

# HOUSE BILL No. 4285

February 19, 2013, Introduced by Rep. Johnson and referred to the Committee on Natural Resources.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 502 (MCL 324.502), as amended by 2004 PA 587, and by adding section 2154a.

**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 do 1 or more of the following:

4           (a) Promulgate and enforce reasonable rules concerning the use  
5 and occupancy of lands and property under its control in accordance  
6 with section 504.

7           (b) Provide and develop facilities for outdoor recreation.

8           (c) Conduct investigations it considers necessary for the

1 proper administration of this part.

2 (d) Remove and dispose of forest products as required for the  
3 protection, reforestation, and proper development and conservation  
4 of the lands and property under the control of the department.

5 (e) Require the payment of a fee as provided by law for a  
6 daily permit or other authorization that allows the person to hunt  
7 and take waterfowl on a public hunting area managed and developed  
8 for waterfowl.

9 (3) Except as provided in subsection (4), the department may  
10 enter into contracts for the taking of coal, oil, gas, and other  
11 mineral products from state-owned lands, upon a royalty basis or  
12 upon another basis, and upon the terms the department considers  
13 just and equitable subject to section 502a. This contract power  
14 includes authorization to enter into contracts for the storage of  
15 gas or other mineral products in or upon state-owned lands, if the  
16 consent of the state agency having jurisdiction and control of the  
17 state-owned land is first obtained. A contract permitted under this  
18 section for the taking of coal, oil, gas, or metallic mineral  
19 products, or for the storage of gas or other mineral products, is  
20 not valid unless the contract is approved by the state  
21 administrative board. Money received from a contract for the  
22 storage of gas or other mineral products in or upon state lands  
23 shall be transmitted to the state treasurer for deposit in the  
24 general fund of the state to be used for the purpose of defraying  
25 the expenses incurred in the administration of this act and other  
26 purposes provided by law. Other money received from a contract  
27 permitted under this subsection, except money received from lands

1 acquired with money from the former game and fish protection fund  
2 or the game and fish protection account of the Michigan  
3 conservation and recreation legacy fund provided for in section  
4 2010, shall be transmitted to the state treasurer for deposit in  
5 the Michigan natural resources trust fund created in section 35 of  
6 article IX of the state constitution of 1963 and provided for in  
7 part 19. However, the money received from the payment of service  
8 charges by a person using areas managed for waterfowl shall be  
9 credited to the game and fish protection account of the Michigan  
10 conservation and recreation legacy fund provided for in section  
11 2010 and used only for the purposes provided by law. Money received  
12 from bonuses, rentals, delayed rentals, royalties, and the direct  
13 sale of resources, including forest resources, from lands acquired  
14 with money from the former game and fish protection fund or the  
15 game and fish protection account of the Michigan conservation and  
16 recreation legacy fund provided for in section 2010 shall be  
17 credited to the Michigan game and fish protection trust fund  
18 established in section 41 of article IX of the state constitution  
19 of 1963 and provided for in part 437, except as otherwise provided  
20 by law.

21 (4) The department shall not enter into a contract that allows  
22 drilling operations beneath the lake bottomlands of the Great  
23 Lakes, the connected bays or harbors of the Great Lakes, or the  
24 connecting waterways as defined in section 32301, for the  
25 exploration or production of oil or gas.

26 (5) **NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, UNTIL**  
27 **PAYMENTS IN LIEU OF TAXES HAVE BEEN PAID IN FULL PURSUANT TO**

1 SUBPART 14 OF PART 21 IN ANY YEAR, ALL REVENUES RECEIVED BY THE  
2 STATE DURING THAT YEAR FROM THE SALE OF TIMBER ON STATE-OWNED LAND  
3 SHALL BE FORWARDED TO THE STATE TREASURER FOR DEPOSIT INTO THE  
4 PAYMENT IN LIEU OF TAXES REIMBURSEMENT FUND CREATED IN SECTION  
5 2154A.

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

10 SEC. 2154A. (1) THE PAYMENT IN LIEU OF TAXES REIMBURSEMENT  
11 FUND IS CREATED WITHIN THE STATE TREASURY.

12 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM  
13 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL  
14 DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT  
15 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

16 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL  
17 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

18 (4) THE DEPARTMENT OF NATURAL RESOURCES SHALL BE THE  
19 ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.

20 (5) THE DEPARTMENT OF NATURAL RESOURCES SHALL EXPEND MONEY  
21 FROM THE FUND, UPON APPROPRIATION, ONLY FOR 1 OR MORE OF THE  
22 FOLLOWING PURPOSES:

23 (A) IN ANY YEAR THAT PAYMENTS IN LIEU OF TAXES HAVE NOT BEEN  
24 PAID IN FULL UNDER THIS SUBPART, FOR PAYMENTS IN LIEU OF TAXES  
25 UNDER THIS SUBPART.

26 (B) IN ANY YEAR THAT PAYMENTS IN LIEU OF TAXES HAVE BEEN PAID  
27 IN FULL UNDER THIS SUBPART, FOR ANY PURPOSE AUTHORIZED BY LAW.

1           (6) AS USED IN THIS SECTION, "FUND" MEANS THE PAYMENT IN LIEU  
2 OF TAXES REIMBURSEMENT FUND CREATED IN SUBSECTION (1).