

# SENATE BILL No. 763

January 24, 2018, Introduced by Senator CASPERSON and referred to the Committee on Natural Resources.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1901, 1902, 1903, and 74119 (MCL 324.1901, 324.1902, 324.1903, and 324.74119), section 1901 as added by 1995 PA 60, section 1902 as amended by 2012 PA 619, section 1903 as amended by 2011 PA 117, and section 74119 as amended by 2002 PA 54, 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" means a county, city, township,  
3 village, school district, the Huron-Clinton metropolitan authority,  
4 or any authority composed of counties, cities, townships, villages,  
5 or school districts, or any combination thereof, which authority is  
6 legally constituted to provide public recreation.

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

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

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

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

26 (a) State owned lands acquired with money appropriated from  
27 the former game and fish protection fund or the game and fish

1 protection account of the Michigan conservation and recreation  
2 legacy fund provided for in section 2010.

3 (b) State owned lands acquired with money appropriated from  
4 the subfund account created by former section 4 of former 1976 PA  
5 204.

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

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

14 (2) Notwithstanding subsection (1), until the ~~trust fund~~  
15 **MICHIGAN STATE PARKS ENDOWMENT FUND** reaches an accumulated  
16 principal of ~~\$500,000,000.00, \$10,000,000.00 of \$800,000,000.00,~~  
17 the revenues from bonuses, rentals, delayed rentals, and royalties  
18 described in this section, but not including money received by the  
19 state from net proceeds allocable to the nonconventional source  
20 production credit contained in section 45k of the internal revenue  
21 code of 1986, 26 USC 45k, as provided for in section 503, otherwise  
22 dedicated to the trust fund that are received by the ~~trust fund~~  
23 **STATE** each state fiscal year shall be transferred to the state  
24 treasurer for deposit into the Michigan state parks endowment fund.  
25 ~~However, until the trust fund reaches an accumulated principal of~~  
26 ~~\$500,000,000.00, in any state fiscal year, not more than 50% of the~~  
27 ~~total revenues from bonuses, rentals, delayed rentals, and~~

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

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

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

23 (5) The department shall annually prepare a report containing  
24 an accounting of revenues and expenditures from the trust fund.  
25 This report shall identify the interest and earnings of the trust  
26 fund from the previous year, the investment performance of the  
27 trust fund during the previous year, and the total amount of

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

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

10           Sec. 1903. (1) ~~Subject~~ **THE ACCUMULATED PRINCIPAL OF THE TRUST**  
11 **FUND SHALL NOT BE EXPENDED. HOWEVER, SUBJECT** to the limitations of  
12 this part and of section 35 of article IX of the state constitution  
13 of 1963, the interest and earnings of the trust fund in any 1 state  
14 fiscal year may be expended in subsequent state fiscal years only  
15 for the following purposes:

16           (a) The acquisition of land or rights in land for recreational  
17 uses or protection of the land because of its environmental  
18 importance or its scenic beauty.

19           (b) The development of public recreation facilities **INCLUDING**  
20 **THE RENOVATION AND REDEVELOPMENT OF PUBLIC RECREATION FACILITIES**  
21 **THAT HAVE REACHED THEIR PROJECTED DEPRECIATED LIFE EXPECTANCY.**

22           (c) The administration of the fund, including payments in lieu  
23 of taxes on state-owned land purchased through the trust fund. The  
24 legislature shall make appropriations from the trust fund each  
25 state fiscal year to make full payments in lieu of taxes on state-  
26 owned land purchased through the trust fund, as provided in section  
27 2154.

1           (2) ~~In~~ **AFTER THE MICHIGAN STATE PARKS ENDOWMENT FUND REACHES**  
2 **AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, IN** addition to the  
3 money described in subsection (1), ~~33 1/3%~~ **50%** of the money,  
4 exclusive of interest and earnings, received by the trust fund in  
5 any state fiscal year may be expended in subsequent state fiscal  
6 years for the purposes described in subsection (1). ~~However, the~~  
7 ~~authorization for the expenditure of money provided in this~~  
8 ~~subsection does not apply after the state fiscal year in which the~~  
9 ~~total amount of money in the trust fund, exclusive of interest and~~  
10 ~~earnings and amounts authorized for expenditure under this section,~~  
11 ~~exceeds \$500,000,000.00.~~

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

15           (a) The grant is used for the purposes described in subsection  
16 (1).

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

20           (4) Not less than 25% of the total amounts made available for  
21 expenditure from the trust fund from any state fiscal year shall be  
22 expended for acquisition of land and rights in land, and not ~~more~~  
23 **LESS** than 25% of the total amounts made available for expenditure  
24 from the trust fund from any state fiscal year shall be expended  
25 for development of public recreation facilities.

26           (5) If property that was acquired with money from the trust  
27 fund is subsequently sold or transferred by the state to a

1 nongovernmental entity, the state shall forward to the state  
2 treasurer for deposit into the trust fund an amount of money equal  
3 to the following:

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

6 (i) The net proceeds of the sale.

