

**SUBSTITUTE FOR  
SENATE JOINT RESOLUTION T**

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 19 and 35, section 36 related to the Michigan state parks endowment fund, and section 37 of article IX, to eliminate certain investment restrictions for certain state funds, to increase the accumulated principal limitation of the Michigan natural resources trust fund, to modify provisions of the Michigan natural resources trust fund and the state parks endowment fund related to their allowable expenditures and the investment of their assets, to provide for the investment of the assets of the Michigan veterans' trust fund, and to renumber certain sections.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to eliminate certain investment restrictions for certain state funds, to increase the accumulated

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principal limitation of the Michigan natural resources trust fund, to modify provisions of the Michigan natural resources trust fund and the state parks endowment fund related to their allowable expenditures and the investment of their assets, to provide for the investment of the assets of the Michigan veterans' trust fund, and to renumber certain sections, is proposed, agreed to, and submitted to the people of the state:

1 ARTICLE IX

2 Sec. 19. The state shall not subscribe to, nor be inter-  
3 ested in the stock of any company, association or corporation,  
4 except ~~that funds~~ AS FOLLOWS:

5 (A) FUNDS accumulated to provide retirement or pension bene-  
6 fits for public officials and employees may be invested as pro-  
7 vided by law. ~~and endowment~~

8 (B) ENDOWMENT funds created for charitable or educational  
9 purposes may be invested as provided by law governing the invest-  
10 ment of funds held in trust by trustees. ~~and~~

11 (C) FUNDS HELD AS PERMANENT FUNDS OR ENDOWMENT FUNDS OTHER  
12 THAN THOSE DESCRIBED IN SUBDIVISION (B) MAY BE INVESTED AS PRO-  
13 VIDED BY LAW.

14 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, other state  
15 funds or money may be invested in accounts of a bank, savings and  
16 loan association, or credit union organized under the laws of  
17 this state or federal law, as provided by law.

18 Sec. 35. There is hereby established the Michigan natural  
19 resources trust fund. The trust fund shall consist of all  
20 bonuses, rentals, delayed rentals, and royalties collected or

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1 reserved by the state under provisions of leases for the  
2 extraction of nonrenewable resources from state owned lands,  
3 except such revenues accruing under leases of state owned lands  
4 acquired with money from state or federal game and fish protec-  
5 tion funds or revenues accruing from lands purchased with such  
6 revenues. The trust fund may receive appropriations, money, or  
7 other things of value. THE ASSETS OF THE TRUST FUND SHALL BE  
8 INVESTED AS PROVIDED BY LAW.

9 All money in the state recreational land acquisition trust  
10 and the heritage trust shall be transferred to the trust fund.  
11 Until September 30, 1994, the legislature may provide by law that  
12 revenues otherwise dedicated to the trust fund be distributed to  
13 the Michigan economic development authority under the terms and  
14 in amounts not to exceed the distributions allowed by law on  
15 March 30, 1984. The legislature shall provide by law that all  
16 rights acquired by holders of bonds heretofore issued by the  
17 Michigan economic development authority shall remain unimpaired.  
18 Until the trust fund reaches an accumulated principal of  
19 ~~\$400,000,000.00~~ \$500,000,000.00, \$10,000,000.00 of the revenues  
20 from bonuses, rentals, delayed rentals, and royalties described  
21 in this section otherwise dedicated to the trust fund that are  
22 received by the state each state fiscal year shall be deposited  
23 into the Michigan state parks endowment fund. However, until the  
24 trust fund reaches an accumulated principal of ~~\$400,000,000.00~~  
25 \$500,000,000.00, in any state fiscal year, not more than 50 per-  
26 cent of the total revenues from bonuses, rentals, delayed  
27 rentals, and royalties described in this section otherwise

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1 dedicated to the trust fund that are received by the state each  
2 state fiscal year shall be deposited into the Michigan state  
3 parks endowment fund.

4       The amount accumulated in the trust fund in any state fiscal  
5 year shall not exceed ~~-\$400,000,000.00-~~ \$500,000,000.00, exclu-  
6 sive of interest and earnings and amounts authorized for expendi-  
7 ture pursuant to this section. When the accumulated principal of  
8 the trust fund reaches ~~-\$400,000,000.00-~~ \$500,000,000.00, all  
9 revenue from bonuses, rentals, delayed rentals, and royalties  
10 described in this section that would be received by the trust  
11 fund but for this limitation shall be deposited into the Michigan  
12 state parks endowment fund until the Michigan state parks endow-  
13 ment fund reaches an accumulated principal of \$800,000,000.00.  
14 When the Michigan state parks endowment fund reaches an accumu-  
15 lated principal of \$800,000,000.00, all revenues from bonuses,  
16 rentals, delayed rentals, and royalties described in this section  
17 shall be distributed as provided by law.

