



**House
Legislative
Analysis
Section**

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STATE PARKS INITIATIVE

House Bill 5246

Sponsor: Rep. Beverly Bodem

**Committee: Conservation, Environment,
& Great Lakes**

Complete to 1-20-94

A SUMMARY OF HOUSE BILL 5246 AS INTRODUCED 12-16-93

House Bill 5246 is part of a 12-bill package that would, among other things, establish a state park endowment fund to provide a permanent source of funding for state parks. (House Bill 5246 is tie-barred to Senate Joint Resolution E and House Bill 5064. Senate Joint Resolution E would place before the voters an amendment to the state constitution that would no longer allow revenues otherwise dedicated to the Michigan Natural Resources Trust Fund to be distributed to the Michigan Economic Development Authority [MEDA] after September 30, 1994; House Bill 5064 would create the Michigan State Park Endowment Fund.) House Bill 5246 would amend the Michigan Natural Resources Trust Fund Act to conform with the proposed changes in the state constitution, as follows:

Under the Michigan Natural Resources Trust Fund Act (MCL 318.503 et al.), money is deposited into the trust fund from royalties and other money received by the state under leases permitting the extraction of oil, gas, and other nonrenewable resources on state land. The ceiling on the amount of money, not including interest or earnings, that may accrue in the trust fund (before reverting to the general fund) is \$200 million. House Bill 5246 would amend the act to raise the ceiling to \$400 million. The act also specifies that the interest and earnings of the trust fund in any fiscal year may be spent for recreational uses and for protection of the land, for the development of public recreational facilities, and for the administration of the fund. In addition, one-third of the money that has accrued to the trust fund's principal in a given fiscal year may be spent for those purposes in the following fiscal year. This latter provision does not apply after the fiscal year in which the total money in the trust fund, exclusive of interest and earnings, exceeds the trust fund's ceiling. House Bill 5245 would amend the act to specify that the provision would not apply after the fiscal year in which the trust fund's total, exclusive of interest and earnings, exceeded \$200 million.

House Bill 5246 would also amend the act to require that some of the money that is currently deposited into the trust fund be deposited into the Michigan State Parks Endowment Fund. Under the bill, \$10 million, or not more than 50 percent, of the total revenues received could be deposited, until the endowment fund reached an accumulated principal of \$800 million. Any money remaining after the endowment fund reached this cap would be distributed as provided by law.

House Bill 5246 (1-20-94)