

# HOUSE BILL No. 6080

December 4, 2014, Introduced by Rep. LaFontaine and referred to the Committee on Natural Resources.

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending sections 1902, 1903, 1904, and 74119 (MCL 324.1902,  
324.1903, 324.1904, and 324.74119), section 1902 as amended by 2012  
PA 619, section 1903 as amended by 2011 PA 117, section 1904 as  
amended by 2002 PA 52, and section 74119 as amended by 2002 PA 54.

## 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,

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

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

7 (b) State owned lands acquired with money appropriated from  
8 the subfund account created by former section 4 of former 1976 PA  
9 204.

10 (c) State owned lands acquired with money appropriated from  
11 related federal funds made available to the state under the  
12 Pittman-Robertson wildlife restoration act, 16 USC 669 to 669k, or  
13 the Dingell-Johnson sport fish restoration act, 16 USC 777 to 777n.

14 (d) Money received by the state from net proceeds allocable to  
15 the nonconventional source production credit contained in section  
16 45k of the internal revenue code of 1986, 26 USC 45k, as provided  
17 for in section 503.

18 ~~—— (2) Notwithstanding subsection (1), until the trust fund~~  
19 ~~reaches an accumulated principal of \$500,000,000.00, \$10,000,000.00~~  
20 ~~of the revenues from bonuses, rentals, delayed rentals, and~~  
21 ~~royalties described in this section, but not including money~~  
22 ~~received by the state from net proceeds allocable to the~~  
23 ~~nonconventional source production credit contained in section 45k~~  
24 ~~of the internal revenue code of 1986, 26 USC 45k, as provided for~~  
25 ~~in section 503, otherwise dedicated to the trust fund that are~~  
26 ~~received by the trust fund each state fiscal year shall be~~  
27 ~~transferred to the state treasurer for deposit into the Michigan~~

~~state parks endowment fund. However, until the trust fund reaches an accumulated principal of \$500,000,000.00, in any state fiscal year, not more than 50% of the total revenues from bonuses, rentals, delayed rentals, and royalties described in this section, but not including net proceeds allocable to the nonconventional source production credit contained in section 45k of the internal revenue code of 1986, 26 USC 45k, as provided in section 503, otherwise dedicated to the trust fund that are received by the trust fund each state fiscal year shall be transferred to the Michigan state parks endowment fund. To implement this subsection, until the trust fund reaches an accumulated principal of \$500,000,000.00, the department shall transfer 50% of the money received by the trust fund each month pursuant to subsection (1) to the state treasurer for deposit into the Michigan state parks endowment fund. The department shall make this transfer on the last day of each month or as soon as practicable thereafter. However, not more than a total of \$10,000,000.00 shall be transferred in any state fiscal year pursuant to this subsection.~~

~~(2) (3)~~—The trust fund may receive appropriations, money, or other things of value.

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

~~(4) (5)~~—The department shall annually prepare a report containing an accounting of revenues and expenditures from the

1 trust fund. This report shall identify the interest and earnings of  
2 the trust fund from the previous year, the investment performance  
3 of the trust fund during the previous year, and the total amount of  
4 appropriations from the trust fund during the previous year. This  
5 report shall be provided to the senate and house of representatives  
6 appropriations committees and the standing committees of the senate  
7 and house of representatives with jurisdiction over issues  
8 pertaining to natural resources and the environment.

9 (5) ~~(6)~~—As used in this section, "Michigan state parks  
10 endowment fund" means the Michigan state parks endowment fund  
11 established in section 35a of article IX of the state constitution  
12 of 1963 and provided for in section 74119.

13 Sec. 1903. (1) Subject to the limitations of this part and of  
14 section 35 of article IX of the state constitution of 1963, the  
15 interest and earnings of the trust fund in any 1 state fiscal year  
16 may be expended in subsequent state fiscal years only for the  
17 following purposes:

18 (a) The acquisition of land or rights in land for recreational  
19 uses or protection of the land because of its environmental  
20 importance or its scenic beauty.

21 (b) The development of public recreation facilities.

22 (c) The administration of the fund, including payments in lieu  
23 of taxes on state-owned land purchased through the trust fund. The  
24 legislature shall make appropriations from the trust fund each  
25 state fiscal year to make full payments in lieu of taxes on state-  
26 owned land purchased through the trust fund, as provided in section  
27 2154.

1           (2) In addition to the money described in subsection (1), 33-  
2 1/3% of the money, exclusive of interest and earnings, received by  
3 the trust fund in any state fiscal year may be expended in  
4 subsequent state fiscal years for the purposes described in  
5 subsection (1). However, the authorization for the expenditure of  
6 money provided in this subsection does not apply after the state  
7 fiscal year in which the total amount of money in the trust fund,  
8 exclusive of interest and earnings and amounts authorized for  
9 expenditure under this section, exceeds \$500,000,000.00.

10           (3) An expenditure from the trust fund may be made in the form  
11 of a grant to a local unit of government or public authority,  
12 subject to all of the following conditions:

13           (a) The grant is used for the purposes described in subsection  
14 (1).

15           (b) The grant is matched by the local unit of government or  
16 public authority with at least 25% of the total cost of the  
17 project.

18           (4) Not less than 25% of the total amounts made available for  
19 expenditure from the trust fund from any state fiscal year shall be  
20 expended for acquisition of land and rights in land, and not ~~more~~  
21 **LESS** than 25% of the total amounts made available for expenditure  
22 from the trust fund from any state fiscal year shall be expended  
23 for development of public recreation facilities.

