

# SENATE BILL No. 206

March 12, 2015, Introduced by Senators BOOHER, CASPERSON, ROBERTSON, EMMONS and BRANDENBURG 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 1903, 1905, and 1907 (MCL 324.1903, 324.1905,  
and 324.1907), section 1903 as amended by 2011 PA 117 and sections  
1905 and 1907 as amended by 2012 PA 619, and by adding section  
1907b.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6       (a) The acquisition of land or rights in land for recreational  
7       uses or protection of the land because of its environmental

1 importance or its scenic beauty.

2 (b) The development of public recreation facilities.

3 (c) The administration of the fund, including **FULL FUNDING FOR**  
 4 **ALL** payments in lieu of taxes on state-owned land purchased through  
 5 the trust fund. The legislature shall make appropriations from the  
 6 trust fund each state fiscal year to make full payments in lieu of  
 7 taxes on state-owned land purchased through the trust fund, as  
 8 provided in section 2154.

9 ~~—— (2) In addition to the money described in subsection (1), 33-~~  
 10 ~~1/3% of the money, exclusive of interest and earnings, received by~~  
 11 ~~the trust fund in any state fiscal year may be expended in~~  
 12 ~~subsequent state fiscal years for the purposes described in~~  
 13 ~~subsection (1). However, the authorization for the expenditure of~~  
 14 ~~money provided in this subsection does not apply after the state~~  
 15 ~~fiscal year in which the total amount of money in the trust fund,~~  
 16 ~~exclusive of interest and earnings and amounts authorized for~~  
 17 ~~expenditure under this section, exceeds \$500,000,000.00.~~

18 (2) ~~(3)~~ An expenditure from the trust fund may be made in the  
 19 form of a grant to a local unit of government or public authority,  
 20 subject to all of the following conditions:

21 (a) The grant is used for the purposes described in subsection  
 22 (1).

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

26 (3) ~~(4)~~ Not less than 25% of the total amounts made available  
 27 for expenditure from the trust fund from any state fiscal year

shall be expended 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 shall be expended for development of public recreation facilities.

(4) ~~(5)~~—If property that was acquired with money from the trust fund is subsequently sold or transferred by ~~the~~ **THIS** state to a nongovernmental entity, the state shall forward to the state treasurer for deposit into the trust fund an amount of money equal to the following:

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

(i) The net proceeds of the sale.

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

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

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

**(5) THE DEPARTMENT MAY TRANSFER PROPERTY THAT WAS ACQUIRED WITH MONEY FROM THE TRUST FUND TO A LOCAL UNIT OF GOVERNMENT FOR LESS THAN FAIR MARKET VALUE IF THE LOCAL UNIT OF GOVERNMENT HAS ADOPTED A PLAN TO DEVELOP PUBLIC RECREATION FACILITIES ON THE PROPERTY AND HAS COMMITTED AN AMOUNT EQUAL TO AT LEAST 25% OF THE**

1 FAIR MARKET VALUE OF THE PROPERTY TO THE DEVELOPMENT OF THE  
2 PROPERTY FOR RECREATION. ALL PROCEEDS OF A TRANSFER RECEIVED BY THE  
3 DEPARTMENT UNDER THIS SUBSECTION SHALL BE DEPOSITED INTO THE TRUST  
4 FUND.

5 (6) THE DEPARTMENT SHALL NOT INCLUDE A REVERTER CLAUSE OR  
6 RIGHT OF REENTRY CLAUSE IN THE TRANSFER OF PROPERTY THAT WAS  
7 ACQUIRED WITH MONEY FROM THE TRUST FUND.

8 Sec. 1905. (1) The Michigan natural resources trust fund board  
9 is established within the department. The board shall have the  
10 powers and duties of an agency transferred under a type I transfer  
11 pursuant to section 3 of the executive organization act of 1965,  
12 1965 PA 380, MCL 16.103. The board shall be administered under the  
13 supervision **OF THE** department and the department shall offer its  
14 cooperation and aid to the board and shall provide suitable offices  
15 and equipment for the board.

16 (2) The board shall consist of 5 members. The members shall  
17 include the director or a member of the commission as determined by  
18 the commission, and 4 residents of ~~the~~**THIS** state to be appointed  
19 by the governor with the advice and consent of the senate.

20 (3) The terms of the appointive members shall be 4 years,  
21 except that of those first appointed, 1 shall be appointed for 1  
22 year, 1 shall be appointed for 2 years, 1 shall be appointed for 3  
23 years, and 1 shall be appointed for 4 years. **HOWEVER, AN APPOINTED**  
24 **MEMBER SHALL NOT BE APPOINTED TO SERVE FOR MORE THAN 2 TERMS.**

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

27 (5) Vacancies on the board shall be filled for the unexpired

1 term in the same manner as the original appointments.

2 (6) The board may incur expenses necessary to carry out its  
3 powers and duties under this part and shall compensate its members  
4 for actual expenses incurred in carrying out their official duties.

