

HOUSE JOINT RESOLUTION EE

March 27, 2014, Introduced by Reps. McMillin, Kelly and Genetski and referred to the Committee on Natural Resources.

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 31 of article IV and sections 35 and 35a of article IX, to require certain general fund appropriations to the state transportation department, to create a transportation fund, to allocate revenue from certain leases for the extraction of nonrenewable resources on state owned land to the transportation fund and the Michigan natural resources trust fund, and to dissolve the state parks endowment fund.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to require certain general fund appropriations to the state transportation department, to create a transportation fund, to allocate revenue from certain leases for

the extraction of nonrenewable resources on state owned land to the transportation fund and the Michigan natural resources trust fund, and to dissolve the state parks endowment fund, is proposed, agreed to, and submitted to the people of the state:

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ARTICLE IV

Sec. 31. The general appropriation bills for the succeeding fiscal period covering items set forth in the budget shall be passed or rejected in either house of the legislature before that house passes any appropriation bill for items not in the budget except bills supplementing appropriations for the current fiscal year's operation. Any bill requiring an appropriation to carry out its purpose shall be considered an appropriation bill. One of the general appropriation bills as passed by the legislature shall contain an itemized statement of estimated revenue by major source in each operating fund for the ensuing fiscal period, the total of which shall not be less than the total of all appropriations made from each fund in the general appropriation bills as passed.

THE LEGISLATURE SHALL NOT APPROPRIATE FROM ANY FUND, OTHER THAN THE LOCAL TRANSPORTATION FUND ESTABLISHED BY SECTION 35A OF ARTICLE IX, LESS MONEY FOR THE CONSTRUCTION, MAINTENANCE, REPAIR, AND IMPROVEMENT OF COUNTY ROADS AND CITY AND VILLAGE STREETS IN ANY FISCAL YEAR THAN WAS APPROPRIATED FROM THAT FUND IN THE PRECEDING FISCAL YEAR UNLESS THE APPROPRIATION IS APPROVED BY THREE-FIFTHS OF THE MEMBERS ELECTED TO AND SERVING IN EACH HOUSE. APPROPRIATIONS EXCLUSIVELY FOR THE CONSTRUCTION, MAINTENANCE, REPAIR, AND IMPROVEMENT OF COUNTY ROADS AND CITY AND VILLAGE STREETS ARE NOT SUBJECT TO DISAPPROVAL OR REDUCTION BY THE GOVERNOR UNDER SECTION

1 19 OR 20 OF ARTICLE V.

2 ARTICLE IX

3 Sec. 35. There is hereby established the Michigan natural
 4 resources trust fund. The trust fund shall ~~consist~~ **RECEIVE 20%** of
 5 all bonuses, rentals, delayed rentals, and royalties collected or
 6 reserved by the state **ON OR AFTER THE EFFECTIVE DATE OF THE 2014**
 7 **AMENDMENT THAT AMENDED THIS SECTION** under provisions of leases for
 8 the extraction of nonrenewable resources from state owned lands,
 9 except such revenues accruing under leases of state owned lands
 10 acquired with money from state or federal game and fish protection
 11 funds or revenues accruing from lands purchased with such revenues.
 12 The trust fund may receive appropriations, money, or other things
 13 of value. The assets of the trust fund shall be invested as
 14 provided by law.

15 ~~Until the trust fund reaches an accumulated principal of~~
 16 ~~\$500,000,000.00, \$10,000,000.00 of the revenues from bonuses,~~
 17 ~~rentals, delayed rentals, and royalties described in this section~~
 18 ~~otherwise dedicated to the trust fund that are received by the~~
 19 ~~state each state fiscal year shall be deposited into the Michigan~~
 20 ~~state parks endowment fund. However, until the trust fund reaches~~
 21 ~~an accumulated principal of \$500,000,000.00, in any state fiscal~~
 22 ~~year, not more than 50 percent of the total revenues from bonuses,~~
 23 ~~rentals, delayed rentals, and royalties described in this section~~
 24 ~~otherwise dedicated to the trust fund that are received by the~~
 25 ~~state each state fiscal year shall be deposited into the Michigan~~
 26 ~~state parks endowment fund.~~

