

**SUBSTITUTE FOR
SENATE BILL NO. 763**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 1901, 1902, and 1903 (MCL 324.1901, 324.1902,
and 324.1903), section 1901 as added by 1995 PA 60, section 1902 as
amended by 2012 PA 619, and section 1903 as amended by 2011 PA 117,
and by adding section 74119a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1901. As used in this part:

2 (a) "Board" means the Michigan natural resources trust fund
3 board established in section 1905.

4 (b) "Economic development revenue bonds (oil and gas
5 revenues), series 1982A, dated December 1, 1982" includes bonds
6 refunding these bonds, provided that any refunding bonds mature no

1 later than September 1, 1994.

2 (c) "Local unit of government **OR PUBLIC AUTHORITY**" means a
 3 county, city, township, village, school district, the Huron-Clinton
 4 metropolitan authority, or any authority composed of counties,
 5 cities, townships, villages, or school districts, or any
 6 combination thereof, which authority is legally constituted to
 7 provide public recreation.

8 (D) "**MICHIGAN STATE PARKS ENDOWMENT FUND**" MEANS THE MICHIGAN
 9 **STATE PARKS ENDOWMENT FUND ESTABLISHED IN SECTION 35A OF ARTICLE IX**
 10 **OF THE STATE CONSTITUTION OF 1963 AND PROVIDED FOR IN SECTION**
 11 **74119.**

12 (E) ~~(d)~~—"Total expenditures" means the amounts actually
 13 expended from the trust fund as authorized by section 1903(1) and
 14 (2).

15 (F) ~~(e)~~—"Trust fund" means the Michigan natural resources
 16 trust fund established in section 35 of article IX of the state
 17 constitution of 1963 **AND PROVIDED FOR IN SECTION 1902.**

18 Sec. 1902. (1) In accordance with section 35 of article IX of
 19 the state constitution of 1963, the Michigan natural resources
 20 trust fund is established in the state treasury. The trust fund
 21 shall consist of all bonuses, rentals, delayed rentals, and
 22 royalties collected or reserved by the state under provisions of
 23 leases for the extraction of nonrenewable resources from ~~state~~
 24 ~~owned~~ **STATE-OWNED** lands. However, the trust fund shall not include
 25 bonuses, rentals, delayed rentals, and royalties collected or
 26 reserved by the state from the following sources:

27 (a) ~~State-owned~~ **STATE-OWNED** lands acquired with money

1 appropriated from the former game and fish protection fund or the
2 game and fish protection account of the Michigan conservation and
3 recreation legacy fund provided for in section 2010.

4 (b) ~~State owned~~ **STATE-OWNED** lands acquired with money
5 appropriated from the subfund account created by former section 4
6 of former 1976 PA 204.

7 (c) ~~State owned~~ **STATE-OWNED** lands acquired with money
8 appropriated from related federal funds made available to the state
9 under the Pittman-Robertson wildlife restoration act, 16 USC 669 to
10 ~~669k, 669I~~, or the Dingell-Johnson sport fish restoration act, 16
11 USC 777 to ~~777n~~ **777M**.

12 (d) Money received by the state from net proceeds allocable to
13 the nonconventional source production credit contained in section
14 45k of the internal revenue code of 1986, 26 USC 45k, as provided
15 for in section 503.

16 (2) Notwithstanding subsection (1), until the ~~trust fund~~
17 **MICHIGAN STATE PARKS ENDOWMENT FUND** reaches an accumulated
18 principal of ~~\$500,000,000.00, \$10,000,000.00 of \$800,000,000.00~~,
19 the revenues from bonuses, rentals, delayed rentals, and royalties
20 described in this section, but not including money received by the
21 state from net proceeds allocable to the nonconventional source
22 production credit contained in section 45k of the internal revenue
23 code of 1986, 26 USC 45k, as provided for in section 503, otherwise
24 dedicated to the trust fund that are received by the ~~trust fund~~
25 **STATE** each state fiscal year shall be transferred to the state
26 treasurer for deposit into the Michigan state parks endowment fund.
27 ~~However, until the trust fund reaches an accumulated principal of~~

1 ~~§500,000,000.00, in any state fiscal year, not more than 50% of the~~
2 ~~total revenues from bonuses, rentals, delayed rentals, and~~
3 ~~royalties described in this section, but not including net proceeds~~
4 ~~allocable to the nonconventional source production credit contained~~
5 ~~in section 45k of the internal revenue code of 1986, 26 USC 45k, as~~
6 ~~provided in section 503, otherwise dedicated to the trust fund that~~
7 ~~are received by the trust fund each state fiscal year shall be~~
8 ~~transferred to the Michigan state parks endowment fund. To~~
9 ~~implement this subsection, until the trust fund reaches an~~
10 ~~accumulated principal of \$500,000,000.00, the department shall~~
11 ~~transfer 50% of the money received by the trust fund each month~~
12 ~~pursuant to subsection (1) to the state treasurer for deposit into~~
13 ~~the Michigan state parks endowment fund. The department shall make~~
14 ~~this transfer on the last day of each month or as soon as~~
15 ~~practicable thereafter. However, not more than a total of~~
16 ~~\$10,000,000.00 shall be transferred in any state fiscal year~~
17 ~~pursuant to this subsection.~~

18 (3) The trust fund may receive appropriations, money, or other
19 things of value.

