



SENATE BILL No. 784

November 30, 1995, Introduced by Senators BENNETT, EMMONS and MC MANUS and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend section 503 of Act No. 451 of the Public Acts of 1994, entitled "Natural resources and environmental protection act," being section 324.503 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 503 of Act No. 451 of the Public Acts of
2 1994, being section 324.503 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 503. (1) The department shall protect and conserve the
5 natural resources of this state; provide and develop facilities
6 for outdoor recreation; prevent the destruction of timber and
7 other forest growth by fire or otherwise; promote the reforestation
8 of forest lands belonging to the state; prevent and guard against
9 the pollution of lakes and streams within the state and enforce
10 all laws provided for that purpose with all authority granted by

1 law; and foster and encourage the protecting and propagation of
2 game and fish. The department has the power and jurisdiction
3 over the management, control, and disposition of all land under
4 the public domain, except for those lands under the public domain
5 that are managed by other state agencies to carry out their
6 assigned duties and responsibilities. On behalf of the people of
7 the state, the department may accept gifts and grants of land and
8 other property and may buy, sell, exchange, or condemn land and
9 other property, for any of the purposes contemplated by this
10 part. The department may accept funds, money, or grants for
11 development of salmon and steelhead trout fishing in this state
12 from the government of the United States, or any of its depart-
13 ments or agencies, pursuant to the anadromous fish conservation
14 act, Public Law 89-304, 16 U.S.C. 757a to 757g, and may use this
15 money in accordance with the terms and provisions of that act.
16 However, the acceptance and use of federal funds does not commit
17 state funds and does not place an obligation upon the legislature
18 to continue the purposes for which the funds are made available.

19 (2) The department may lease lands owned or controlled by it
20 that have been designated for use for recreational purposes, but
21 only to responsible legal units, within this state, of national
22 or state recognized groups devoted principally to development of
23 character and citizenship training and physical fitness of youth,
24 the financial support of which is by voluntary public subscrip-
25 tions or contributions, and the property of which is exempt from
26 taxation under the laws of this state. The department may lease
27 land in the Porcupine mountain state park to third parties for

1 purposes as it considers desirable. Any lease entered into under
2 this subsection shall limit the purposes for which the leased
3 land is to be used and shall authorize the department to termi-
4 nate the lease upon a finding that the land is being used for
5 purposes other than those permitted in the lease.

6 (3) When any sales of land are made by the department, the
7 deeds by which lands are conveyed may reserve all mineral, coal,
8 oil, and gas rights to the state, but shall not reserve the
9 rights to sand, gravel, clay, or other nonmetallic minerals. The
10 department shall also have the power to provide that all deeds
11 issued for lands along watercourses and streams shall contain a
12 clause reserving the right of ingress and egress over and across
13 the lands. Whenever an exchange of land is made, either with the
14 United States government, a corporation, or an individual, for
15 the purpose of consolidating the state forest reserves, the
16 department may issue deeds without reserving to the state the
17 mineral, coal, oil, and gas rights and the rights of ingress and
18 egress. The department may sell the limestone, sand, gravel, or
19 other nonmetallic minerals. However, the department shall not
20 sell a mineral or nonmetallic mineral right if the sale would
21 violate ~~the~~ PART 353 (sand dune protection and management)
22 ~~act,~~ OF Act No. ~~222~~ 451 of the Public Acts of ~~1976~~ 1994,
23 being sections ~~281.651~~ 324.35301 to ~~281.694~~ 324.35326 of the
24 Michigan Compiled Laws, OR PART 637 (SAND DUNE MINING) OF ACT
25 NO. 451 OF THE PUBLIC ACTS OF 1994, BEING SECTIONS 324.63701 TO
26 324.63714 OF THE MICHIGAN COMPILED LAWS, or any other provision
27 of law. The department may sell all reserved mineral, coal, oil,

1 and gas rights to such lands upon terms and conditions as the
2 department considers proper. The owner of such lands as shown b
3 the records shall be given priority in case the department autho-
4 rizes any sale of such lands, and, unless the landowner waives
5 such rights, the department shall not sell such rights to any
6 other person. For the purpose of this section, mineral rights do
7 not include rights to sand, gravel, clay, or other nonmetallic
8 minerals.

9 (4) THE DEPARTMENT MAY ENTER INTO CONTRACTS FOR THE SALE OF
10 THE ECONOMIC SHARE OF ROYALTY INTERESTS IT HOLDS IN HYDROCARBONS
11 PRODUCED FROM DEVONIAN OR ANTRIM SHALE ALLOCABLE TO THE NONCON-
12 VENTIONAL FUEL CREDIT CONTAINED IN SECTION 29 OF THE INTERNAL
13 REVENUE CODE OF 1986, 26 U.S.C. 29. THE SALE OF THE ECONOMIC
14 SHARE OF ROYALTY INTERESTS UNDER THIS SUBSECTION MAY OCCUR UNDER
15 CONTRACTUAL TERMS AND CONDITIONS CONSIDERED APPROPRIATE BY THE
16 DEPARTMENT AND AS APPROVED BY THE STATE ADMINISTRATIVE BOARD.
17 FUNDS RECEIVED FROM THE SALE OF THE ECONOMIC SHARE OF ROYALTY
18 INTERESTS IN HYDROCARBONS PRODUCED FROM DEVONIAN OR ANTRIM SHALE
19 ALLOCABLE TO THE NONCONVENTIONAL FUEL CREDIT CONTAINED IN
20 SECTION 29 OF THE INTERNAL REVENUE CODE OF 1986, 26 U.S.C. 29
21 UNDER THIS SUBSECTION SHALL BE TRANSMITTED TO THE STATE TREASURER
22 FOR DEPOSIT INTO THE ORPHAN SHARE FUND.

23 Section 2. This amendatory act shall not take effect unless
24 all of the following bills of the 88th Legislature are enacted
25 into law:

26 (a) Senate Bill No. 785.

27

1 (b) Senate Bill No. 786.

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