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Senate Joint Resolution Z (Substitute S-2 as reported)
Sponsor: Senator Roger Kahn, M.D.
Committee: Natural Resources and Environmental Affairs

CONTENT

The joint resolution would amend the State Constitution to prohibit a person from drilling a well within the Great Lakes or beneath the bottomlands of the Great Lakes for the exploration or production of oil or natural gas. The joint resolution also would prohibit the State from authorizing the drilling of such a well.

"Great Lakes" would include the connected bays and harbors of the Great Lakes and the St. Marys River, the Detroit River, the St. Clair River, and Lake St. Clair.

The joint resolution would have to be submitted to voters at the next general election, if two-thirds of the members elected to and serving in each house of the Legislature approved it.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Senate Joint Resolution Z (S-2) would have an indeterminate fiscal impact on State and local governments. Currently, there is no drilling for oil or natural gas on the Great Lakes in United States territory, so a constitutional ban on this activity would have no immediate effect on revenue that the State collects for oil and gas leases. Future drilling on the Great Lakes, however, could provide oil and gas lease revenue, as the bottomlands of the Great Lakes are the exclusive property of the states bordering them. Any drilling on the Great Lakes or slant-drilling into the Great Lakes, therefore, would have to come under a lease with one of the states bordering the Great Lakes or Canada, if allowed by law. Such leases entered into by Michigan would net an indeterminate amount of revenue that would be deposited into the Natural Resources Trust Fund.

Date Completed: 6-30-10

Fiscal Analyst: Josh Sefton