

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1238**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 1902, 1905, 1907, and 1907a (MCL 324.1902,
324.1905, 324.1907, and 324.1907a), section 1902 as amended by 2004
PA 587, section 1905 as added by 1995 PA 60, section 1907 as
amended by 2008 PA 229, and section 1907a as added by 2002 PA 52.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1902. (1) In accordance with section 35 of article IX of
2 the state constitution of 1963, the Michigan natural resources
3 trust fund is established in the state treasury. The trust fund
4 shall consist of all bonuses, rentals, delayed rentals, and
5 royalties collected or reserved by the state under provisions of
6 leases for the extraction of nonrenewable resources from state
7 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~~, ~~commonly known as the federal aid in wildlife restoration act,~~ **669K**, or **THE DINGELL-JOHNSON SPORT FISH RESTORATION ACT**, 16 USC 777 to ~~777l~~, ~~commonly known as the federal aid in fish restoration act.~~ **777N**.

(d) Money received by the state from net proceeds allocable to the nonconventional ~~fuel~~ **SOURCE PRODUCTION** credit contained in section ~~29-45K~~ of the internal revenue code of 1986, 26 USC ~~29-~~ **45K**, as provided for in section 503.

(2) Notwithstanding subsection (1), until the trust fund reaches an accumulated principal of \$500,000,000.00, \$10,000,000.00 of the revenues from bonuses, rentals, delayed rentals, and royalties described in this section, but not including money received by the state from net proceeds allocable to the nonconventional ~~fuel~~ **SOURCE PRODUCTION** credit contained in section ~~29-45K~~ of the internal revenue code of 1986, 26 USC ~~29-~~ **45K**, as

1 provided for in section 503, otherwise dedicated to the trust fund
2 that are received by the trust fund each state fiscal year shall be
3 transferred to the state treasurer for deposit into the Michigan
4 state parks endowment fund. However, until the trust fund reaches
5 an accumulated principal of \$500,000,000.00, in any state fiscal
6 year, not more than 50% of the total revenues from bonuses,
7 rentals, delayed rentals, and royalties described in this section,
8 but not including net proceeds allocable to the nonconventional
9 ~~fuel~~ **SOURCE PRODUCTION** credit contained in section 29-45K of the
10 internal revenue code of 1986, 26 USC 29-45K, as provided in
11 section 503, otherwise dedicated to the trust fund that are
12 received by the trust fund each state fiscal year shall be
13 transferred to the Michigan state parks endowment fund. To
14 implement this subsection, until the trust fund reaches an
15 accumulated principal of \$500,000,000.00, the department shall
16 transfer 50% of the money received by the trust fund each month
17 pursuant to subsection (1) to the state treasurer for deposit into
18 the Michigan state parks endowment fund. The department shall make
19 this transfer on the last day of each month or as soon as
20 practicable thereafter. However, not more than a total of
21 \$10,000,000.00 shall be transferred in any state fiscal year
22 pursuant to this subsection.

23 ~~—— (3) In addition to the contents of the trust fund described in~~
24 ~~subsection (1), the trust fund shall consist of money transferred~~
25 ~~to the trust fund pursuant to section 1909.~~

26 (3) ~~(4)~~ The trust fund may receive appropriations, money, or
27 other things of value.

1 (4) ~~(5)~~—The state treasurer shall direct the investment of the
 2 trust fund. The state treasurer shall have the same authority to
 3 invest the assets of the trust fund as is granted to an investment
 4 fiduciary under the public employee retirement system investment
 5 act, 1965 PA 314, MCL 38.1132 to ~~38.1140~~**38.1140M**.

6 (5) ~~(6)~~—The department shall annually prepare a report
 7 containing an accounting of revenues and expenditures from the
 8 trust fund. This report shall identify the interest and earnings of
 9 the trust fund from the previous year, the investment performance
 10 of the trust fund during the previous year, and the total amount of
 11 appropriations from the trust fund during the previous year. This
 12 report shall be provided to the senate and house of representatives
 13 appropriations committees and the standing committees of the senate
 14 and house of representatives with jurisdiction over issues
 15 pertaining to natural resources and the environment.

16 (6) ~~(7)~~—As used in this section, "Michigan state parks
 17 endowment fund" means the Michigan state parks endowment fund
 18 established in section 35a of article IX of the state constitution
 19 of 1963 and provided for in section 74119.

20 Sec. 1905. (1) The Michigan natural resources trust fund board
 21 is established within the department. The board shall have the
 22 powers and duties of an agency transferred under a type I transfer
 23 pursuant to section 3 of the executive organization act of 1965,
 24 ~~Act No. 380 of the Public Acts of 1965, being section 16.103 of the~~
 25 ~~Michigan Compiled Laws. 1965 PA 380, MCL 16.103.~~ The board shall be
 26 administered under the supervision department and the department
 27 shall offer its cooperation and aid to the board and shall provide

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1 suitable offices and equipment for the board.

