

**SUBSTITUTE FOR  
HOUSE BILL NO. 4259**

(As amended December 10, 1997)

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
(MCL 324.101 to 324.90106) by adding section 61503c.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 SEC. 61503C. (1) NOTWITHSTANDING SECTION 61522, A PERSON  
2 WHO KNOWINGLY VIOLATES SECTION 61503A OR 61503B IS RESPONSIBLE  
3 FOR THE PAYMENT OF A CIVIL FINE OF NOT MORE THAN \$25,000.00. A  
4 DEFAULT IN THE PAYMENT OF A CIVIL FINE OR COSTS ORDERED UNDER  
5 THIS SECTION OR AN INSTALLMENT OF THE FINE OR COSTS MAY BE REME-  
6 DIED BY ANY MEANS AUTHORIZED UNDER THE REVISED JUDICATURE ACT OF  
7 1961, 1961 PA 236, MCL 600.101 TO 600.9948.

8 (2) THE ATTORNEY GENERAL OR OTHER PERSON MAY BRING AN ACTION  
9 IN CIRCUIT COURT FOR INJUNCTIVE RELIEF OR DAMAGES, OR BOTH,  
10 AGAINST A PERSON WHO VIOLATES SECTION 61503A OR 61503B.

[(3) IF A PERSON WHO HAS ENTERED INTO A GAS LEASE AS A LESSEE  
VIOLATES SECTION 61503A OR 61503B, EACH DAY THE VIOLATION CONTINUES  
CONSTITUTES A SEPARATE OFFENSE ONLY FOR 5 DAYS; THEREAFTER, EACH DAY  
THE VIOLATION CONTINUES DOES NOT CONSTITUTE A SEPARATE OFFENSE. IF A  
PERSON WHO HAS ENTERED INTO A GAS LEASE AS A LESSEE VIOLATES THIS  
SECTION AND SUCH A VIOLATION AFFECTS MORE THAN 1 LESSOR HAVING AN  
INTEREST IN THE SAME WELL, POOLED UNIT, OR UNITIZED AREA, THE VIOLATION  
AS TO ALL LESSORS SHALL CONSTITUTE ONLY 1 OFFENSE.]

00686'97 (H-2)  
Sub. H.B. 4259 (H-2) as amended December 10, 1997

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1 [(4)] IF A COURT FINDS THAT A LESSEE DEDUCTED POSTPRODUCTION  
2 COSTS FROM A LESSOR'S ROYALTY CONTRARY TO THE TERMS OF A GAS

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3 LEASE, THE LESSOR MAY RECOVER THE AMOUNT OF POSTPRODUCTION COSTS  
4 DEDUCTED CONTRARY TO THE LEASE AND DAMAGES IN AN AMOUNT EQUAL TO  
5 3 TIMES THE AMOUNT OF POSTPRODUCTION COSTS DEDUCTED CONTRARY TO  
6 THE LEASE. IN ADDITION, A LESSOR WHO IS AWARDED DAMAGES UNDER  
7 THIS SUBSECTION MAY RECOVER REASONABLE ATTORNEY FEES INCURRED IN  
8 BRINGING AN ACTION UNDER THIS SUBSECTION.

9 Enacting section 1. This amendatory act does not take  
10 effect unless all of the following bills of the 89th Legislature  
11 are enacted into law:

12 (a) House Bill No. 5261.

13 (b) House Bill No. 5262.