27 The amount accumulated in the trust fund in any state fiscal

1 year shall not exceed ~~\$500,000,000.00,~~ **\$200,000,000.00**, exclusive
2 of interest and earnings. ~~and amounts authorized for expenditure~~
3 ~~pursuant to this section. When~~ **TO THE EXTENT THAT** the accumulated
4 principal of the trust fund ~~reaches \$500,000,000.00, all~~ **WOULD**
5 **EXCEED \$200,000,000.00**, revenue from bonuses, rentals, delayed
6 rentals, and royalties described in this section that would
7 **OTHERWISE** be received by the trust fund ~~but for this limitation~~
8 ~~shall be deposited into the Michigan state parks endowment fund~~
9 ~~until the Michigan state parks endowment fund reaches an~~
10 ~~accumulated principal of \$800,000,000.00. When the Michigan state~~
11 ~~parks endowment fund reaches an accumulated principal of~~
12 ~~\$800,000,000.00, all revenues from bonuses, rentals, delayed~~
13 ~~rentals, and royalties described in this section shall be~~
14 ~~distributed as provided by law.~~ **SHALL BE DEPOSITED IN THE LOCAL**
15 **TRANSPORTATION FUND ESTABLISHED BY SECTION 35A. ACCUMULATED**
16 **PRINCIPAL IN THE TRUST FUND IN EXCESS OF \$200,000,000.00 ON THE**
17 **EFFECTIVE DATE OF THE 2014 AMENDMENT TO THIS SECTION SHALL BE**
18 **TRANSFERRED TO THE TRANSPORTATION FUND.**

19 ~~The interest and earnings of~~ **MONEY IN** the trust fund shall be
20 expended **ONLY** for the acquisition of land or rights in land for
21 recreational uses or protection of the land because of its
22 environmental importance or its scenic beauty, for the development
23 of public recreation facilities, and for the administration of the
24 trust fund, which may include payments in lieu of taxes on state
25 owned land purchased through the trust fund. **MONEY IN THE TRUST**
26 **FUND SHALL NOT BE EXPENDED IF, AFTER THE EXPENDITURE, THE**
27 **ACCUMULATED PRINCIPAL IN THE TRUST FUND WILL BE LESS THAN**

1 \$100,000,000.00. The trust fund may provide grants to units of
2 local government or public authorities which shall be used for the
3 purposes of this section. The legislature shall provide that a
4 portion of the cost of a project funded by such grants be provided
5 by the local unit of government or public authority.

6 ~~Until the trust fund reaches an accumulated principal of~~
7 ~~\$500,000,000.00, the legislature may provide, in addition to the~~
8 ~~expenditure of interest and earnings authorized by this section,~~
9 ~~that a portion, not to exceed 33 1/3 percent, of the revenues from~~
10 ~~bonuses, rentals, delayed rentals, and royalties described in this~~
11 ~~section received by the trust fund during each state fiscal year~~
12 ~~may be expended during subsequent state fiscal years for the~~
13 ~~purposes of this section.~~

14 Not less than 25 percent of the total amounts made available
15 for expenditure from the trust fund from any state fiscal year
16 shall be expended for acquisition of land and rights in land and
17 not more than 25 percent of the total amounts made available for
18 expenditure from the trust fund from any state fiscal year shall be
19 expended for development of public recreation facilities.

20 The legislature shall provide by law for the establishment of
21 a trust fund board within the department of natural resources. The
22 trust fund board shall recommend the projects to be funded. The
23 board shall submit its recommendations to the governor who shall
24 submit the board's recommendations to the legislature in an
25 appropriations bill.