20 (4) The state treasurer shall direct the investment of the
21 trust fund. The state treasurer shall have the same authority to
22 invest the assets of the trust fund as is granted to an investment
23 fiduciary under the public employee retirement system investment
24 act, 1965 PA 314, MCL 38.1132 to ~~38.1140m~~**38.1141**.

25 (5) The department shall annually prepare a report containing
26 an accounting of revenues and expenditures from the trust fund.
27 This report shall identify the interest and earnings of the trust

1 fund from the previous year, the investment performance of the
 2 trust fund during the previous year, and the total amount of
 3 appropriations from the trust fund during the previous year. This
 4 report shall be provided to the senate and house of representatives
 5 appropriations committees and the standing committees of the senate
 6 and house of representatives with jurisdiction over issues
 7 pertaining to natural resources and the environment.

8 ~~—— (6) As used in this section, "Michigan state parks endowment~~
 9 ~~fund" means the Michigan state parks endowment fund established in~~
 10 ~~section 35a of article IX of the state constitution of 1963 and~~
 11 ~~provided for in section 74119.~~

12 Sec. 1903. (1) ~~Subject~~ **UNTIL THE MICHIGAN STATE PARKS**
 13 **ENDOWMENT FUND REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00,**
 14 **THE AMOUNT ACCUMULATED IN THE TRUST FUND IN ANY STATE FISCAL YEAR**
 15 **SHALL NOT EXCEED \$500,000,000.00, EXCLUSIVE OF INTEREST AND**
 16 **EARNINGS AND AMOUNTS AUTHORIZED FOR EXPENDITURE. THIS AMOUNT IS THE**
 17 **ACCUMULATED PRINCIPAL LIMITATION. THE ACCUMULATED PRINCIPAL OF THE**
 18 **TRUST FUND SHALL NOT BE EXPENDED. HOWEVER, SUBJECT** to the
 19 limitations of this part and of section 35 of article IX of the
 20 state constitution of 1963, the interest and earnings of the trust
 21 fund in any 1 state fiscal year may be expended in subsequent state
 22 fiscal years only for the following purposes:

23 (a) The acquisition of land or rights in land for recreational
 24 uses or protection of the land because of its environmental
 25 importance or its scenic beauty.

26 (b) The development, **RENOVATION, AND REDEVELOPMENT** of public
 27 recreation facilities.

1 (c) The administration of the fund, including payments in lieu
2 of taxes on state-owned land purchased through the trust fund. The
3 legislature shall make appropriations from the trust fund each
4 state fiscal year to make full payments in lieu of taxes on state-
5 owned land purchased through the trust fund, as provided in section
6 2154.

7 ~~(2) In addition to the money described in subsection (1), 33-~~
8 ~~1/3% of the money, exclusive of interest and earnings, received by~~
9 ~~the trust fund in any state fiscal year~~ **AFTER THE MICHIGAN STATE**
10 **PARKS ENDOWMENT FUND REACHES AN ACCUMULATED PRINCIPAL OF**
11 **\$800,000,000.00, THE ACCUMULATED PRINCIPAL LIMITATION FOR THE TRUST**
12 **FUND AS PROVIDED FOR IN SECTION 1903 NO LONGER APPLIES AND THE**
13 **REVENUES FROM BONUSES, RENTALS, DELAYED RENTALS, AND ROYALTIES**
14 **DESCRIBED IN SECTION 1902 SHALL BE DEPOSITED INTO THE TRUST FUND.**
15 **FROM THESE REVENUES EACH YEAR THE LEGISLATURE MAY PROVIDE, IN**
16 **ADDITION TO THE EXPENDITURE OF INTEREST AND EARNINGS AUTHORIZED BY**
17 **THIS SECTION, THAT A PORTION, NOT TO EXCEED 50%,** may be expended in
18 subsequent state fiscal years for the purposes described in
19 subsection (1). ~~However, the authorization for the expenditure of~~
20 ~~money provided in this subsection does not apply after the state~~
21 ~~fiscal year in which the total amount of money in the trust fund,~~
22 ~~exclusive of interest and earnings and amounts authorized for~~
23 ~~expenditure under this section, exceeds \$500,000,000.00.~~

24 (3) An expenditure from the trust fund may be made in the form
25 of a grant to a local unit of government or public authority,
26 subject to all of the following conditions:

27 (a) The grant is used for the purposes described in subsection

1 (1).