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

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

11 (b) If the property was acquired with a combination of trust  
12 fund money and other restricted funding sources governed by federal  
13 or state law, an amount equal to the percentage of the funds  
14 contributed by the trust fund for the acquisition of the property  
15 multiplied by the greatest of the amounts under subdivision (a) (i),  
16 (ii), and (iii).

17 Sec. 74119. (1) In accordance with section 35a of article IX  
18 of the state constitution of 1963, the Michigan state parks  
19 endowment fund is created within the state treasury. The Michigan  
20 state parks endowment fund may be referred to as the Genevieve  
21 Gillette state parks endowment fund.

22 (2) The state treasurer may receive money or other assets from  
23 any source for deposit into the endowment fund. The state treasurer  
24 shall direct the investment of the endowment fund. The state  
25 treasurer shall have the same authority to invest the assets of the  
26 endowment fund as is granted to an investment fiduciary under the  
27 public employee retirement system investment act, 1965 PA 314, MCL

1 38.1132 to ~~38.1140~~ **38.1141**. The state treasurer shall credit to  
2 the endowment fund interest and earnings from endowment fund  
3 investments.

4 (3) Money in the endowment fund at the close of the fiscal  
5 year shall remain in the endowment fund and shall not lapse to the  
6 general fund.

7 (4) The accumulated principal of the endowment fund shall not  
8 exceed \$800,000,000.00, which amount shall be annually adjusted  
9 pursuant to the Detroit consumer price index—all items beginning  
10 when the endowment fund reaches \$800,000,000.00. This annually  
11 adjusted figure is the accumulated principal limit of the endowment  
12 fund.

13 (5) ~~Money~~ **SUBJECT TO SUBSECTION (6), MONEY** in the endowment  
14 fund shall be expended for ~~operations,~~ **THE FOLLOWING:**

15 (A) **OPERATIONS**, maintenance, and capital improvements at  
16 Michigan state parks and for the acquisition of land or rights in  
17 land for Michigan state parks.

18 (B) **LOCAL PUBLIC RECREATION PROJECTS INCLUDING 1 OR MORE OF**  
19 **THE FOLLOWING:**

20 (i) **THE DEVELOPMENT, REDEVELOPMENT, AND RENOVATION OF**  
21 **MOTORIZED AND NONMOTORIZED TRAILS AND RELATED INFRASTRUCTURE.**

22 (ii) **THE CONTROL AND PREVENTION OF AQUATIC INVASIVE SPECIES.**

23 (iii) **THE DEVELOPMENT, REDEVELOPMENT, AND RENOVATION OF LOCAL**  
24 **PUBLIC RECREATION FACILITIES.**

25 (C) **THE ADMINISTRATION OF THE ENDORSEMENT FUND.**

26 (6) **NOT MORE THAN 25% OF THE EXPENDITURES FROM THE ENDOWMENT**  
27 **FUND FOR LOCAL PUBLIC RECREATION PROJECTS SHALL BE FOR THE CONTROL**



1 **AND PREVENTION OF AQUATIC INVASIVE SPECIES.**

2 (7) ~~(6)~~ Money in the endowment fund shall be expended as  
3 follows:

4 (a) Until the endowment fund reaches an accumulated principal  
5 of \$800,000,000.00, each state fiscal year the legislature ~~may~~  
6 ~~appropriate not more than 50% of~~ **SHALL ALLOCATE** the money received  
7 under section 35 of article IX of the state constitution of 1963  
8 plus interest and earnings and any private contributions or other  
9 revenue to the endowment fund ~~AS FOLLOWS:~~

10 (i) **TWENTY-FIVE PERCENT SHALL BE RETAINED BY THE ENDOWMENT**  
11 **FUND AND CREDITED TO THE ACCUMULATED PRINCIPAL OF THE ENDOWMENT**  
12 **FUND.**

13 (ii) **NOT LESS THAN 50% SHALL BE MADE AVAILABLE FOR EXPENDITURE**  
14 **FOR OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT MICHIGAN**  
15 **STATE PARKS AND THE ACQUISITION OF LAND AND RIGHTS IN LAND FOR**  
16 **MICHIGAN STATE PARKS.**

17 (iii) **NOT LESS THAN 20% SHALL BE MADE AVAILABLE FOR**  
18 **EXPENDITURE FOR LOCAL PUBLIC DEVELOPMENT PROJECTS AUTHORIZED BY**  
19 **THIS SECTION.**

20 (b) Once the accumulated principal in the endowment fund  
21 reaches \$800,000,000.00, only the interest and earnings of the  
22 endowment fund in excess of the amount necessary to maintain the  
23 endowment fund's accumulated principal limit shall be expended ~~FOR~~  
24 **THE FOLLOWING:**

25 (i) **OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT**  
26 **MICHIGAN STATE PARKS.**

27 (ii) **THE ADMINISTRATION OF THE ENDOWMENT FUND.**

1           (8) ~~(7)~~—Unexpended appropriations of the endowment fund from  
2 any state fiscal year as authorized by this section may be carried  
3 forward or may be appropriated as determined by the legislature for  
4 purposes of this section.