18       The interest and earnings of the trust fund shall be  
19 expended for the acquisition of land or rights in land for recre-  
20 ational uses or protection of the land because of its environmen-  
21 tal importance or its scenic beauty, for the development of  
22 public recreation facilities, and for the administration of the  
23 trust fund, which may include payments in lieu of taxes on state  
24 owned land purchased through the trust fund. The trust fund may  
25 provide grants to units of local government or public authorities  
26 which shall be used for the purposes of this section. The  
27 legislature shall provide that a portion of the cost of a project

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1 funded by such grants be provided by the local unit of government  
2 or public authority.

3       Until the trust fund reaches an accumulated principal of  
4 ~~\$200,000,000.00~~ \$500,000,000.00, the legislature may provide,  
5 in addition to the expenditure of interest and earnings autho-  
6 rized by this section, that a portion, not to exceed 33-1/3 per-  
7 cent, of the revenues from bonuses, rentals, delayed rentals, and  
8 royalties described in this section received by the trust fund  
9 during each state fiscal year may be expended during subsequent  
10 state fiscal years for the purposes of this section.

11       IF PROPERTY THAT WAS PURCHASED WITH MONEY FROM THE TRUST  
12 FUND IS SUBSEQUENTLY SOLD OR TRANSFERRED, THE SELLER OR TRANS-  
13 FEROR SHALL FORWARD TO THE STATE TREASURER FOR DEPOSIT INTO THE  
14 TRUST FUND AN AMOUNT OF MONEY EQUAL TO THE NET PROCEEDS OF THE  
15 SALE OR THE FAIR MARKET VALUE OF THE PROPERTY AT THE TIME OF THE  
16 SALE OR TRANSFER, WHICHEVER IS GREATER.

17       Not less than 25 percent of the total amounts made available  
18 for expenditure from the trust fund from any state fiscal year  
19 shall be expended for acquisition of land and rights in land and  
20 not more than 25 percent of the total amounts made available for  
21 expenditure from the trust fund from any state fiscal year shall  
22 be expended for development of public recreation facilities.

23       The legislature shall provide by law for the establishment  
24 of a trust fund board within the department of natural  
25 resources. The trust fund board shall recommend the projects to  
26 be funded. The board shall submit its recommendations to the

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1 governor who shall submit the board's recommendations to the  
2 legislature in an appropriations bill.

3 The legislature shall provide by law for the implementation  
4 of this section.

5 Sec. ~~36~~ 35A. There is hereby established the Michigan  
6 state parks endowment fund. The endowment fund shall consist of  
7 revenues as provided in section 35 of this article, and as pro-  
8 vided by law. The endowment fund may also receive private con-  
9 tributions of money or other things of value. All money in the  
10 Genevieve Gillette state parks endowment fund shall be trans-  
11 ferred to the endowment fund. THE ASSETS OF THE ENDOWMENT FUND  
12 SHALL BE INVESTED AS PROVIDED BY LAW.

13 The accumulated principal of the endowment fund shall not  
14 exceed \$800,000,000.00, which amount shall be annually adjusted  
15 pursuant to the rate of inflation beginning when the endowment  
16 fund reaches \$800,000,000.00. This annually adjusted figure is  
17 the accumulated principal limit of the endowment fund.

18 Money available for expenditure from the endowment fund as  
19 provided in this section shall be expended for operations, main-  
20 tenance, and capital improvements at Michigan state parks.

21 Money in the endowment fund shall be expended as follows:

22 (1) Until the endowment fund reaches an accumulated princi-  
23 pal of \$800,000,000.00, each state fiscal year the legislature  
24 may appropriate not more than ~~\$5,000,000.00~~ \$6,500,000.00 of  
25 the money in the endowment fund as this ~~\$5,000,000.00~~  
26 \$6,500,000.00 amount is annually adjusted pursuant to the rate of  
27 inflation.

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1 (2) Once the accumulated principal in the endowment fund  
2 reaches \$800,000,000.00, only the interest and earnings of the  
3 endowment fund in excess of the amount necessary to maintain the  
4 endowment fund's accumulated principal limit may be made avail-  
5 able for expenditure.

6 Unexpended appropriations of the endowment fund from any  
7 state fiscal year as authorized by this section may be carried  
8 forward or may be appropriated as determined by the legislature  
9 for purposes of this section.

10 The legislature shall provide by law for implementation of  
11 this section.

12 Sec. 37. The Michigan veterans' trust fund is established  
13 within the department of treasury. All money in the fund estab-  
14 lished by ~~Act No. 9 of the Public Acts of the First Extra~~  
15 ~~Session of 1946~~ 1946 (1ST EX SESS) PA 9 shall be transferred to  
16 the Michigan veterans' trust fund. The trust fund may addition-  
17 ally receive appropriations, money, or other things of value.  
18 The state treasurer shall direct investment of the fund AS PRO-  
19 VIDED BY LAW, and credit interest and earnings of the fund to the  
20 fund. Except for the state treasurer's actions authorized under  
21 this section, an expenditure or transfer of a trust fund asset,  
22 interest, or earnings may be made only upon the authorization of  
23 a majority of the members of the Michigan veterans' trust fund  
24 board of trustees.

25 Resolved further, That the foregoing amendment shall be sub-  
26 mitted to the people of the state at a special election held at

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**1** the same time as the August 6, 2002 statewide primary election in  
**2** the manner provided by law.