



# HOUSE BILL No. 4305

February 18, 1993, Introduced by Reps. Mathieu, Middaugh, Wetters, Shepich, McNutt, Brown, O'Neill, Stille, Dalman, Goschka, DeMars, Jaye, Bobier, Horton and Pitoniak and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend sections 4 and 5 of Act No. 101 of the Public Acts of 1985, entitled "Michigan natural resources trust fund act," being sections 318.504 and 318.505 of the Michigan Compiled Laws; to add section 9a; and to repeal certain parts of the act.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 4 and 5 of Act No. 101 of the Public  
2 Acts of 1985, being sections 318.504 and 318.505 of the Michigan  
3 Compiled Laws, are amended and section 9a is added to read as  
4 follows:

5 Sec. 4. (1) Subject to the limitations of this act and of  
6 section 35 of article IX of the state constitution of 1963, the  
7 interest and earnings of the trust fund in any 1 state fiscal  
8 year may be expended in the following state fiscal year only for  
9 the following purposes:

1 (a) The acquisition of land or rights in land for  
2 recreational uses or protection of the land because of its envi-  
3 ronmental importance or its scenic beauty.

4 (b) The development of public recreation facilities.

5 (c) The administration of the fund, including payments in  
6 lieu of taxes on state owned land purchased through the trust  
7 fund.

8 (2) ~~In~~ BEGINNING OCTOBER 1, 1994, THE FIRST \$2,000,000.00  
9 RECEIVED BY THE TRUST FUND IN EACH STATE FISCAL YEAR, OTHER THAN  
10 INTEREST AND EARNINGS, SHALL BE RETAINED BY THE TRUST FUND. IN  
11 addition to the money described in subsection (1), 33-1/3% of the  
12 money, exclusive of interest and earnings, received by the trust  
13 fund in any state fiscal year may be expended in the following  
14 state fiscal year for the purposes described in subsection (1).  
15 ~~However, the authorization for the expenditure of money provided~~  
16 ~~in this subsection shall not apply after the fiscal year in which~~  
17 ~~the total amount of money in the trust fund, exclusive of inter-~~  
18 ~~est and earnings, exceeds the limitation on the fund prescribed~~  
19 ~~in section 6.~~

20 (3) BEGINNING OCTOBER 1, 1995, THE MONEY RECEIVED BY THE  
21 TRUST FUND DURING THE PREVIOUS STATE FISCAL YEAR, OTHER THAN  
22 INTEREST AND EARNINGS, THAT IS NOT RETAINED OR EXPENDED PURSUANT  
23 TO SUBSECTION (2) SHALL BE DISTRIBUTED TO THE COMBINED SEWER  
24 OVERFLOW ABATEMENT ACCOUNT CREATED IN SECTION 16B OF THE SHARED  
25 CREDIT RATING ACT, ACT NO. 227 OF THE PUBLIC ACTS OF 1985, BEING  
26 SECTION 141.1066B OF THE MICHIGAN COMPILED LAWS. HOWEVER, NOT  
27 MORE THAN \$20,000,000.00 SHALL BE DISTRIBUTED PURSUANT TO THIS

1 SUBSECTION IN ANY STATE FISCAL YEAR AND TOTAL DISTRIBUTIONS

2 PURSUANT TO THIS SUBSECTION SHALL NOT EXCEED \$200,000,000.00.

3 (4) ~~-(3)-~~ An expenditure from the trust fund PURSUANT TO  
4 EITHER SUBSECTION (1) OR (2) may be made in the form of a grant  
5 to a local unit of government, subject to the following  
6 conditions:

7 (a) The grant is used for the purposes described in  
8 subsection (1) and meets the requirements of either  
9 subdivision (b) or (c).

10 (b) A grant for the purposes described in subsection (1)(a)  
11 is matched by the local unit of government or public authority  
12 with at least 25% of the total cost of the project.

13 (c) A grant for the purposes described in subsection (1)(b)  
14 is matched by the local unit of government with 25% or more of  
15 the total cost of the project.

16 (5) ~~-(4)-~~ Not less than 25% of the total expenditures from  
17 the trust fund PURSUANT TO SUBSECTIONS (1) AND (2) in any fiscal  
18 year shall be expended for acquisition of land and rights in  
19 land, and not more than 25% of the total expenditures from the  
20 trust fund in any fiscal year shall be expended for development  
21 of public recreation facilities.