24           (5) If property that was acquired with money from the trust  
25 fund is subsequently sold or transferred by the state to a  
26 nongovernmental entity, the state shall forward to the state  
27 treasurer for deposit into the trust fund an amount of money equal

1 to the following:

2 (a) If the property was acquired solely with trust fund money,  
3 the greatest of the following:

4 (i) The net proceeds of the sale.

5 (ii) The fair market value of the property at the time of the  
6 sale or transfer.

7 (iii) The amount of money that was expended from the trust fund  
8 to acquire the property.

9 (b) If the property was acquired with a combination of trust  
10 fund money and other restricted funding sources governed by federal  
11 or state law, an amount equal to the percentage of the funds  
12 contributed by the trust fund for the acquisition of the property  
13 multiplied by the greatest of the amounts under subdivision (a) (i),  
14 (ii), and (iii).

15 Sec. 1904. The amount accumulated in the trust fund shall not  
16 exceed \$500,000,000.00, **AS THIS AMOUNT IS ANNUALLY ADJUSTED**  
17 **PURSUANT TO THE MOST COMPREHENSIVE INDEX OF CONSUMER PRICES**  
18 **AVAILABLE FOR THE DETROIT AREA FROM THE UNITED STATES DEPARTMENT OF**  
19 **LABOR, BUREAU OF STATISTICS OR SUCCESSOR AGENCY,** exclusive of  
20 interest and earnings and amounts authorized for expenditure under  
21 this part. Any amount of money that would be a part of the trust  
22 fund but for the limitation stated in this section shall be  
23 deposited in the Michigan ~~state parks~~ **AND RECREATION** endowment fund  
24 created in section 74119. ~~, until the Michigan state parks~~  
25 ~~endowment fund reaches an accumulated principal of \$800,000,000.00.~~  
26 ~~After the Michigan state parks endowment fund reaches an~~  
27 ~~accumulated principal of \$800,000,000.00, any money that would be~~

~~part of the Michigan state parks endowment fund but for this limitation shall be distributed as provided by law.~~

Sec. 74119. (1) In accordance with section 35a of article IX of the state constitution of 1963, the Michigan ~~state parks~~ **AND RECREATION** endowment fund is created within the state treasury. The Michigan ~~state parks~~ **AND RECREATION** endowment fund may be referred to as the Genevieve Gillette ~~state parks~~ **AND RECREATION** endowment fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the endowment fund. The state treasurer shall direct the investment of the endowment fund. The state treasurer shall have the same authority to invest the assets of the endowment fund as is granted to an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140/. The state treasurer shall credit to the endowment fund interest and earnings from endowment fund investments.

(3) Money in the endowment fund at the close of the fiscal year shall remain in the endowment fund and shall not lapse to the general fund.

~~———— (4) The accumulated principal of the endowment fund shall not exceed \$800,000,000.00, which amount shall be annually adjusted pursuant to the Detroit consumer price index all items beginning when the endowment fund reaches \$800,000,000.00. This annually adjusted figure is the accumulated principal limit of the endowment fund.~~

~~———— (5) Money in the endowment fund shall be expended for~~

1 ~~operations, maintenance, and capital improvements at Michigan state~~  
2 ~~parks and for the acquisition of land or rights in land for~~  
3 ~~Michigan state parks.~~

4       (4) ~~(6)~~ Money in the endowment fund shall be expended as  
5 follows:

6       ~~—— (a) Until the endowment fund reaches an accumulated principal~~  
7 ~~of \$800,000,000.00, each state fiscal year the legislature may~~  
8 ~~appropriate not more than 50% of the money received under section~~  
9 ~~35 of article IX of the state constitution of 1963 plus interest~~  
10 ~~and earnings and any private contributions or other revenue to the~~  
11 ~~endowment fund.~~

12       ~~—— (b) Once the accumulated principal in the endowment fund~~  
13 ~~reaches \$800,000,000.00, only the interest and earnings of the~~  
14 ~~endowment fund in excess of the amount necessary to maintain the~~  
15 ~~endowment fund's accumulated principal limit shall be expended.~~

16       (A) NOT MORE THAN 50% FOR OPERATIONS, MAINTENANCE, CAPITAL  
17 IMPROVEMENTS, AND ACQUISITION OF LAND FOR MICHIGAN STATE PARKS.

18       (B) NOT MORE THAN 25% FOR INFRASTRUCTURE RENOVATION AND  
19 CAPITAL IMPROVEMENTS ON PUBLICLY OWNED RECREATION LAND.

20       (C) NOT MORE THAN 25% SHALL BE REINVESTED IN THE CORPUS OF THE  
21 ENDOWMENT FUND.

22       (5) ~~(7)~~ Unexpended appropriations of the endowment fund from  
23 any state fiscal year as authorized by this section may be carried  
24 forward or may be appropriated as determined by the legislature for  
25 purposes of this section.

26       (6) ~~(8)~~ The department shall annually prepare a report  
27 containing an accounting of revenues and expenditures from the



1 endowment fund. This report shall identify the interest and  
2 earnings of the endowment fund from the previous year, the  
3 investment performance of the endowment fund during the previous  
4 year, and the total amount of appropriations from the endowment  
5 fund during the previous year. This report shall be provided to the  
6 senate and house of representatives appropriations committees and  
7 the standing committees of the senate and house of representatives  
8 with jurisdiction over issues pertaining to natural resources and  
9 the environment.

10 Enacting section 1. This amendatory act does not take effect  
11 unless Senate Joint Resolution \_\_\_\_ or House Joint Resolution RR\_\_\_\_  
12 (request no. 05446'14) of the 97th Legislature becomes a part of  
13 the state constitution of 1963 as provided in section 1 of article  
14 XII of the state constitution of 1963.