5           (9) AN EXPENDITURE FROM THE ENDOWMENT FUND MAY BE MADE IN THE  
6 FORM OF A GRANT TO A LOCAL UNIT OF GOVERNMENT OR PUBLIC AUTHORITY,  
7 SUBJECT TO ALL OF THE FOLLOWING CONDITIONS:

8           (A) THE GRANT IS USED FOR A LOCAL PUBLIC RECREATION PROJECT  
9 DESCRIBED IN SUBSECTION (5) (B) .

10           (B) THE GRANT IS MATCHED BY THE LOCAL UNIT OF GOVERNMENT OR  
11 PUBLIC AUTHORITY WITH AT LEAST 25% OF THE TOTAL COST OF THE  
12 PROJECT.

13           (10) ~~(8)~~—The department shall annually prepare a report  
14 containing an accounting of revenues and expenditures from the  
15 endowment fund. This report shall identify the interest and  
16 earnings of the endowment fund from the previous year, the  
17 investment performance of the endowment fund during the previous  
18 year, and the total amount of appropriations from the endowment  
19 fund during the previous year. This report shall be provided to the  
20 senate and house of representatives appropriations committees and  
21 the standing committees of the senate and house of representatives  
22 with jurisdiction over issues pertaining to natural resources and  
23 the environment.

24           SEC. 74119A. (1) THE MICHIGAN NATURAL RESOURCES TRUST FUND  
25 BOARD ESTABLISHED IN SECTION 1905 SHALL DETERMINE WHICH PROJECTS  
26 SHOULD BE FUNDED WITH MONEY FROM THE ENDOWMENT FUND AND SHALL  
27 SUBMIT TO THE LEGISLATURE IN JANUARY OF EACH YEAR A LIST OF THOSE

1 PROJECTS, COMPILED IN ORDER OF PRIORITY. IN PREPARING THE LIST  
2 UNDER THIS SUBSECTION, THE MICHIGAN NATURAL RESOURCES TRUST FUND  
3 BOARD SHALL DO ALL OF THE FOLLOWING:

4 (A) GIVE A PREFERENCE TO THE FOLLOWING:

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

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

9 (B) IDENTIFY EACH PARCEL OF LAND THAT IS RECOMMENDED FOR  
10 ACQUISITION BY LEGAL DESCRIPTION AND INCLUDE THE ESTIMATED COST OF  
11 ACQUISITION AND ASSESSED VALUE.

12 (C) PROVIDE A SCORING OF EACH PROJECT INDIVIDUALLY.

13 (D) GIVE CONSIDERATION TO A PROJECT THAT MEETS EITHER OR BOTH  
14 OF THE FOLLOWING:

15 (i) IS LOCATED WITHIN A COUNTY THAT CONTAINS 50% OR MORE  
16 PRIVATELY OWNED LAND.

17 (ii) ALLOWS MOTORIZED RECREATIONAL USE.

18 (2) IN PREPARING THE LIST OF PROJECTS UNDER SUBSECTION (1),  
19 THE FOLLOWING APPLY:

20 (A) THE MICHIGAN NATURAL RESOURCES TRUST FUND BOARD SHALL NOT  
21 INCLUDE AN ACQUISITION OF LAND ON THE LIST IF THE BOARD DETERMINES  
22 THAT THE SELLER WAS HARASSED, INTIMIDATED, OR COERCED INTO SELLING  
23 HIS OR HER LAND BY THE DEPARTMENT, A LOCAL UNIT OF GOVERNMENT, OR A  
24 QUALIFIED CONSERVATION ORGANIZATION.

25 (B) A PROJECT OR ACQUISITION MAY BE NAMED IN HONOR OR MEMORY  
26 OF AN INDIVIDUAL OR ORGANIZATION.

27 (3) THE LIST OF PROJECTS PREPARED UNDER SUBSECTION (1) SHALL

1 BE ACCOMPANIED BY ESTIMATES OF THE COST OF EACH PROJECT AND THE  
2 TOTAL COSTS FOR THE PROJECTS.

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

7 (5) THE LEGISLATURE SHALL APPROVE BY LAW THE PROJECTS TO BE  
8 FUNDED EACH YEAR WITH MONEY FROM THE ENDOWMENT FUND.

9 (6) AS USED IN THIS SECTION, "QUALIFIED CONSERVATION  
10 ORGANIZATION" MEANS THAT TERM AS IT IS DEFINED IN SECTION 70 OF THE  
11 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.70.

12 Enacting section 1. Section 1904 of the natural resources and  
13 environmental protection act, 1994 PA 451, MCL 324.1904, is  
14 repealed.

15 Enacting section 2. This amendatory act does not take effect  
16 unless Senate Joint Resolution 0

17 of the 99th Legislature becomes a part of  
18 the state constitution of 1963 as provided in section 1 of article  
19 XII of the state constitution of 1963.