22 ~~-(5)- During the first 3 fiscal years after the effective~~  
23 ~~date of this act, not less than 15% of the total expenditures~~  
24 ~~from the trust fund shall be expended for development of public~~  
25 ~~recreational facilities. However, at the request of the legisla-~~  
26 ~~ture or the governor, the board may suspend the requirement of~~

~~1 this subsection in order to permit the acquisition of land or~~  
~~2 rights in land of exceptional statewide significance.~~

3       Sec. 5. (1) ~~The~~ UNTIL SEPTEMBER 30, 1994, THE money  
4 received by the trust fund as bonuses, rentals, delayed rentals,  
5 and royalties from the term mineral interest previously held by  
6 the heritage trust under former Act No. 327 of the Public Acts of  
7 1982 shall be distributed in the following order of priority:

8       (a) For deposit in the Michigan economic development fund  
9 created by section 5 of FORMER Act No. 70 of the Public Acts of  
10 1982, being section 125.1905 of the Michigan Compiled Laws, or  
11 its successor, THE MICHIGAN STRATEGIC FUND CREATED IN THE  
12 MICHIGAN STRATEGIC FUND ACT, ACT NO. 270 OF THE PUBLIC ACTS OF  
13 1984, BEING SECTIONS 125.2001 TO 125.2093 OF THE MICHIGAN  
14 COMPILED LAWS, on the first day of each calendar quarter: ~~until~~  
15 ~~the date on which the Michigan economic development authority or~~  
16 ~~its successor makes the final payment of principal and interest~~  
17 ~~on its economic development revenue bonds (oil and gas revenues),~~  
18 ~~series 1982A, dated December 1, 1982.~~

19       (i) \$3,750,000.00, through September 30, 1987.

20       (ii) \$5,000,000.00, after September 30, 1987.

21       (b) For deposit in the research center fund created by  
22 section 27 of FORMER Act No. 70 of the Public Acts of 1982,  
23 ~~being section 125.1927 of the Michigan Compiled Laws,~~ or its  
24 successor, THE MICHIGAN STRATEGIC FUND, \$1,000,000.00 on the  
25 first day of each calendar quarter up to a total of  
26 \$25,000,000.00, less the total amount deposited in the research

1 center fund and its successor, THE MICHIGAN STRATEGIC FUND, if  
2 any, before ~~the effective date of this act~~ OCTOBER 1, 1985.

3 (2) If a quarterly payment is less than the amounts speci-  
4 fied in subsection (1)(a) and (b), other payments within the  
5 fiscal year of the state shall be increased so that the total  
6 quarterly payments in the fiscal year shall equal the aggregate  
7 quarterly payments for that fiscal year as specified in  
8 subsection (1) and to the extent that funds are available. On  
9 each quarterly payment date, priority shall be given to the pay-  
10 ments ~~for the Michigan economic development fund or its~~  
11 ~~successor~~ UNDER SUBSECTION (1)(A). However, payments not made  
12 within the fiscal year shall not be carried forward to increase  
13 the quarterly amounts specified in subsection (1)(a) and (b) in  
14 any succeeding fiscal year.

15 (3) The amounts transferred pursuant to subsection (1)(a)  
16 shall be deposited in accounts as provided by the master bond  
17 resolution for the economic development revenue bonds (oil and  
18 gas revenues), series 1982A, dated December 1, 1982. However, to  
19 the extent that any portion of the amounts transferred pursuant  
20 to subsection (1)(a) is deposited in the surplus account estab-  
21 lished by the master bond resolution, that portion shall be  
22 subject to the following:

23 (a) During each of the state fiscal years beginning after  
24 September 30, 1985, and through the state fiscal year beginning  
25 October 1, 1992, the receipts and balance of the surplus account,  
26 up to \$5,250,000.00 annually, shall be utilized for the  
27 authorized purposes of the Michigan economic development fund

1 created by section 5 of FORMER Act No. 70 of the Public Acts of  
2 1982, or its successor, THE MICHIGAN STRATEGIC FUND.

3 (b) During each of the state fiscal years beginning after  
4 September 30, 1985, and through the state fiscal year beginning  
5 October 1, 1990, the receipts and balance of the surplus account,  
6 up to \$2,667,000.00 annually, shall be utilized by the Michigan  
7 economic development authority, or its successor, THE MICHIGAN  
8 STRATEGIC FUND, for the purposes of the research center fund cre-  
9 ated by FORMER Act No. 70 of the Public Acts of 1982, or its  
10 successor, THE MICHIGAN STRATEGIC FUND.

11 (c) If the maximum amounts described in subdivisions (a) and  
12 (b) are not available in any state fiscal year, the available  
13 funds shall be divided for the purposes described in  
14 subdivisions (a) and (b) in the same proportion as the maximum  
15 amounts are allocated in subdivisions (a) and (b). If the maxi-  
16 mum amounts described in subdivisions (a) and (b) are not avail-  
17 able in any 1 or more fiscal years, the deficiency or deficien-  
18 cies shall be recaptured for utilization in any state fiscal year  
19 commencing before October 1, 1994, when the amount of the defi-  
20 ciencies becomes available.

