

SENATE BILL No. 1238

August 15, 2012, Introduced by Senators BOOHER, CASPERSON, PAPPAGEORGE, JANSEN and COLBECK and referred to the Committee on Natural Resources, Environment and Great Lakes.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 1902, 1905, 1907, and 1907a (MCL 324.1902,
324.1905, 324.1907, and 324.1907a), section 1902 as amended by 2004
PA 587, section 1905 as added by 1995 PA 60, section 1907 as
amended by 2008 PA 229, and section 1907a as added by 2002 PA 52.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1902. (1) In accordance with section 35 of article IX of
2 the state constitution of 1963, the Michigan natural resources
3 trust fund is established in the state treasury. The trust fund
4 shall consist of all bonuses, rentals, delayed rentals, and
5 royalties collected or reserved by the state under provisions of
6 leases for the extraction of nonrenewable resources from state
7 owned lands. However, the trust fund shall not include bonuses,

rentals, delayed rentals, and royalties collected or reserved by the state from the following sources:

(a) State owned lands acquired with money appropriated from the former game and fish protection fund or the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

(b) State owned lands acquired with money appropriated from the subfund account created by former section 4 of former 1976 PA 204.

(c) State owned lands acquired with money appropriated from related federal funds made available to the state under **THE PITTMAN-ROBERTSON WILDLIFE RESTORATION ACT**, 16 USC 669 to ~~669i~~, ~~commonly known as the federal aid in wildlife restoration act,~~ **669K**, or **THE DINGELL-JOHNSON SPORT FISH RESTORATION ACT**, 16 USC 777 to ~~777l~~, ~~commonly known as the federal aid in fish restoration act.~~ **777N**.

(d) Money received by the state from net proceeds allocable to the nonconventional ~~fuel~~ **SOURCE PRODUCTION** credit contained in section ~~29-45K~~ of the internal revenue code of 1986, 26 USC ~~29,~~ **45K**, as provided for in section 503.

(2) Notwithstanding subsection (1), until the trust fund reaches an accumulated principal of \$500,000,000.00, \$10,000,000.00 of the revenues from bonuses, rentals, delayed rentals, and royalties described in this section, but not including money received by the state from net proceeds allocable to the nonconventional ~~fuel~~ **SOURCE PRODUCTION** credit contained in section ~~29-45K~~ of the internal revenue code of 1986, 26 USC ~~29,~~ **45K**, as

1 provided for in section 503, otherwise dedicated to the trust fund
2 that are received by the trust fund each state fiscal year shall be
3 transferred to the state treasurer for deposit into the Michigan
4 state parks endowment fund. However, until the trust fund reaches
5 an accumulated principal of \$500,000,000.00, in any state fiscal
6 year, not more than 50% of the total revenues from bonuses,
7 rentals, delayed rentals, and royalties described in this section,
8 but not including net proceeds allocable to the nonconventional
9 ~~fuel~~ **SOURCE PRODUCTION** credit contained in section 29-45K of the
10 internal revenue code of 1986, 26 USC 29-45K, as provided in
11 section 503, otherwise dedicated to the trust fund that are
12 received by the trust fund each state fiscal year shall be
13 transferred to the Michigan state parks endowment fund. To
14 implement this subsection, until the trust fund reaches an
15 accumulated principal of \$500,000,000.00, the department shall
16 transfer 50% of the money received by the trust fund each month
17 pursuant to subsection (1) to the state treasurer for deposit into
18 the Michigan state parks endowment fund. The department shall make
19 this transfer on the last day of each month or as soon as
20 practicable thereafter. However, not more than a total of
21 \$10,000,000.00 shall be transferred in any state fiscal year
22 pursuant to this subsection.

23 ~~—— (3) In addition to the contents of the trust fund described in~~
24 ~~subsection (1), the trust fund shall consist of money transferred~~
25 ~~to the trust fund pursuant to section 1909.~~

26 (3) ~~(4)~~ The trust fund may receive appropriations, money, or
27 other things of value.

1 (4) ~~(5)~~—The state treasurer shall direct the investment of the
 2 trust fund. The state treasurer shall have the same authority to
 3 invest the assets of the trust fund as is granted to an investment
 4 fiduciary under the public employee retirement system investment
 5 act, 1965 PA 314, MCL 38.1132 to ~~38.1140~~-38.1140M.

