markets, and urban agriculture, including hoop houses.
- (h) Increase food processing activities within this state by accelerating investment projects and infrastructure development that support growth in production agriculture and food and agriculture processing, expand opportunity to new agricultural producers and processors, promote agriculture tourism and agricultural heritage, and develop agricultural education and interpretation activities.

(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.

(4) Before the allocation of funding, all projects must 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, food security, local and regional food systems, 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.

(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.

(6) 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 do not lapse at the end of the fiscal year and are 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 accomplished by utilizing state employees or contracts with service providers, or both.

(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, 2028.

(7) 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.

(8) 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.

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

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

(2) 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 and that it is administered by the fair food network. Food assistance program recipients shall receive information about the double up food bucks program.

(3) 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 farmer's markets that meet the program's eligibility requirements.

(4) On or before June 1, the department shall submit a report on activities and outcomes of the double up food bucks program. The report must 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, 2024.

(b) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name of location of vendors, as of May 1, 2025. The report must highlight counties and vendors added to the program since May 1, 2024.

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

Sec. 706. (1) By not later than April 1, the department shall report on the previous calendar year's activities of the agriculture development bureau.

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

(a) The name of the grantee.

(b) The amount of the grant.

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

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

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

(3) The report must 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:

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

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

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

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

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

Sec. 708. (1) The appropriations in part 1 for the qualified forest program are for the purpose of increasing the knowledge of nonindustrial private forestland owners regarding sound forest management practices and increasing the amount of commercial timber production from those lands.

(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 this state's timber product industry.

Sec. 709. From the funds appropriated in part 1, the department shall maintain coordination with the department of treasury to improve the timely processing and issuance of tax credits under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation program under parts 361 and 362 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36116 and 324.36201 to 324.36207. The improvement of timely processing and issuance, as described in this section, includes, but is not limited to:

- (a) Timely review of mailed applications and paperwork.
- (b) Timely and proactive communications to applicants on the status of their application.
- (c) The provision of a clear and understood timeline for the issuance of any tax credits.

Sec. 710. The department shall collaborate with the department of labor and economic opportunity's office of rural prosperity on the rural development fund grant program as part of the state's coordinated strategy for achieving rural prosperity across the state.

FAIRS AND EXPOSITIONS

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

Sec. 802. From the funds appropriated in part 1 from agriculture equine industry development funds, available revenue must 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) Any remaining funds collected through September 30, 2025, after the obligations in subdivision (a) have been met, must be prorated among the county fairs, 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.

Sec. 803. From the funds appropriated in part 1 from purses and supplements – fairs/licensed tracks, \$720,000.00 may be spent only if there is no standardbred race meeting in this state that is licensed under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336, by January 1, 2026.

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

- (a) Assist in the financing of building improvements or other capital improvements at county fairgrounds of this state.
 - (b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in this state.
- (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 must not receive a grant from the appropriation in part 1.
- (3) From the amount appropriated in part 1 for county fairs, shows, and expositions, up to \$25,000.00 must be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions and festivals in this state.
- (4) All fairs receiving grants under this section must 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.
- (5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.
- (6) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and expositions for administering the program.

(7) The unexpended portion of the appropriation in part 1 for county fairs, shows, and expositions grants are designated as a work project appropriation and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are 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 support building improvements or other capital improvements at county fairgrounds of this state.

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

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

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

(e) The tentative completion date for the work project is September 30, 2028.

(8) The department shall provide a year-end report on the county fairs, shows, and expositions grants no later than December 1, 2026 that includes a listing of the grantees, award amounts, match funding, project outcomes, and department costs of grant administration.