

SENATE BILL NO. 724

November 10, 2021, Introduced by Senator IRWIN and referred to the Committee on Natural Resources.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 61524 (MCL 324.61524), as amended by 1998 PA
252.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 61524. (1) For the purposes of monitoring, surveillance,
2 enforcement, and administration of this part, a fee not in excess
3 of ~~1%~~ **2%**, based upon the gross cash market value, is levied upon
4 oil and gas produced in this state. The fee ~~shall~~ **must** be collected

1 by ~~the revenue division of~~ the department of treasury in the same
 2 manner, at the same time, and subject to the **same** provisions ~~of as~~
 3 the tax levied by 1929 PA 48, MCL 205.301 to 205.317.

4 (2) The fee ~~shall~~ **must** be computed as follows:

5 (a) The director of the department of **technology**, management,
 6 and budget, ~~on or before~~ **by** November 1 **each year**, shall certify to
 7 the department of treasury the amount appropriated for the **current**
 8 **state** fiscal year for the ~~purposes of~~ monitoring, surveillance,
 9 enforcement, and administration of this part.

10 (b) The department, **by November 1 each year**, shall estimate
 11 the total production and gross cash market value of all oil and gas
 12 that will be produced in this state during the **current state** fiscal
 13 year ~~ending September 30, and shall~~ **and** certify its estimate to the
 14 department of treasury. ~~on or before November 1.~~

15 (c) ~~Within 30 days after the effective date of the 1998~~
 16 ~~amendments to this section and on or before~~ **By** December 1 of each
 17 ~~succeeding year~~, the department of treasury shall determine the fee
 18 as follows:

19 (i) If the fund balance is less than \$7,000,000.00 as of the
 20 end of the **immediately preceding state** fiscal year, ~~immediately~~
 21 ~~prior to November 1, the fee shall be 1%~~ **the fee is 2%** of the gross
 22 cash market value of oil and gas produced, or an amount calculated
 23 to cause the fund to accumulate to \$7,000,000.00 at the end of the
 24 current fiscal year, whichever is less.

25 (ii) If the fund balance is equal to or exceeds \$7,000,000.00
 26 as of the end of the **immediately preceding** fiscal year, ~~immediately~~
 27 ~~prior to November 1, the fee shall be~~ **is** the ratio, to the nearest
 28 1/100 of 1%, that the appropriation bears to the total gross cash
 29 market value of the oil and gas that will be produced in this state

1 as estimated by the department ~~as provided in~~ **under** subdivision
2 (b) .

3 (iii) Any money accumulated in the fund in excess of
4 \$7,000,000.00 as of the end of the **immediately preceding state**
5 fiscal year ~~shall~~ **must** be deducted from the ~~following~~ **current state**
6 **fiscal** year's appropriation in determining an amount to be
7 certified by the director of the department of **technology,**
8 management, and budget ~~to the department of treasury for computing~~
9 ~~the annual fee provided for in this section.~~ **under subdivision (a) .**

10 (d) The percentage determined pursuant to subdivision (c)
11 ~~shall~~ **must** not exceed ~~1%~~ **2%** and ~~shall be~~ **is** the fee, beginning the
12 first of the following month, ~~and will continue to be the fee for~~
13 ~~the next 12 months~~ **for a 1-year period** and until a different fee is
14 determined. ~~However, the fee shall be 1% beginning the first day of~~
15 ~~the second month after the effective date of the 1998 amendments to~~
16 ~~this section and will continue to be the fee for the remainder of~~
17 ~~that calendar year.~~

18 (3) The proceeds of the fee provided for in this section ~~shall~~
19 **must** be forwarded to the state treasurer for deposit into the fund.