6 (5) ~~(6)~~—The department shall annually prepare a report
 7 containing an accounting of revenues and expenditures from the
 8 trust fund. This report shall identify the interest and earnings of
 9 the trust fund from the previous year, the investment performance
 10 of the trust fund during the previous year, and the total amount of
 11 appropriations from the trust fund during the previous year. **IN**
 12 **ADDITION, THE REPORT SHALL INCLUDE THE STATUS OF EACH APPROVED**
 13 **PROJECT, INCLUDING WHETHER THE PROJECT HAS BEEN STARTED, WHETHER IT**
 14 **IS CURRENTLY BEING DEVELOPED AND THE TIMELINE FOR COMPLETION, AND**
 15 **THE COMPLETION DATE, IF APPROPRIATE.** This report shall be provided
 16 to the senate and house of representatives appropriations
 17 committees and the standing committees of the senate and house of
 18 representatives with jurisdiction over issues pertaining to natural
 19 resources and the environment.

20 (6) ~~(7)~~—As used in this section, "Michigan state parks
 21 endowment fund" means the Michigan state parks endowment fund
 22 established in section 35a of article IX of the state constitution
 23 of 1963 and provided for in section 74119.

24 Sec. 1905. (1) The Michigan natural resources trust fund board
 25 is established within the department. The board shall have the
 26 powers and duties of an agency transferred under a type I transfer
 27 pursuant to section 3 of the executive organization act of 1965,

1 ~~Act No. 380 of the Public Acts of 1965, being section 16.103 of the~~
2 ~~Michigan Compiled Laws. 1965 PA 380, MCL 16.103.~~ The board shall be
3 administered under the supervision department and the department
4 shall offer its cooperation and aid to the board and shall provide
5 suitable offices and equipment for the board.

6 (2) The board shall consist of ~~5-7~~ members. The members shall
7 include the director or a member of the commission as determined by
8 the commission, and ~~4-6~~ residents of the state to be appointed by
9 the governor with the advice and consent of the senate. **TWO OF THE**
10 **MEMBERS APPOINTED UNDER THIS SUBSECTION SHALL BE SELECTED FROM A**
11 **LIST OF CANDIDATES RECOMMENDED JOINTLY BY THE SENATE MAJORITY**
12 **LEADER AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. FORMER**
13 **MEMBERS OF THE NATURAL RESOURCES COMMISSION ARE NOT ELIGIBLE TO BE**
14 **APPOINTED UNDER THIS SUBSECTION. AN INDIVIDUAL SHALL NOT BE**
15 **APPOINTED TO SERVE MORE THAN 2 FULL TERMS.**

16 (3) The terms of the appointive members shall be 4 years,
17 except that of those first appointed, 1 shall be appointed for 1
18 year, 1 shall be appointed for 2 years, 1 shall be appointed for 3
19 years, and 1 shall be appointed for 4 years. **THE 2 ADDITIONAL**
20 **MEMBERS INITIALLY APPOINTED FOLLOWING THE EFFECTIVE DATE OF THE**
21 **2012 AMENDATORY ACT THAT AMENDED THIS SECTION SHALL SERVE FOR 4**
22 **YEARS.**

23 (4) The appointive members may be removed by the governor for
24 inefficiency, neglect of duty, or malfeasance in office.

25 (5) Vacancies on the board shall be filled for the unexpired
26 term in the same manner as the original appointments.

27 (6) The board may incur expenses necessary to carry out its

1 powers and duties under this part and shall compensate its members
2 for actual expenses incurred in carrying out their official duties.

3 Sec. 1907. (1) The board shall determine which lands and
4 rights in land within the state should be acquired and which public
5 recreation facilities should be developed with money from the trust
6 fund and shall submit to the legislature in January of each year a
7 list of those lands and rights in land and those public recreation
8 facilities that the board has determined should be acquired or
9 developed with trust fund money, compiled in order of priority. In
10 preparing the list under this subsection, the board shall ~~give~~ DO

11 **ALL OF THE FOLLOWING:**

12 (A) GIVE particular consideration to the acquisition of land
13 and rights in land for recreational trails that intersect the
14 downtown areas of cities and villages.