2 (b) The grant is matched by the local unit of government or
3 public authority with at least 25% of the total cost of the
4 project.

5 (4) Not less than 25% of the total amounts made available for
6 expenditure from the trust fund from any state fiscal year shall be
7 expended for acquisition of land and rights in land **FOR**
8 **RECREATIONAL USES OR PROTECTION OF THE LAND BECAUSE OF ITS**
9 **ENVIRONMENTAL IMPORTANCE OR ITS SCENIC BEAUTY**, and not ~~more~~-**LESS**
10 than 25% of the total amounts made available for expenditure from
11 the trust fund from any state fiscal year shall be expended for
12 development, **RENOVATION, AND REDEVELOPMENT** of public recreation
13 facilities.

14 (5) If property that was acquired with money from the trust
15 fund is subsequently sold or transferred by the state to a
16 nongovernmental entity, the state shall forward to the state
17 treasurer for deposit into the trust fund an amount of money equal
18 to the following:

19 (a) If the property was acquired solely with trust fund money,
20 the greatest of the following:

21 (i) The net proceeds of the sale.

22 (ii) The fair market value of the property at the time of the
23 sale or transfer.

24 (iii) The amount of money that was expended from the trust
25 fund to acquire the property.

26 (b) If the property was acquired with a combination of trust
27 fund money and other restricted funding sources governed by federal

1 or state law, an amount equal to the percentage of the funds
2 contributed by the trust fund for the acquisition of the property
3 multiplied by the greatest of the amounts under subdivision (a) (i),
4 (ii), and (iii).

5 SEC. 74119A. (1) BEGINNING JANUARY 1, 2020, THE MICHIGAN
6 NATURAL RESOURCES TRUST FUND BOARD ESTABLISHED IN SECTION 1905
7 SHALL DETERMINE WHICH LOCAL PUBLIC RECREATION PROJECTS SHOULD BE
8 FUNDED WITH MONEY FROM THE ENDOWMENT FUND AND SHALL SUBMIT TO THE
9 LEGISLATURE IN JANUARY OF EACH YEAR A LIST OF THOSE PROJECTS,
10 COMPILED IN ORDER OF PRIORITY. IN PREPARING THE LIST UNDER THIS
11 SUBSECTION, THE MICHIGAN NATURAL RESOURCES TRUST FUND BOARD SHALL
12 DO ALL OF THE FOLLOWING:

13 (A) GIVE A PREFERENCE TO THE FOLLOWING:

14 (i) A PROJECT THAT IS LOCATED WITHIN A LOCAL UNIT OF
15 GOVERNMENT THAT HAS ADOPTED A RESOLUTION IN SUPPORT OF THE PROJECT.

16 (ii) A PROJECT FOR RECREATIONAL TRAILS THAT INTERSECT THE
17 DOWNTOWN AREAS OF CITIES AND VILLAGES.

18 (B) PROVIDE A SCORING OF EACH PROJECT INDIVIDUALLY.

19 (C) GIVE CONSIDERATION TO A PROJECT THAT IS LOCATED WITHIN A
20 COUNTY THAT CONTAINS 50% OR MORE PRIVATELY OWNED LAND.

21 (2) THE LIST OF PROJECTS PREPARED UNDER SUBSECTION (1) SHALL
22 BE ACCOMPANIED BY ESTIMATES OF THE COST OF EACH PROJECT AND THE
23 TOTAL COSTS FOR THE PROJECTS.

24 (3) THE MICHIGAN NATURAL RESOURCES TRUST FUND BOARD SHALL
25 SUPPLY WITH THE LIST OF PROJECTS PREPARED UNDER SUBSECTION (1) A
26 STATEMENT OF THE GUIDELINES USED IN LISTING AND ASSIGNING THE
27 PRIORITY OF THESE PROJECTS.

1 (4) THE LEGISLATURE SHALL APPROVE BY LAW THE PROJECTS TO BE
2 FUNDED EACH YEAR WITH MONEY FROM THE ENDOWMENT FUND.

3 Enacting section 1. Section 1904 of the natural resources and
4 environmental protection act, 1994 PA 451, MCL 324.1904, is
5 repealed.

6 Enacting section 2. This amendatory act does not take effect
7 unless all of the following bills of the 99th Legislature are
8 enacted into law:

9 (a) Senate Bill No. 931.

10 (b) Senate Bill No. 932.

11 Enacting section 3. This amendatory act does not take effect
12 unless Senate Joint Resolution O of the 99th Legislature becomes a
13 part of the state constitution of 1963 as provided in section 1 of
14 article XII of the state constitution of 1963.