

HOUSE BILL No. 4021

January 13, 2011, Introduced by Reps. Agema, Yonker, Hooker and Pscholka and referred to the Committee on Natural Resources, Tourism, and Outdoor Recreation.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 1902 (MCL 324.1902), as amended by 2004 PA 587;
and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1902. (1) In accordance with section 35 of article IX of
2 the state constitution of 1963, the Michigan natural resources
3 trust fund is established in the state treasury. ~~The trust fund~~
4 ~~shall consist~~

5 (2) **SUBSECTION (4) REGULATES THE DISTRIBUTION** of all bonuses,
6 rentals, delayed rentals, and royalties collected or reserved by
7 the state under provisions of leases for the extraction of
8 nonrenewable resources from state-owned lands.

1 (3) However, ~~the trust fund shall not include~~ **SUBSECTION (4)**
2 **DOES NOT APPLY TO THE DISTRIBUTION OF** bonuses, rentals, delayed
3 rentals, and royalties collected or reserved by the state from the
4 following sources:

5 (a) State-owned lands acquired with money appropriated from
6 the former game and fish protection fund or the game and fish
7 protection account of the Michigan conservation and recreation
8 legacy fund provided for in section 2010.

9 (b) State-owned lands acquired with money appropriated from
10 the subfund account created by former section 4 of former 1976 PA
11 204.

12 (c) State-owned lands acquired with money appropriated from
13 related federal funds made available to the state under 16 USC 669
14 to 669i, commonly known as the federal aid in wildlife restoration
15 act, or 16 USC 777 to ~~777I~~, **777N**, commonly known as the federal aid
16 in fish restoration act.

17 (d) Money received by the state from net proceeds allocable to
18 the nonconventional fuel credit contained in section ~~29-45K~~ of the
19 internal revenue code of 1986, 26 USC ~~29-45K~~, as provided for in
20 section 503.

21 **(4) THE REVENUE DESCRIBED IN SUBSECTION (2) SHALL BE DEPOSITED**
22 **AS FOLLOWS:**

23 **(A) 20% IN THE MICHIGAN NATURAL RESOURCES TRUST FUND.**

24 **(B) 20% IN THE STATE AERONAUTICS FUND CREATED IN SECTION 34 OF**
25 **THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA 327, MCL**
26 **259.34.**

27 **(C) 60% IN THE MICHIGAN TRANSPORTATION FUND ESTABLISHED IN**

1 SECTION 10 OF 1951 PA 51, MCL 247.660.

2 (5) ~~(2)~~ Notwithstanding subsection ~~(1)~~, until the trust fund
3 reaches an accumulated principal of ~~\$500,000,000.00, \$10,000,000.00~~
4 of the revenues from bonuses, rentals, delayed rentals, and
5 royalties described in this section, but not including money
6 received by the state from net proceeds allocable to the
7 nonconventional fuel credit contained in section 29 of the internal
8 revenue code of 1986, 26 USC 29, as provided for in section 503,
9 otherwise dedicated to the trust fund that are received by the
10 trust fund each state fiscal year shall be transferred to the state
11 treasurer for deposit into the Michigan state parks endowment fund.
12 However, until the trust fund reaches an accumulated principal of
13 \$500,000,000.00, in any state fiscal year, not more than 50% of the
14 total revenues from bonuses, rentals, delayed rentals, and
15 royalties described in this section, but not including net proceeds
16 allocable to the nonconventional fuel credit contained in section
17 29 of the internal revenue code of 1986, 26 USC 29, as provided in
18 section 503, otherwise dedicated to the trust fund that are
19 received by the trust fund each state fiscal year shall be
20 transferred to the Michigan state parks endowment fund. To
21 implement this subsection, ~~(4) (A)~~, until the trust fund reaches an
22 accumulated principal of \$500,000,000.00, the department shall
23 transfer 50% of the money received by the trust fund each month
24 pursuant to subsection ~~(1)~~ ~~(4) (A)~~ to the state treasurer for
25 deposit into the Michigan state parks endowment fund. The
26 department shall make this transfer on the last day of each month
27 or as soon as practicable thereafter. However, not more than a

1 total of \$10,000,000.00 shall be transferred in any state fiscal
2 year pursuant to this subsection.

3 ~~—— (3) In addition to the contents of the trust fund described in~~
4 ~~subsection (1), the trust fund shall consist of money transferred~~
5 ~~to the trust fund pursuant to section 1909.~~

6 (6) ~~(4)~~—The **MICHIGAN NATURAL RESOURCES** trust fund may receive
7 appropriations, money, or other things of value **FOR DEPOSIT IN THE**
8 **TRUST FUND.**

9 (7) ~~(5)~~—The state treasurer shall direct the investment of the
10 **MICHIGAN NATURAL RESOURCES** trust fund. The state treasurer shall
11 have the same authority to invest the assets of the trust fund as
12 is granted to an investment fiduciary under the public employee
13 retirement system investment act, 1965 PA 314, MCL 38.1132 to
14 ~~38.1140/~~**38.1140M.**

15 (8) ~~(6)~~—The department shall annually prepare a report
16 containing an accounting of revenues and expenditures from the
17 **MICHIGAN NATURAL RESOURCES** trust fund. This report shall identify
18 the interest and earnings of the trust fund from the previous year,
19 the investment performance of the trust fund during the previous
20 year, and the total amount of appropriations from the trust fund
21 during the previous year. This report shall be provided to the
22 senate and house of representatives appropriations committees and
23 the standing committees of the senate and house of representatives
24 with jurisdiction over issues pertaining to natural resources and
25 the environment.

26 (9) ~~(7)~~—As used in this section, "Michigan state parks
27 endowment fund" means the Michigan state parks endowment fund

1 established in section 35a of article IX of the state constitution
2 of 1963 and provided for in section 74119.

3 Enacting section 1. Section 1908 of the natural resources and
4 environmental protection act, 1994 PA 451, MCL 324.1908, is
5 repealed.

6 Enacting section 2. This amendatory act does not take effect
7 unless Senate Joint Resolution _____ or House Joint Resolution B
8 (request no. 00194'11) of the 96th Legislature becomes a part
9 of the state constitution of 1963 as provided in section 1 of
10 article XII of the state constitution of 1963.