2 (2) The board shall consist of 5 members. The members shall
3 include the director or a member of the commission as determined by
4 the commission, and 4 residents of the state to be appointed by the
5 governor with the advice and consent of the senate. [

6]

7 (3) The terms of the appointive members shall be 4 years,
8 except that of those first appointed, 1 shall be appointed for 1
9 year, 1 shall be appointed for 2 years, 1 shall be appointed for 3
10 years, and 1 shall be appointed for 4 years.

11 (4) The appointive members may be removed by the governor for
12 inefficiency, neglect of duty, or malfeasance in office.

13 (5) Vacancies on the board shall be filled for the unexpired
14 term in the same manner as the original appointments.

15 (6) The board may incur expenses necessary to carry out its
16 powers and duties under this part and shall compensate its members
17 for actual expenses incurred in carrying out their official duties.

18 Sec. 1907. (1) The board shall determine which lands and
19 rights in land within the state should be acquired and which public
20 recreation facilities should be developed with money from the trust
21 fund and shall submit to the legislature in January of each year a
22 list of those lands and rights in land and those public recreation
23 facilities that the board has determined should be acquired or
24 developed with trust fund money, compiled in order of priority. In
25 preparing the list under this subsection, the board shall give
26 ~~consideration to the~~ **DO ALL OF THE FOLLOWING:**

27 **(A) GIVE A PREFERENCE TO THE FOLLOWING:**

1 (i) A PROJECT OR ACQUISITION THAT IS LOCATED WITHIN A LOCAL
 2 UNIT OF GOVERNMENT THAT HAS ADOPTED A RESOLUTION IN SUPPORT OF THE
 3 PROJECT OR ACQUISITION.

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

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

10 (C) PROVIDE A SCORING OF EACH PARCEL OF LAND RECOMMENDED FOR
 11 ACQUISITION INDIVIDUALLY.

12 (D) GIVE CONSIDERATION TO AN ACQUISITION THAT MEETS EITHER OR
 13 BOTH OF THE FOLLOWING:

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

16 (ii) ALLOWS MOTORIZED RECREATIONAL USE.

17 (2) IN PREPARING THE LIST OF LANDS TO BE ACQUIRED OR DEVELOPED
 18 UNDER SUBSECTION (1), THE FOLLOWING APPLY:

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

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

26 (3) ~~(2) This~~ THE list PREPARED UNDER SUBSECTION (1) shall be
 27 accompanied by estimates of total costs for the proposed

1 acquisitions and developments.

2 (4) ~~(3)~~—The board shall supply with each ~~THE~~ list **PREPARED**
3 **UNDER SUBSECTION (1)** a statement of the guidelines used in listing
4 and assigning the priority of these proposed acquisitions and
5 developments.

6 (5) ~~(4)~~—The legislature shall approve by law the lands and
7 rights in land and the public recreation facilities to be acquired
8 or developed each year with money from the trust 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 Sec. 1907a. (1) If within 2 years after a parcel of property
13 that is approved for acquisition or development by the legislature
14 has not been acquired or developed in the manner determined by the
15 board and is not open for public use, the board shall report to the
16 standing committees of the senate and the house of representatives
17 with jurisdiction over issues related to natural resources and the
18 environment on the status of the project and the reason why the
19 property has not been purchased or developed in the manner
20 determined by the board. **THE DEPARTMENT SHALL POST ON ITS WEBSITE A**
21 **BIMONTHLY REPORT OF PROJECT STATUS CONTAINING INFORMATION DESCRIBED**
22 **IN THIS SUBSECTION.**

23 (2) **FOLLOWING THE APPROPRIATION OF MONEY FROM THE TRUST FUND,**
24 **IF THE PUBLIC RECREATION PROJECT CHANGES SIGNIFICANTLY, THE BOARD**
25 **SHALL SUBMIT THE CHANGES TO THE JOINT CAPITAL OUTLAY SUBCOMMITTEE**
26 **OF THE LEGISLATURE TO REVIEW WHETHER THE PROPOSED CHANGED PROJECT**
27 **IS CONSISTENT WITH THE PURPOSE OF THE APPROPRIATION. AS USED IN**

1 THIS SUBSECTION, "CHANGES SIGNIFICANTLY" MEANS CHANGES TO A PROJECT
2 SUCH THAT THE PROJECT WOULD NOT HAVE BEEN FUNDED HAD THE CHANGE
3 BEEN IN PLACE DURING THE EVALUATION OF THE PROJECT.