

SENATE BILL NO. 140

March 12, 2025, Introduced by Senators IRWIN, CHANG, MCMORROW, SHINK, GEISS and BAYER and referred to Committee on Natural Resources and Agriculture.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 61524 (MCL 324.61524), as amended by 1998 PA
252.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 61524. (1) For the purposes of **the** monitoring,
2 surveillance, enforcement, and administration of this part, a fee
3 not ~~in excess of 1%,~~ **to exceed 2%**, based ~~upon~~ **on** the gross cash
4 market value, is levied ~~upon~~ **on** oil and gas produced in this state.

1 The fee ~~shall~~**must** be collected by ~~the revenue division of the~~
 2 department of treasury in the same manner, at the same time, and
 3 subject to the **same** provisions ~~of as~~ the tax levied by 1929 PA 48,
 4 MCL 205.301 to 205.317.

5 (2) The fee ~~shall~~**must** be computed as follows:

6 (a) ~~The~~**Not later than November 1 each year, the** director of
 7 the department of **technology**, management, and budget ~~, on or before~~
 8 ~~November 1,~~ shall certify to the department of treasury the amount
 9 appropriated for the **current state** fiscal year for the ~~purposes of~~
 10 monitoring, surveillance, enforcement, and administration of this
 11 part.

12 (b) ~~The~~**Not later than November 1 each year, the** department
 13 shall estimate the total production and gross cash market value of
 14 all oil and gas that will be produced in this state during the
 15 **current state** fiscal year ~~ending September 30, and shall and~~
 16 certify ~~its~~**the** estimate to the department of treasury. ~~on or~~
 17 ~~before November 1.~~

18 (c) ~~Within 30 days after the effective date of the 1998~~
 19 ~~amendments to this section and on or before~~**Not later than** December
 20 1 of each ~~succeeding~~ year, the department of treasury shall
 21 determine the fee as follows:

22 (i) If the fund balance is less than \$7,000,000.00 as of the
 23 end of the **immediately preceding state** fiscal year, ~~immediately~~
 24 ~~prior to November 1, the fee shall be 1% the fee is 2%~~ of the gross
 25 cash market value of oil and gas produced, or an amount calculated
 26 to cause the fund to accumulate to \$7,000,000.00 at the end of the
 27 current fiscal year, whichever is less.

28 (ii) If the fund balance is equal to or exceeds \$7,000,000.00
 29 as of the end of the **immediately preceding state** fiscal year,

~~immediately prior to November 1,~~ the fee ~~shall be~~ **is** the ratio, to the nearest 1/100 of 1%, that the appropriation bears to the total gross cash market value of the oil and gas that will be produced in this state as estimated by the department ~~as provided in~~ **under** subdivision (b).

(iii) Any money accumulated in the fund in excess of \$7,000,000.00 ~~as of~~ **at** the end of the **immediately preceding state** fiscal year ~~shall~~ **must** be deducted from the ~~following~~ **current state** fiscal year's appropriation in determining an amount to be certified by the director of the department of **technology,** management, and budget ~~to the department of treasury for computing the annual fee provided for in this section.~~ **under subdivision (a).**

(d) The percentage determined ~~pursuant to~~ **under** subdivision (c) ~~shall~~ **must** not exceed 1% ~~2%~~ and ~~shall be~~ **is** the fee, beginning the first of the following month, ~~and will continue to be the fee for the next 12 months~~ **for a 1-year period** and until a different fee is determined. ~~However, the fee shall be 1% beginning the first day of the second month after the effective date of the 1998 amendments to this section and will continue to be the fee for the remainder of that calendar year.~~

(3) The proceeds of the fee provided for in this section ~~shall~~ **must** be forwarded to the state treasurer for deposit into the fund.