26 The legislature shall provide by law for the implementation of
27 this section.

1 Sec. 35a. There is hereby established the ~~Michigan state parks~~
2 ~~endowment~~ **LOCAL TRANSPORTATION** fund. **EIGHTY PERCENT OF ALL BONUSES,**
3 **RENTALS, DELAYED RENTALS, AND ROYALTIES COLLECTED OR RESERVED BY**
4 **THE STATE, ON OR AFTER THE EFFECTIVE DATE OF THE 2014 AMENDMENT**
5 **THAT AMENDED THIS SECTION, UNDER PROVISIONS OF LEASES FOR THE**
6 **EXTRACTION OF NONRENEWABLE RESOURCES FROM STATE OWNED LANDS, EXCEPT**
7 **SUCH REVENUES ACCRUING UNDER LEASES OF STATE OWNED LANDS ACQUIRED**
8 **WITH MONEY FROM STATE OR FEDERAL GAME AND FISH PROTECTION FUNDS OR**
9 **REVENUES ACCRUING FROM LANDS PURCHASED WITH SUCH REVENUES, SHALL BE**
10 **DEPOSITED IN THE LOCAL TRANSPORTATION FUND.** The ~~endowment~~ **LOCAL**
11 **TRANSPORTATION** fund shall **ALSO** consist of revenues as ~~provided in~~
12 ~~section 35 of this article, and as provided by law.~~ The ~~endowment~~
13 **LOCAL TRANSPORTATION** fund may also receive private contributions of
14 money or other things of value. All money in the ~~Genevieve Gillette~~
15 **MICHIGAN state parks endowment fund ON THE EFFECTIVE DATE OF THE**
16 **2014 AMENDMENT TO THIS SECTION** shall be transferred to the
17 ~~endowment~~ **LOCAL TRANSPORTATION** fund, **AND THE MICHIGAN STATE PARKS**
18 **ENDOWMENT FUND IS DISSOLVED.** The assets of the ~~endowment~~ **LOCAL**
19 **TRANSPORTATION** fund shall be invested as provided by law.

20 ~~—— The accumulated principal of the endowment fund shall not~~
21 ~~exceed \$800,000,000.00, which amount shall be annually adjusted~~
22 ~~pursuant to the rate of inflation beginning when the endowment fund~~
23 ~~reaches \$800,000,000.00. This annually adjusted figure is the~~
24 ~~accumulated principal limit of the endowment fund.~~

25 Money available for expenditure from the ~~endowment~~ **LOCAL**
26 **TRANSPORTATION** fund as ~~provided in this section~~ shall **ONLY** be
27 expended for ~~operations, maintenance, and capital improvements at~~

1 ~~Michigan state parks and for the acquisition of land or rights in~~
 2 ~~land for Michigan state parks.~~ **AS FOLLOWS:**

3 **(A) FIFTY PERCENT TO COUNTIES FOR THE CONSTRUCTION,**
 4 **MAINTENANCE, REPAIR, AND IMPROVEMENT OF COUNTY ROADS.**

5 **(B) FIFTY PERCENT TO CITIES AND VILLAGES FOR THE CONSTRUCTION,**
 6 **MAINTENANCE, REPAIR, AND IMPROVEMENT OF CITY AND VILLAGE STREETS.**

7 ~~—— Money in the endowment fund shall be expended as follows:~~

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

13 ~~—— (2) Once the accumulated principal in the endowment fund~~
 14 ~~reaches \$800,000,000.00, only the interest and earnings of the~~
 15 ~~endowment fund in excess of the amount necessary to maintain the~~
 16 ~~endowment fund's accumulated principal limit may be made available~~
 17 ~~for expenditure.~~

18 ~~—— Unexpended appropriations of the endowment fund from any state~~
 19 ~~fiscal year as authorized by this section may be carried forward or~~
 20 ~~may be appropriated as determined by the legislature for purposes~~
 21 ~~of this section.~~

22 The legislature shall provide by law for implementation of
 23 this section.

24 Resolved further, That the foregoing amendment shall be
 25 submitted to the people of the state at the next general election
 26 in the manner provided by law.