

NATURAL RESOURCES TRUST FUND AMENDMENTS

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Senate Bill 1238 (Substitute H-1)

Sponsor: Sen. Darwin Boohar

House Committee: Natural Resources, Tourism, and Outdoor Recreation

Senate Committee: Natural Resources, Environment, and Great Lakes

Complete to 12-5-12

A SUMMARY OF SENATE BILL 1238 (H-1) AS REPORTED FROM COMMITTEE 12-5-12

The bill would amend Part 19 (Natural Resources Trust Fund) of the Natural Resources and Environmental Protection Act to do all of the following:

- Establish a two-term limit on members of the Natural Resources Trust Fund Board. There is not currently a term limit for board members.
- Require the board to do all of the following when preparing the list of lands to be acquired:
 - ❖ Give a preference to a project or acquisition that is located within a local unit of government that has adopted an ordinance in support of the project.
 - ❖ Identify each parcel of land that is recommended for acquisition by legal description and include the cost of the acquisition and assessed value.
 - ❖ Provide a scoring of each individual parcel.
 - ❖ Give consideration to an acquisition that is located within a county that contains 50% or more privately owned land or allows motorized recreational use.
- In preparing the list of lands to be acquired, all of the following would apply:
 - ❖ The board could not include an acquisition of land on the list if the board determines the seller was harassed, intimidated, or coerced into selling the land by the DNR, a local unit of government, or a qualified conservation organization.
 - ❖ A project or acquisition could be named in honor or memory of an individual or organization.
- Require the DNR to post on its website a bimonthly report of project status.
- Provide that after money has been appropriated from the Trust Fund, if the development of a recreation project changes significantly, the board would have to submit the changes to the Joint Capital Outlay subcommittee (of the Legislature) to review whether the proposed change or increased cost is consistent with the purpose of the appropriation. "Changes significantly" would mean

changes to a project such that the project would not have been funded had the change been in place during the evaluation of the project.

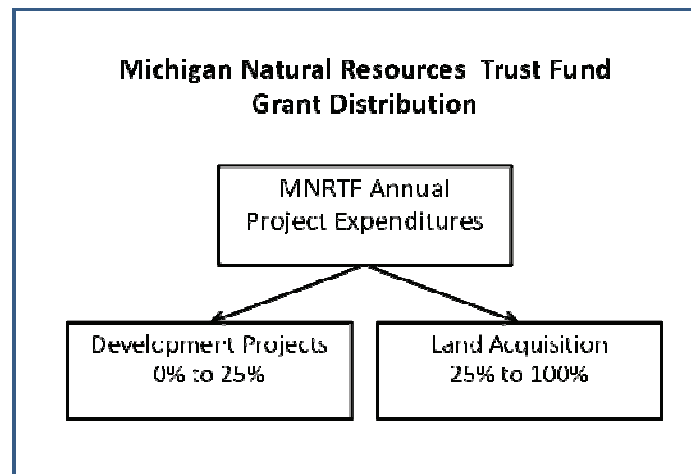
MCL 324.1902, 324.1905, & 324.1907a

FISCAL IMPACT:

Senate Bill 1238 would have a minimal fiscal impact on the Michigan Natural Resources Trust Fund (MNRTF) Board and the DNR. The bill requires that the MNRTF Board consider additional priorities and implement changes in the scoring procedure when developing the Board's recommended list of projects to be awarded grant funding.

The MNRTF Board annually develops a list of projects to be funded with MNRTF revenues for the Governor, who then submits that list to the Legislature in an appropriations bill. The MNRTF received the mineral revenues from state-owned land until the Fund reached a \$500.0 million constitutional cap in May 2011 (except for revenues from land purchased by the Game and Fish Protection Fund).

As of January 2011, the MNRTF has funded grants totaling over \$919.1 million for over 1,250 state and local recreation projects. Grants are awarded to local entities or units of government and the DNR. There are two types of MNRTF grants—land acquisition and recreation development. The Constitution requires that over 25% of the grants be for land acquisition and up to 25% be awarded for development projects.



The following table lists the annual appropriations for MNRTF grants from FY 2007-08 through FY 2011-12.

Fiscal Year	Grant Awards (in millions)
2007-08	\$34.5
2008-09	\$48.5
2009-10	\$35.7
2010-11	\$102.1
2011-12	\$37.7

Since the MNRTF reached the cap in May 2011, the Fund may now only expend the revenues generated by the interest and earnings of the \$500.0 million investment corpus of the Fund, approximately \$25.0 - \$30.0 million each year. Senate Bill 1238 does not change the amount of funding that would be available for MNRTF grants to be awarded annually; however, by establishing additional priorities and considerations for the Board, the bill's provisions could affect which projects are recommended for grant funding. For further information concerning the MNRTF, the grant award process, and scoring criteria, the following document can be found on the HFA website—*Fiscal Focus: Michigan Natural Resources Trust Fund*.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.