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BILL



ANALYSIS

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House Bill 5377 (as enacted)
Sponsor: Representative Bumstead
House Committee: Appropriations
Senate Committee: Appropriations

PUBLIC ACT 61 of 2016**CONTENT**

Michigan Natural Resources Trust Fund. On December 2, 2015, the Michigan Natural Resources Trust Fund (MNRTF) Board adopted FY 2015-16 recommendations for acquisition and development projects pursuant to Article IX, Section 35 of the Michigan Constitution and the Natural Resources and Environmental Protection Act. The recommendations included a \$28.0 million appropriation from the MNRTF for 26 acquisition projects (\$20.0 million) and 44 development projects (\$8.0 million). Matching funds of \$21.7 million resulted in total project costs of \$49.6 million. An appropriation bill was necessary to authorize the spending recommended by the MNRTF Board. House Bill 5377 appropriates approximately \$28.0 million from the Trust Fund for this purpose. The attached information provides details on projects recommended, including a description of the project, location, and cost.

The MNRTF was capitalized through deposits of bonuses, rentals, delayed rentals, and royalties collected or reserved by the State under provisions of leases for the extraction of nonrenewable resources from State-owned land, except such revenue accruing under leases of State-owned land acquired with money from the State or Federal Game and Fish Protection Fund. Pursuant to the Michigan Constitution, annual expenditures consisted of MNRTF interest and earnings, and 33⅓% of MNRTF revenue received by the State during the previous fiscal year, until the corpus of the MNRTF reached \$500.0 million. The MNRTF reached \$500.0 million in 2011, thereby limiting subsequent annual expenditures to interest and investment earnings, and funding carried forward from previous years.

The Michigan Constitution provides that not less than 25% of the total amounts made available for expenditure from the Trust Fund from any State fiscal year must be spent for acquisition of land and rights in land and not more than 25% of the total amounts made available for expenditure from the Trust Fund from any State fiscal year may be spent for development of public recreation facilities.

Boilerplate

Sec. 301. Provides criteria for agreements with local units of government for administration of MNRTF grants.

Sec. 302. Provides for work project status of grants. Requires funds to be carried forward consistent with Section 248 of the Management and Budget Act.

Sec. 303. Authorizes lapse of funds remaining from Trust Fund projects that have been completed or terminated pursuant to provisions of the Management and Budget Act.

FISCAL IMPACT

The bill appropriates \$27,957,200 from the MNRTF for 26 acquisition projects and 44 development projects. Matching funds of \$21,679,600 for local projects result in total project costs of \$49,636,800.

FY 2015-16 Michigan Natural Resources Trust Fund (MNRTF)				
Projects	Number of Projects	Trust Fund	Match	Total Cost
<u>Acquisition Projects</u>				
State owned	5	\$4,675,000	\$200,000	\$4,875,000
<u>Local Government</u>	<u>21</u>	<u>15,251,000</u>	<u>5,954,300</u>	<u>21,205,300</u>
Subtotal Acquisition Projects	26	\$19,926,000	\$6,154,300	\$26,080,300
<u>Development Projects</u>				
State owned	5	\$1,500,000	\$5,306,500	\$6,806,500
<u>Local Government</u>	<u>39</u>	<u>6,531,200</u>	<u>10,218,800</u>	<u>16,750,000</u>
Subtotal Development Projects	44	\$8,031,200	\$15,525,300	\$23,556,500
TOTAL	70	\$27,957,200	\$21,679,600	\$49,636,800

Date Completed: 10-10-16

Fiscal Analyst: Josh Sefton

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