21 (d) During each of the state fiscal years beginning after  
22 September 30, 1990, and through the state fiscal year beginning  
23 October 1, 1993, the receipts and balance of the surplus account,  
24 to the extent that they exceed the annual distributions described  
25 in subdivisions (a) and (b) and up to \$5,000,000.00 annually, or  
26 up to the sum of \$5,000,000.00 and the amount by which the amount  
27 available under this subdivision during the previous state fiscal

1 year was less than \$5,000,000.00, whichever is greater, may be  
2 authorized by the legislature to be utilized for the purposes  
3 authorized by law for either the research center fund or its suc-  
4 cessor, THE MICHIGAN STRATEGIC FUND, or the Michigan economic  
5 development fund or its successor, THE MICHIGAN STRATEGIC FUND,  
6 or may be divided for both purposes.

7 (e) Any amount remaining in the surplus account after the  
8 distributions described in subdivisions (a), (b), (c), and (d)  
9 have been made shall be retained in the surplus account until the  
10 date on which the Michigan economic development authority or its  
11 successor, THE MICHIGAN STRATEGIC FUND, makes the final payment  
12 of principal and interest on its economic development revenue  
13 bonds (oil and gas revenues), series 1982A, dated December 1,  
14 1982, and then shall be deposited in the trust fund.

15 (4) After all of the distributions described in  
16 subsections (1) and (2) have been made for a state fiscal year,  
17 the balance of any money received as bonuses, rentals, delayed  
18 rentals, and royalties from the term mineral interest previously  
19 held by the heritage trust shall be retained by the trust fund,  
20 subject to the limitations described in section 6, and shall be  
21 available to be expended as provided in section 4.

22 (5) The deposits required in subsections (1)(a) and (b)  
23 and (2) shall be made by the state treasurer, at the direction of  
24 the bondholder protection board created in section 11. The bond-  
25 holder protection board shall file a report with the board imme-  
26 diately after directing that any deposits required in  
27 subsections (1)(a) and (b) and (2) be made, stating the amounts

1 of money deposited, the date the deposits were made, and the  
2 extent to which subsection (2) has been applied. Before  
3 January 9 of each year, the bondholder protection board shall  
4 report to the board detailing the operations of the bondholder  
5 protection board for the most recently completed state fiscal  
6 year.

7       SEC. 9A. (1) NOT LATER THAN 12 MONTHS AFTER THE EFFECTIVE  
8 DATE OF THIS SECTION, THE BOARD SHALL PREPARE A DRAFT LAND ACQUI-  
9 SITION PLAN WHICH SHALL GENERALLY CHARACTERIZE THE PRIORITY,  
10 TYPES, AND AMOUNTS OF LAND OR RIGHTS IN LAND TO BE ACQUIRED WITH  
11 MONEY IN THE TRUST FUND. THE PLAN SHALL PROPOSE THE ACQUISITION  
12 OF ECOLOGICAL AREAS REPRESENTATIVE OF THE STATE'S NATURAL HERI-  
13 TAGE, AREAS NEEDED TO PROTECT THE QUALITY OF GROUNDWATER OR SUR-  
14 FACE WATERS OF THE STATE, OPEN SPACE AREAS IN OR ADJACENT TO  
15 URBAN CENTERS, AND RECREATIONAL LANDS CLOSE TO POPULATION  
16 CENTERS. THE BOARD SHALL HOLD PUBLIC HEARINGS ON THIS PLAN. NOT  
17 LATER THAN 24 MONTHS AFTER THE EFFECTIVE DATE OF THIS SECTION,  
18 THE BOARD SHALL ADOPT A LAND ACQUISITION PLAN.

19       (2) THE LAND ACQUISITION PLAN PREPARED UNDER SUBSECTION (1)  
20 SHALL BE UPDATED PURSUANT TO THE PROCESS DESCRIBED IN SUBSECTION  
21 (1) EVERY 5 YEARS AFTER THE INITIAL PLAN IS ADOPTED.

22       (3) IN IDENTIFYING, EVALUATING, AND DETERMINING THE LANDS OR  
23 RIGHTS IN LAND THAT SHOULD BE ACQUIRED WITH MONEY IN THE TRUST  
24 FUND, THE BOARD SHALL CONSIDER THE PRIORITIES SET FORTH IN THE  
25 LAND ACQUISITION PLAN PREPARED UNDER THIS SECTION.



1       Section 2. Section 6 of Act No. 101 of the Public Acts of  
2 1985, being section 318.506 of the Michigan Compiled Laws, is  
3 repealed.

4       Section 3. This amendatory act shall not take effect unless  
5 both of the following occur:

6       (a) Senate Joint Resolution \_\_\_\_\_ or House Joint  
7 Resolution I (request no. 01814'93) of the 87th Legislature  
8 becomes a part of the state constitution of 1963 as provided in  
9 section 1 of article XII of the state constitution of 1963.

10       (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 4306  
11 (request no. 01809'93) of the 87th Legislature is enacted into  
12 law.