

Act No. 597  
Public Acts of 2018  
Approved by the Governor  
December 28, 2018  
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December 28, 2018  
EFFECTIVE DATE: December 19, 2020

**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2018**

**Introduced by Senator Casperson**

**ENROLLED SENATE BILL No. 763**

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 1901, 1902, 1903, 1904, 1907, 1907a, and 1911 (MCL 324.1901, 324.1902, 324.1903, 324.1904, 324.1907, 324.1907a, and 324.1911), sections 1901 and 1903 as amended by 2018 PA 238, sections 1902 and 1907 as amended by 2018 PA 166, section 1904 as amended by 2002 PA 52, section 1907a as amended by 2012 PA 619, and section 1911 as added by 2010 PA 32; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

Sec. 1901. As used in this part:

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

(b) "Local unit of government or public authority" means a county, city, township, village, school district, the Huron-Clinton metropolitan authority, or any authority composed of counties, cities, townships, villages, or school districts, or any combination of these entities, and legally constituted to provide public recreation.

(c) "Michigan state parks endowment fund" means the Michigan state parks endowment fund established in section 35a of article IX of the state constitution of 1963 and provided for in section 74119.

(d) "Trust fund" means the Michigan natural resources trust fund established in section 35 of article IX of the state constitution of 1963.

Sec. 1902. (1) In accordance with section 35 of article IX of the state constitution of 1963, the Michigan natural resources trust fund is established in the state treasury. Subject to section 1904, the trust fund shall consist of all bonuses, rentals, delayed rentals, and royalties collected or reserved by the state under provisions of leases for the extraction of nonrenewable resources from state-owned lands. However, the trust fund shall not include bonuses, rentals, delayed rentals, and royalties collected or reserved by the state from the following sources:

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

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

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

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

(2) In addition to the revenues described in subsection (1), the trust fund may receive appropriations, money, or other things of value.

(3) The state treasurer shall direct the investment of the trust fund. The state treasurer shall have the same authority to invest the assets of the trust fund as is granted to an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1141.

(4) The department shall annually prepare a report containing an accounting of revenues and expenditures from the trust fund. This report shall identify the interest and earnings of the trust fund from the previous year, the cumulative total amount of unexpended interest and earnings held by the trust fund, the investment performance of the trust fund during the previous year, and the total amount of appropriations from the trust fund during the previous year. This report shall be provided to the senate and house of representatives appropriations committees and the standing committees of the senate and house of representatives with jurisdiction over issues pertaining to natural resources and the environment.

Sec. 1903. (1) Subject to the limitations of this part and of section 35 of article IX of the state constitution of 1963, the interest and earnings of the trust fund in any 1 state fiscal year may be expended in subsequent state fiscal years only for the following purposes:

(a) Acquisition of land or rights in land for recreational uses or protection of the land because of its environmental importance or its scenic beauty.

(b) Development, renovation, and redevelopment of public recreation facilities.

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

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

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

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

(3) Not less than 25% of the money made available for expenditure from the trust fund from any state fiscal year shall be expended for acquisition of land and rights in land for recreational uses or protection of the land because of its environmental importance or its scenic beauty, and not less than 25% of the money made available for expenditure from the trust fund from any state fiscal year shall be expended for development, renovation, and redevelopment of public recreation facilities.

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

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

(i) The net proceeds of the sale.

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

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

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

(5) This part is subject to section 2132a.

Sec. 1904. Until the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00, the amount accumulated in the trust fund shall not exceed \$500,000,000.00, exclusive of interest and earnings and amounts

authorized for expenditure under this part. Any amount of money that would be a part of the trust fund but for the limitation stated in this section shall be deposited in the Michigan state parks endowment fund created in section 74119, until the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00. After the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00, the accumulated principal limit for the trust fund provided in this section no longer applies and the revenues from bonuses, rentals, delayed rentals, and royalties described in section 1902 shall be deposited into the trust fund for expenditure as provided in this part.

Sec. 1907. (1) The board shall determine which lands and rights in land within this state should be acquired for recreational uses or protection of land because of its environmental importance or its scenic beauty and which public recreation facilities should be developed, renovated, and redeveloped with money from the trust fund and shall submit to the legislature in January of each year a list of those lands and rights in land and those public recreation facilities that the board has determined should be acquired or developed, renovated, and redeveloped with trust fund money, compiled in order of priority. The list prepared under this subsection shall be based upon the accounting of revenues available for expenditure as described in the report prepared under section 1902(4) and upon consideration of any consensus recommendation submitted under subsection (2) that is consistent with section 35 of article 9 of the state constitution of 1963.