5 Sec. 1907. (1) The board shall determine which lands and  
6 rights in land within ~~the~~ **THIS** state should be acquired and which  
7 public recreation facilities should be developed with money from  
8 the trust fund and shall submit to the legislature in January of  
9 each year a list of those lands and rights in land and those public  
10 recreation facilities that the board has determined should be  
11 acquired or developed with trust fund money, compiled in order of  
12 priority. **THE LIST PREPARED UNDER THIS SUBSECTION SHALL BE BASED**  
13 **UPON THE ACCOUNTING OF REVENUES AVAILABLE FOR EXPENDITURE AS**  
14 **DESCRIBED IN THE REPORT PREPARED UNDER SECTION 1902(5) AND SHALL**  
15 **CONTAIN PROPOSED APPROPRIATIONS FOR RECREATION FACILITIES EQUAL TO**  
16 **25% OF THE INTEREST AND EARNINGS OF THE TRUST FUND FROM THE**  
17 **PREVIOUS YEAR AND PROPOSED APPROPRIATIONS FROM OTHER MONEY**  
18 **AVAILABLE FOR APPROPRIATION.** In preparing the list under this  
19 subsection, the board shall do all of the following:

20 (A) **ALLOW FOR THE PURCHASE OF LAND OR RIGHTS IN LAND**  
21 **PREVIOUSLY PURCHASED WITH FEDERAL FUNDS OR OTHER RESTRICTED STATE**  
22 **FUNDS IN A MANNER THAT ALLOWS RESTRICTIONS TO BE REMOVED TO PROVIDE**  
23 **FOR GREATER USE OF THE PROPERTY.**

24 (B) **ALLOW FOR THE REIMBURSEMENT OF FEDERAL FUNDS THAT WERE**  
25 **USED TO PURCHASE LAND OR RIGHTS IN LAND IN A MANNER THAT ALLOWS**  
26 **RESTRICTIONS TO BE REMOVED TO PROVIDE FOR GREATER USE OF THE**  
27 **PROPERTY.**

1 (C) IF SUFFICIENT APPLICATIONS ARE RECEIVED, PROVIDE FOR AT  
2 LEAST 25% OF THE MONEY AVAILABLE FOR ACQUISITION OF LAND OR RIGHTS  
3 IN LAND TO BE USED FOR TRAILS.

4 (D) ALLOW UP TO 50% OF THE FUNDING AVAILABLE FOR DEVELOPMENT  
5 PROJECTS TO BE AVAILABLE FOR MULTIYEAR DEVELOPMENT PROJECTS.

6 (E) ALLOW FUNDING FOR THE ACQUISITION OF LAND, OR RIGHTS IN  
7 LAND, THAT HAS ALREADY BEEN DEVELOPED OR IS PROPOSED FOR  
8 DEVELOPMENT FOR PUBLIC RECREATION FACILITIES. FUNDING FOR PROJECTS  
9 UNDER THIS SUBDIVISION SHALL COME FROM THE MONEY AUTHORIZED IN  
10 SECTION 1903(1)(A).

11 (F) ~~(a)~~—Give a preference to the following:

12 (i) A project or acquisition that is located within a local  
13 unit of government that has adopted a resolution in support of the  
14 project or acquisition.

15 (ii) The acquisition of land and rights in land for  
16 recreational trails that intersect the downtown areas of cities and  
17 villages.

18 (G) ~~(b)~~—Identify each parcel of land that is recommended for  
19 acquisition by legal description and include the estimated cost of  
20 acquisition and assessed value.

21 (H) FOR EACH PARCEL OF LAND THAT IS RECOMMENDED FOR  
22 ACQUISITION BY THE DEPARTMENT, INCLUDE THE PROVISIONS OF THE  
23 STRATEGIC PLAN PROVIDED FOR IN SECTION 503 APPLICABLE TO THAT  
24 PARCEL AND A DESCRIPTION OF HOW THE ACQUISITION OF THAT LAND WILL  
25 BE CONSISTENT WITH THE STRATEGIC PLAN.

26 (I) ~~(c)~~—Provide a scoring of each parcel of land recommended  
27 for acquisition individually.

1           (J) ~~(d)~~ Give consideration to an acquisition that meets either  
2 or both of the following:

3           (i) Is located within a county that contains 50% or more  
4 privately owned land.

5           (ii) Allows motorized recreational use.

6           (2) In preparing the list of lands to be acquired or developed  
7 under subsection (1), the following apply:

8           (a) The board shall not include an acquisition of land on the  
9 list if the board determines that the seller was harassed,  
10 intimidated, or coerced into selling his or her land by the  
11 department, a local unit of government, or a qualified conservation  
12 organization.

13           (b) A project or acquisition may be named in honor or memory  
14 of an individual or organization.

15           (3) The list prepared under subsection (1) shall be  
16 accompanied by estimates of total costs for the proposed  
17 acquisitions and developments.

18           (4) The board shall supply with the list prepared under  
19 subsection (1) a statement of the guidelines used in listing and  
20 assigning the priority of these proposed acquisitions and  
21 developments.

22           (5) The legislature shall approve by law the lands and rights  
23 in land and the public recreation facilities to be acquired or  
24 developed each year with money from the trust fund.

25           (6) As used in this section, "qualified conservation  
26 organization" means that term as it is defined in section 7o of the  
27 general property tax act, 1893 PA 206, MCL 211.7o.

1           SEC. 1907B. (1) THE DEPARTMENT SHALL NOT ACQUIRE LAND IN THIS  
2   STATE WITH FUNDING FROM ANY SOURCE UNLESS THE DEPARTMENT HAS FIRST  
3   SUBMITTED AN APPLICATION FOR FUNDING FROM THE TRUST FUND AND  
4   FUNDING FROM THE TRUST FUND FOR THE ACQUISITION OF THAT LAND HAS  
5   BEEN DENIED.

6           (2) IF LAND IS ACQUIRED BY THE DEPARTMENT WITH MONEY FROM THE  
7   TRUST FUND, THE DEPARTMENT SHALL NOT RESTRICT ACCESS TO THAT LAND.