15 (B) IDENTIFY EACH PARCEL OF LAND THAT IS RECOMMENDED FOR
16 ACQUISITION BY LEGAL DESCRIPTION AND INCLUDE THE COST OF
17 ACQUISITION.

18 (C) PROVIDE A SCORING OF EACH PARCEL OF LAND RECOMMENDED FOR
19 ACQUISITION INDIVIDUALLY.

20 (D) GIVE PARTICULAR CONSIDERATION TO A PROJECT OR ACQUISITION
21 THAT INCLUDES 1 OR MORE OF THE FOLLOWING:

22 (i) ALLOWS MOTORIZED RECREATIONAL USE.

23 (ii) IS LOCATED WITHIN A COUNTY THAT CONTAINS 50% OR MORE
24 PRIVATELY OWNED LAND.

25 (iii) IS LOCATED WITHIN A LOCAL UNIT OF GOVERNMENT THAT HAS
26 ADOPTED A RESOLUTION IN SUPPORT OF THE ACQUISITION.

27 (2) IN PREPARING THE LIST OF LANDS TO BE ACQUIRED UNDER

1 SUBSECTION (1), THE BOARD SHALL COMPLY WITH ALL OF THE FOLLOWING:

2 (A) THE BOARD SHALL NOT RECOMMEND FOR ACQUISITION ANY LAND
3 THAT WAS SOLICITED FOR SALE BY THE DEPARTMENT, A LOCAL UNIT OF
4 GOVERNMENT, OR A LAND CONSERVANCY.

5 (B) THE BOARD SHALL NOT RECOMMEND THE ACQUISITION OF LAND FOR
6 TRANSFER TO A LAND CONSERVANCY UNLESS THE TRANSFER ASSURES THAT THE
7 LAND WILL REMAIN OPEN FOR ALL TYPES OF RECREATIONAL USES.

8 (C) IN DETERMINING WHICH LANDS OR RIGHTS IN LANDS SHOULD BE
9 ACQUIRED, THE BOARD SHALL NOT CONSIDER THE NAME ATTACHED TO A
10 PARTICULAR PROJECT NOR SHALL THE BOARD ATTACH A NAME TO ANY PROJECT
11 BEYOND ITS LOCATION OR LEGAL DESCRIPTION.

12 (3) ~~(2) This~~ **THE** list **PREPARED UNDER SUBSECTION (1)** shall be
13 accompanied by estimates of total costs for the proposed
14 acquisitions and developments.

15 (4) ~~(3)~~ The board shall supply with each list **PREPARED UNDER**
16 **SUBSECTION (1)** a statement of the guidelines used in listing and
17 assigning the priority of these proposed acquisitions and
18 developments.

19 (5) ~~(4)~~ The legislature shall approve by law the lands and
20 rights in land and the public recreation facilities to be acquired
21 or developed each year with money from the trust fund.

22 Sec. 1907a. (1) If within 2 years after a parcel of property
23 that is approved for acquisition or development by the legislature
24 has not been acquired or developed in the manner determined by the
25 board and is not open for public use, the board shall report to the
26 standing committees of the senate and the house of representatives
27 with jurisdiction over issues related to natural resources and the

1 environment on the status of the project and the reason why the
2 property has not been purchased or developed in the manner
3 determined by the board.

4 (2) THE BOARD SHALL ANNUALLY REPORT TO THE STANDING COMMITTEES
5 OF THE SENATE AND THE HOUSE OF REPRESENTATIVES WITH JURISDICTION
6 OVER ISSUES RELATED TO NATURAL RESOURCES AND THE ENVIRONMENT ON ANY
7 FUNDS THAT WERE APPROPRIATED FROM THE TRUST FUND BUT NOT EXPENDED.

8 (3) FOLLOWING THE APPROPRIATION OF MONEY FROM THE TRUST FUND,
9 IF THE DEVELOPMENT OF A PUBLIC RECREATION PROJECT CHANGES OR THE
10 COST OF THE PROJECT INCREASES, THE ENTITY RECEIVING THE
11 APPROPRIATION SHALL SUBMIT THE CHANGE TO THE JOINT CAPITAL OUTLAY
12 SUBCOMMITTEE OF THE LEGISLATURE TO REVIEW WHETHER THE PROPOSED
13 CHANGE OR INCREASED COST IS CONSISTENT WITH THE PURPOSE OF THE
14 APPROPRIATION.