(2) By December 1 of each year, the governor or his or her designee, the state treasurer or his or her designee, the senate majority leader or his or her designee, and the speaker of the house of representatives or his or her designee, and 1 member of the board selected by the board, shall meet and develop a consensus recommendation to be submitted to the board on the amount of money that should be made available to fund each of the following:

(a) Acquisitions under section 1903(1)(a).

(b) Development, renovation, and redevelopment projects under section 1903(1)(b).

(c) Administration of the trust fund under section 1903(1)(c).

(d) If there is additional money available after funding recommendations are made for subdivisions (a), (b), and (c), an amount that should be retained by the trust fund to mitigate potential future investment return fluctuations.

(3) In preparing the list under subsection (1), the board shall do all of the following:

(a) Give a preference to the following:

(i) A project or acquisition that is located within a city, village, township, or county that has adopted a resolution in support of the project or acquisition.

(ii) The acquisition of land and rights in land for recreational trails that intersect the downtown areas of cities and villages.

(b) Identify each parcel of land that is recommended for acquisition by legal description and include the estimated cost of acquisition and assessed value.

(c) Provide a scoring of each parcel of land recommended for acquisition individually.

(d) Give consideration to an acquisition that meets either or both of the following:

(i) Is located within a county that contains 50% or more privately owned land.

(ii) Allows motorized recreational use.

(4) In preparing the list of lands to be acquired or developed under subsection (1), the following apply:

(a) The board shall not include an acquisition of land or rights in land on the list if the board determines that the seller was harassed, intimidated, or coerced into selling his or her land or rights in land by the department, a local unit of government, or a qualified conservation organization.

(b) A project or acquisition may be named in honor or memory of an individual or organization.

(5) The list prepared under subsection (1) shall be accompanied by estimates of total costs for the proposed acquisitions and developments.

(6) The board shall supply with the lists prepared under subsection (1) a statement of the guidelines used in listing and assigning the priority of these proposed acquisitions and developments, renovations, and redevelopments.

(7) The legislature shall approve by law the lands and rights in land to be acquired and the public recreation facilities to be developed, renovated, or redeveloped each year with money from the trust fund.

(8) As used in this section, "qualified conservation organization" means that term as it is defined in section 7o of the general property tax act, 1893 PA 206, MCL 211.7o.

Sec. 1907a. (1) If within 2 years after a parcel of property that is approved for acquisition or development, renovation, or redevelopment by the legislature has not been acquired or developed, renovated, or redeveloped in the manner determined by the

board and is not open for public use, the board shall report to the standing committees of the senate and the house of representatives with jurisdiction over issues related to natural resources and the environment on the status of the project and the reason why the property has not been purchased or developed, renovated, or redeveloped in the manner determined by the board. The department shall post on its website a bimonthly report of project status containing information described in this subsection.

(2) Following the appropriation of money from the trust fund, if the public recreation project changes significantly, the board shall submit the changes to the joint capital outlay subcommittee of the legislature to review whether the proposed changed project is consistent with the purpose of the appropriation. As used in this subsection, "changes significantly" means changes to a project such that the project would not have been funded had the change been in place during the evaluation of the project.

Sec. 1911. (1) The local public recreation facilities fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the local public recreation facilities fund. The state treasurer shall direct the investment of the local public recreation facilities fund. The state treasurer shall credit to the local public recreation facilities fund interest and earnings from local public recreation facilities fund investments.

(3) Money in the local public recreation facilities fund at the close of the fiscal year shall remain in the local public recreation facilities fund and shall not lapse to the general fund.

(4) The department of natural resources shall be the administrator of the local public recreation facilities fund for auditing purposes.

(5) The department of natural resources shall expend money from the local public recreation facilities fund, upon appropriation, only for grants to local units of government for the development, renovation, and redevelopment of public recreation facilities pursuant to the same procedures of the board and guidelines as apply under section 1907.

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

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

(a) Senate Bill No. 931.

(b) Senate Bill No. 932.

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

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Secretary of the Senate

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Clerk of the House of Representatives

Approved \_\_\_\_\_

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Governor