

SENATE BILL No. 214

February 14, 2001, Introduced by Senators SCHUETTE, NORTH, MC MANUS, STEIL, BENNETT, LELAND, BULLARD, VAN REGENMORTER, STILLE and GOUGEON and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 502, 32503, and 33938 (MCL 324.502,
324.32503, and 324.33938), section 502 as amended by 1998 PA 114
and sections 32503 and 33938 as added by 1995 PA 59, and by
adding sections 32316 and 61505a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 502. (1) The commission may promulgate rules, not
2 inconsistent with law, governing its organization and procedure.

3 (2) The department may ~~promulgate~~ DO 1 OR MORE OF THE
4 FOLLOWING:

5 (A) PROMULGATE and enforce reasonable rules concerning the
6 use and occupancy of lands and property under its control in
7 accordance with section 504. ~~It may provide~~

1 (B) PROVIDE and develop facilities for outdoor recreation.

2 ~~may conduct~~

3 (C) CONDUCT investigations it considers necessary for the
4 proper administration of this part. ~~may remove~~

5 (D) REMOVE and dispose of forest products as required for
6 the protection, reforestation, and proper development and conser-
7 vation of the lands and property under control of the department.
8 ~~and may require~~

9 (E) REQUIRE the payment of a fee as provided by law for a
10 daily permit or other authorization that allows the person to
11 hunt and take waterfowl on a public hunting area managed and
12 developed for waterfowl.

13 (3) ~~(2)~~ Except as provided in subsection ~~(3)~~ (4), the
14 department may enter into contracts for the taking of coal, oil,
15 gas, and other mineral products from state owned lands, upon a
16 royalty basis or upon another basis, and upon the terms the
17 department considers just and equitable subject to section 502a.
18 This contract power includes authorization to enter into con-
19 tracts for the storage of gas or other mineral products in or
20 upon state owned lands, if the consent of the state agency having
21 jurisdiction and control of the state owned land is first
22 obtained. A contract permitted under this section for the taking
23 of coal, oil, gas, or metallic mineral products, or for the stor-
24 age of gas or other mineral products, is not valid unless the
25 contract is approved by the state administrative board. Money
26 received from a contract for the storage of gas or other mineral
27 products in or upon state lands shall be transmitted to the state

1 treasurer for deposit in the general fund of the state to be used
2 for the purpose of defraying the expenses incurred in the admin-
3 istration of this act and other purposes provided by law. Other
4 money received from a contract permitted under this subsection,
5 except money received from lands acquired with money from the
6 game and fish protection fund created in section 43553, shall be
7 transmitted to the state treasurer for deposit in the Michigan
8 natural resources trust fund created in section 35 of article IX
9 of the state constitution of 1963 AND PROVIDED FOR IN PART 19.
10 However, the money received from the payment of service charges
11 by a person using areas managed for waterfowl shall be credited
12 to the game and fish protection fund and used only for the pur-
13 poses provided by law. Money received from bonuses, rentals,
14 delayed rentals, royalties, and the direct sale of resources,
15 including forest resources, from lands acquired with money from
16 the game and fish protection fund shall be credited to the game
17 and fish protection trust fund created in section 43702, except
18 as otherwise provided by law.

19 (4) ~~—(3)—The~~ SUBJECT TO SECTION 32316, THE department shall
20 not enter into a contract that permits drilling operations for
21 the taking of oil or gas from the lake bottomlands of the Great
22 Lakes or THE connecting or connected bays, harbors, or waterways
23 OF THE GREAT LAKES, unless all drilling operations originate from
24 locations above and inland of the ordinary high-water mark.
25 ~~The~~ SUBJECT TO SECTION 32316, THE department shall not enter
26 into a contract for exploration of the lake bottomlands of the
27 Great Lakes or THE connecting or connected bays, harbors, or

1 waterways OF THE GREAT LAKES that permits drilling operations
2 unless all drilling operations originate from locations above and
3 inland of the ordinary high-water mark.

4 (5) ~~—(4)—~~ This section does not permit a contract for the
5 taking of gravel, sand, coal, oil, gas, or other metallic mineral
6 products that does not comply with applicable local ordinances
7 and state law.

8 SEC. 32316. (1) UNTIL 10 YEARS AFTER THE EFFECTIVE DATE OF
9 THIS SECTION, EXCEPT AS PROVIDED IN SUBSECTION (2), A PERSON
10 SHALL NOT DRILL OR OPERATE AN OIL OR GAS WELL THAT EXTENDS UNDER
11 THE GREAT LAKES OR THE CONNECTING OR CONNECTED BAYS, HARBORS, OR
12 WATERWAYS OF THE GREAT LAKES UNLESS THE SURFACE LOCATION OF THE
13 WELL AND THE PRODUCTION FACILITIES WILL BE ABOVE AND NOT LESS
14 THAN 1,500 FEET INLAND OF THE ORDINARY HIGH-WATER MARK OF THE
15 GREAT LAKES AND THE CONNECTING OR CONNECTED BAYS, HARBORS, OR
16 WATERWAYS.

