

HOUSE JOINT RESOLUTION RR

December 4, 2014, Introduced by Rep. LaFontaine and referred to the Committee on Natural Resources.

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 35 and 35a of article IX, to modify the accumulated principal limitations of the Michigan natural resources trust fund and the Michigan state parks endowment fund and to provide for the allowable uses of those funds.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to modify the accumulated principal limitations of the Michigan natural resources trust fund and the Michigan state parks endowment fund and to provide for the allowable uses of those funds, is proposed, agreed to, and

submitted to the people of the state:

1 ARTICLE IX

2 Sec. 35. There is hereby established the Michigan natural
3 resources trust fund. The trust fund shall consist of all bonuses,
4 rentals, delayed rentals, and royalties collected or reserved by
5 the state under provisions of leases for the extraction of
6 nonrenewable resources from state owned lands, except such revenues
7 accruing under leases of state owned lands acquired with money from
8 state or federal game and fish protection funds or revenues
9 accruing from lands purchased with such revenues. The trust fund
10 may receive appropriations, money, or other things of value. The
11 assets of the trust fund shall be invested as provided by law.

12 Until the trust fund reaches an accumulated principal of
13 \$500,000,000.00, \$10,000,000.00 of the revenues from bonuses,
14 rentals, delayed rentals, and royalties described in this section
15 otherwise dedicated to the trust fund that are received by the
16 state each state fiscal year shall be deposited into the Michigan
17 ~~state-parks~~ **AND RECREATION** endowment fund. However, until the trust
18 fund reaches an accumulated principal of \$500,000,000.00, in any
19 state fiscal year, not more than 50 percent of the total revenues
20 from bonuses, rentals, delayed rentals, and royalties described in
21 this section otherwise dedicated to the trust fund that are
22 received by the state each state fiscal year shall be deposited
23 into the Michigan ~~state-parks~~ **AND RECREATION** endowment fund.

24 The amount accumulated in the trust fund in any state fiscal
25 year shall not exceed \$500,000,000.00, exclusive of interest and
26 earnings and amounts authorized for expenditure pursuant to this

1 section **AS THIS AMOUNT IS ADJUSTED PURSUANT TO THE MOST**
2 **COMPREHENSIVE INDEX OF CONSUMER PRICES AVAILABLE FOR THE DETROIT**
3 **AREA FROM THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR**
4 **STATISTICS OR SUCCESSOR AGENCY.** When the accumulated principal of
5 the trust fund reaches \$500,000,000.00, all revenue from bonuses,
6 rentals, delayed rentals, and royalties described in this section
7 that would be received by the trust fund but for this limitation
8 shall be deposited into the Michigan ~~state parks~~ **AND RECREATION**
9 endowment fund. ~~until the Michigan state parks endowment fund~~
10 ~~reaches an accumulated principal of \$800,000,000.00. When the~~
11 ~~Michigan state parks endowment fund reaches an accumulated~~
12 ~~principal of \$800,000,000.00, all revenues from bonuses, rentals,~~
13 ~~delayed rentals, and royalties described in this section shall be~~
14 ~~distributed as provided by law.~~

15 The interest and earnings of the trust fund shall be expended
16 for the acquisition of land or rights in land for recreational uses
17 or protection of the land because of its environmental importance
18 or its scenic beauty, for the development of public recreation
19 facilities, and for the administration of the trust fund, which may
20 include payments in lieu of taxes on state owned land purchased
21 through the trust fund. The trust fund may provide grants to units
22 of local government or public authorities which shall be used for
23 the purposes of this section. The legislature shall provide that a
24 portion of the cost of a project funded by such grants be provided
25 by the local unit of government or public authority.

26 Until the trust fund reaches an accumulated principal of
27 \$500,000,000.00, the legislature may provide, in addition to the

1 expenditure of interest and earnings authorized by this section,
2 that a portion, not to exceed 33-1/3 percent, of the revenues from
3 bonuses, rentals, delayed rentals, and royalties described in this
4 section received by the trust fund during each state fiscal year
5 may be expended during subsequent state fiscal years for the
6 purposes of this section.

7 Not less than 25 percent of the total amounts made available
8 for expenditure from the trust fund from any state fiscal year
9 shall be expended for acquisition of land and rights in land and
10 not ~~more~~ **LESS** than 25 percent of the total amounts made available
11 for expenditure from the trust fund from any state fiscal year
12 shall be expended for development of public recreation facilities.

13 The legislature shall provide by law for the establishment of
14 a trust fund board within the department of natural resources. The
15 trust fund board shall recommend the projects to be funded. The
16 board shall submit its recommendations to the governor who shall
17 submit the board's recommendations to the legislature in an
18 appropriations bill.

19 The legislature shall provide by law for the implementation of
20 this section.

21 Sec. 35a. There is hereby established the Michigan ~~state parks~~
22 **AND RECREATION** endowment fund. The endowment fund shall consist of
23 revenues as provided in section 35 of this article, and as provided
24 by law. The endowment fund may also receive private contributions
25 of money or other things of value. ~~All money in the Genevieve~~
26 ~~Gillette state parks endowment fund shall be transferred to the~~
27 ~~endowment fund.~~ The assets of the endowment fund shall be invested

1 as provided by law.

2 ~~—— The accumulated principal of the endowment fund shall not~~
3 ~~exceed \$800,000,000.00, which amount shall be annually adjusted~~
4 ~~pursuant to the rate of inflation beginning when the endowment fund~~
5 ~~reaches \$800,000,000.00. This annually adjusted figure is the~~
6 ~~accumulated principal limit of the endowment fund.~~

7 ~~—— Money available for expenditure from the endowment fund as~~
8 ~~provided in this section shall be expended for operations,~~
9 ~~maintenance, and capital improvements at Michigan state parks and~~
10 ~~for the acquisition of land or rights in land for Michigan state~~
11 ~~parks.~~

12 Money in the endowment fund, shall be expended as follows:

13 ~~—— (1) Until the endowment fund reaches an accumulated principal~~
14 ~~of \$800,000,000.00, each state fiscal year the legislature may~~
15 ~~appropriate not more than 50 percent of INCLUDING the money~~
16 ~~received under section 35 of this article plus interest and~~
17 ~~earnings and any private contributions or other revenue to the~~
18 ~~endowment fund, -SHALL BE EXPENDED AS FOLLOWS:~~

19 (1) NOT MORE THAN 50 PERCENT FOR OPERATIONS, MAINTENANCE,
20 CAPITAL IMPROVEMENTS, AND ACQUISITION OF LAND FOR MICHIGAN STATE
21 PARKS.

22 (2) NOT MORE THAN 25 PERCENT FOR INFRASTRUCTURE RENOVATION AND
23 CAPITAL IMPROVEMENTS ON PUBLICLY OWNED RECREATION LAND.

24 (3) NOT MORE THAN 25 PERCENT SHALL BE REINVESTED IN THE CORPUS
25 OF THE ENDOWMENT FUND.

26 ~~—— (2) Once the accumulated principal in the endowment fund~~
27 ~~reaches \$800,000,000.00, only the interest and earnings of the~~

1 ~~endowment fund in excess of the amount necessary to maintain the~~
2 ~~endowment fund's accumulated principal limit may be made available~~
3 ~~for expenditure.~~

4 Unexpended appropriations of the endowment fund from any state
5 fiscal year as authorized by this section may be carried forward or
6 may be appropriated as determined by the legislature for purposes
7 of this section.

8 The legislature shall provide by law for implementation of
9 this section.

10 Resolved further, That the foregoing amendment shall be
11 submitted to the people of the state at the next general election
12 in the manner provided by law.