

HOUSE BILL No. 4929

August 28, 2013, Introduced by Rep. Genetski and referred to the Committee on Appropriations.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 50507 (MCL 324.50507), as amended by 2004 PA 124.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 50507. (1) The authority shall finance only forest
2 management operations and practices consistent with part 525 that
3 follow the guidelines, rules, and objectives prescribed and
4 approved by the department as these guidelines, rules, and
5 objectives are amended by the department.

6 (2) Funds managed by the authority shall be applied in a
7 manner consistent with part 525 and the land management planning

1 policies of the department on lands that have been identified for
2 forest management practices. In the absence of an approved state
3 forest management plan covering a candidate area, an interim
4 procedure, as adopted by the department, shall be used to assure
5 that all forest values have been considered in selecting sites for
6 investment with funds of the authority. The department shall
7 annually submit a list of activities and practices allocated from
8 the funds generated under this part for the board's review and
9 determination of consistency with the purposes of this part.

10 (3) The executive director of the authority shall notify the
11 department if the authority projects a probable default on any
12 bonds or notes issued by the authority, and within 1 year of
13 receipt of the notification, or within less than 1 year, if the
14 notification indicates a shorter time period is necessary to avoid
15 a default, the department shall identify and convey to the
16 authority sufficient timber on tax reverted lands to enable the
17 authority to avoid the projected default and to provide for timely
18 payment of principal of and interest on the authority's bonds or
19 notes. The authority may only issue contracts for the cutting and
20 sale of timber that has been conveyed to the authority under this
21 section to avoid a default on any bonds or notes issued by the
22 authority. The determination of the board as to the need to cut and
23 sell timber is conclusive. Contracts for the cutting and sale of
24 timber shall be consistent with part 525 and with the guidelines,
25 rules, and objectives prescribed by the department.

26 (4) The authority shall establish a fund designated as the
27 "forest development fund". Any money on hand or received in the

1 future from bond proceeds and from contracts for the cutting and
2 sale of timber on tax reverted lands shall be deposited in the
3 forest development fund. In addition, this fund may receive
4 revenues from any other source. The authority shall use money in
5 the forest development fund for 1 or more of the following, **IN THE**
6 **FOLLOWING ORDER OF PRIORITY:**

7 (a) To provide for the payment of principal of and interest on
8 any bonds or notes issued by the authority.

9 **(B) TO REIMBURSE LOCAL UNITS OF GOVERNMENT FOR COSTS INCURRED**
10 **IN SUPPRESSING FOREST FIRES ON STATE-OWNED LAND.**

11 (C) ~~(b)~~—For reforestation, forest protection, and timber stand
12 improvement.

13 (D) ~~(e)~~—To obtain and maintain certification of sustainable
14 forestry standards in the state forest under section 52505.

15 (E) ~~(d)~~—For any other purposes authorized by this part.

16 (5) The auditor general shall audit the expenditures of the
17 forest development fund at least once every 3 years.