17 (2) THE DEPARTMENT MAY AUTHORIZE AN OIL OR GAS WELL THAT
18 EXTENDS UNDER THE GREAT LAKES OR THE CONNECTING OR CONNECTED
19 BAYS, HARBORS, OR WATERWAYS OF THE GREAT LAKES FOR WHICH THE PRO-
20 POSED SURFACE LOCATION OF THE WELL OR THE PRODUCTION FACILITIES
21 OR BOTH WILL BE LESS THAN 1,500 FEET BUT MORE THAN 500 FEET
22 INLAND OF THE ORDINARY HIGH-WATER MARK IF THE DEPARTMENT DETER-
23 MINES, AFTER A PUBLIC HEARING, THAT THE PROPOSED SURFACE LOCATION
24 IS BETTER THAN THE AVAILABLE ALTERNATIVE LOCATIONS TO PROTECT
25 ENVIRONMENTAL VALUES AND PUBLIC HEALTH AND SAFETY.

26 (3) AS USED IN THIS SECTION, "ORDINARY HIGH-WATER MARK" HAS
27 THE MEANING PROVIDED IN SECTION 32502.

1 Sec. 32503. (1) Except as otherwise provided in this
2 section, the department, after finding that the public trust in
3 the waters will not be impaired or substantially affected, may
4 enter into agreements pertaining to waters over and the filling
5 in of submerged patented lands, or to lease or deed unpatented
6 lands, after approval of the state administrative board.
7 Quitclaim deeds, leases, or agreements covering unpatented lands
8 may be issued or entered into by the department with any person,
9 and shall contain such terms, conditions, and requirements as the
10 department determines to be just and equitable and in conformance
11 with the public trust. The department shall reserve to the state
12 all mineral rights, including, but not limited to, coal, oil,
13 gas, sand, gravel, stone, and other materials or products located
14 or found in those lands, except where lands are occupied or to be
15 occupied for residential purposes at the time of conveyance.

16 (2) A riparian owner shall obtain a permit from the depart-
17 ment before dredging or placing spoil or other materials on
18 bottomland.

19 (3) ~~The~~ SUBJECT TO SECTION 32316, THE department shall not
20 enter into a lease or deed of unpatented lands that permits
21 drilling operations for the taking of oil or gas, unless all
22 drilling operations originate from locations above and inland of
23 the ordinary high-water mark. ~~The~~ SUBJECT TO SECTION 32316,
24 THE department shall not enter into a lease or deed of unpatented
25 lands that permits drilling for exploration purposes unless the
26 drilling operations originate from locations above and inland of
27 the ordinary high-water mark.

1 (4) An agreement, lease, or deed entered into under this
2 part by the department with the United States shall be entered
3 into and executed pursuant to the property rights acquisition
4 act, ~~Act No. 201 of the Public Acts of 1986, being section 3.251~~
5 ~~to 3.262 of the Michigan Compiled Laws~~ 1986 PA 201, MCL 3.251 TO
6 3.262.

7 Sec. 33938. (1) A person shall not remove metallic miner-
8 als, marl, stone, rock, sand, gravel, or earth from or under the
9 beds of the Great Lakes or the bays and harbors connected with
10 the Great Lakes without first obtaining a written lease from the
11 department granting the right to take the material.

12 (2) ~~A~~ SUBJECT TO SECTION 32316, A person shall not conduct
13 drilling operations for the removal of oil or gas from under the
14 beds of the Great Lakes or THE connecting or connected bays, har-
15 bors, or waterways OF THE GREAT LAKES, unless all drilling opera-
16 tions originate from locations above and inland of the ordinary
17 high-water mark and are conducted pursuant to the terms of a
18 written lease obtained from the department. ~~A~~ SUBJECT TO
19 SECTION 32316, A person shall not conduct drilling operations for
20 the purpose of exploring for oil and gas under the beds of the
21 Great Lakes or THE connecting or connected bays, harbors, or
22 waterways OF THE GREAT LAKES, unless all drilling operations
23 originate from locations above and inland of the high-water
24 mark.

25 (3) A person who violates subsection (1) or (2) is liable to
26 this state for an amount equal to 3 times the value of the
27 materials taken plus an amount equal to the cost of restoring the

1 waters, beds, bottomlands, adjacent uplands, or any natural
2 resource of the Great Lakes or THE connecting or connected bays,
3 harbors, or waterways OF THE GREAT LAKES that is damaged as a
4 result of the violation.

5 SEC. 61505A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS
6 PART OR THE RULES PROMULGATED UNDER THIS PART, THE SUPERVISOR
7 SHALL NOT ISSUE A PERMIT FOR DRILLING, OR AUTHORIZE THE DRILLING
8 OF, AN OIL OR GAS WELL, INCLUDING AN EXPLORATORY WELL, IN VIOLA-
9 TION OF SECTION 32316.