

SENATE BILL No. 280

March 29, 2017, Introduced by Senators BOOHER, CASPERSON, NOFS, HILDENBRAND, HUNE, BRANDENBURG, MACGREGOR, ROBERTSON and MARLEAU and referred to the Committee on Appropriations.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1901, 1902, 1903, 1905, 1907, and 1907a (MCL 324.1901, 324.1902, 324.1903, 324.1905, 324.1907, and 324.1907a), section 1901 as added by 1995 PA 60, sections 1902, 1905, 1907, and 1907a as amended by 2012 PA 619, and section 1903 as amended by 2011 PA 117, and by adding section 1907b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1901. As used in this part:

2 (a) "Board" means the Michigan natural resources trust fund
3 board established in section 1905.

4 (b) "Economic development revenue bonds (oil and gas
5 revenues), series 1982A, dated December 1, 1982" includes bonds

1 refunding these bonds, provided that any refunding bonds mature no
2 later than September 1, 1994.

3 (c) "Local unit of government" means a county, city, township,
4 village, school district, the Huron-Clinton metropolitan authority,
5 or any authority composed of counties, cities, townships, villages,
6 or school districts, or any combination thereof, which authority is
7 legally constituted to provide public recreation.

8 (d) "Total expenditures" means the amounts actually expended
9 from the trust fund as authorized by section ~~1903(1) and (2)~~.1903.

10 (e) "Trust fund" means the Michigan natural resources trust
11 fund established in section 35 of article IX of the state
12 constitution of 1963.

13 Sec. 1902. (1) In accordance with section 35 of article IX of
14 the state constitution of 1963, the Michigan natural resources
15 trust fund is established in the state treasury. The trust fund
16 shall consist of all bonuses, rentals, delayed rentals, and
17 royalties collected or reserved by the state under provisions of
18 leases for the extraction of nonrenewable resources from state
19 owned lands. However, the trust fund shall not include bonuses,
20 rentals, delayed rentals, and royalties collected or reserved by
21 the state from the following sources:

22 (a) State owned lands acquired with money appropriated from
23 the former game and fish protection fund or the game and fish
24 protection account of the Michigan conservation and recreation
25 legacy fund provided for in section 2010.

26 (b) State owned lands acquired with money appropriated from
27 the subfund account created by former section 4 of former 1976 PA

1 204.

2 (c) State owned lands acquired with money appropriated from
3 related federal funds made available to the state under the
4 Pittman-Robertson wildlife restoration act, 16 USC 669 to ~~669k,~~
5 **669I**, or the Dingell-Johnson sport fish restoration act, 16 USC 777
6 to ~~777n-777M.~~

7 (d) Money received by the state from net proceeds allocable to
8 the nonconventional source production credit contained in section
9 45k of the internal revenue code of 1986, 26 USC 45k, as provided
10 for in section 503.

11 ~~——(2) Notwithstanding subsection (1), until the trust fund~~
12 ~~reaches an accumulated principal of \$500,000,000.00, \$10,000,000.00~~
13 ~~of the revenues from bonuses, rentals, delayed rentals, and~~
14 ~~royalties described in this section, but not including money~~
15 ~~received by the state from net proceeds allocable to the~~
16 ~~nonconventional source production credit contained in section 45k~~
17 ~~of the internal revenue code of 1986, 26 USC 45k, as provided for~~
18 ~~in section 503, otherwise dedicated to the trust fund that are~~
19 ~~received by the trust fund each state fiscal year shall be~~
20 ~~transferred to the state treasurer for deposit into the Michigan~~
21 ~~state parks endowment fund. However, until the trust fund reaches~~
22 ~~an accumulated principal of \$500,000,000.00, in any state fiscal~~
23 ~~year, not more than 50% of the total revenues from bonuses,~~
24 ~~rentals, delayed rentals, and royalties described in this section,~~
25 ~~but not including net proceeds allocable to the nonconventional~~
26 ~~source production credit contained in section 45k of the internal~~
27 ~~revenue code of 1986, 26 USC 45k, as provided in section 503,~~

1 ~~otherwise dedicated to the trust fund that are received by the~~
 2 ~~trust fund each state fiscal year shall be transferred to the~~
 3 ~~Michigan state parks endowment fund. To implement this subsection,~~
 4 ~~until the trust fund reaches an accumulated principal of~~
 5 ~~\$500,000,000.00, the department shall transfer 50% of the money~~
 6 ~~received by the trust fund each month pursuant to subsection (1) to~~
 7 ~~the state treasurer for deposit into the Michigan state parks~~
 8 ~~endowment fund. The department shall make this transfer on the last~~
 9 ~~day of each month or as soon as practicable thereafter. However,~~
 10 ~~not more than a total of \$10,000,000.00 shall be transferred in any~~
 11 ~~state fiscal year pursuant to this subsection.~~

12 (2) ~~(3)~~—The trust fund may receive appropriations, money, or
 13 other things of value.

14 (3) ~~(4)~~—The state treasurer shall direct the investment of the
 15 trust fund. The state treasurer shall have the same authority to
 16 invest the assets of the trust fund as is granted to an investment
 17 fiduciary under the public employee retirement system investment
 18 act, 1965 PA 314, MCL 38.1132 to ~~38.1140m~~-38.1141. **TO MITIGATE**
 19 **AGAINST THE FLUCTUATION OF INVESTMENT PERFORMANCE, THE STATE**
 20 **TREASURER MAY ESTABLISH A STABILIZATION ACCOUNT WITHIN THE TRUST**
 21 **FUND CONSISTING OF INTEREST AND EARNINGS OF THE TRUST FUND.**

22 (4) ~~(5)~~—The department shall annually prepare a report
 23 containing an accounting of revenues and expenditures from the
 24 trust fund. This report shall identify the interest and earnings of
 25 the trust fund from the previous year, **THE CUMULATIVE TOTAL AMOUNT**
 26 **OF UNEXPENDED INTEREST AND EARNINGS HELD BY THE TRUST FUND, THE**
 27 **AMOUNT OF MONEY IN THE TRUST FUND'S STABILIZATION ACCOUNT, the**

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

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

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

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

20 (b) The development of public recreation facilities.

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

27 ~~—— (2) In addition to the money described in subsection (1), 33-~~

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

9 (2) ~~(3)~~—An expenditure from the trust fund may be made in the
10 form of a grant to a local unit of government or public authority,
11 subject to all of the following conditions:

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

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

17 (3) ~~(4)~~—Not less than 25% of the total amounts ~~made available~~
18 ~~for expenditure~~ **APPROPRIATED** from the trust fund ~~from~~ **IN** any state
19 fiscal year shall be expended for acquisition of land and rights in
20 land, and not more than 25% of the total amounts ~~made available for~~
21 ~~expenditure~~ **APPROPRIATED** from the trust fund ~~from~~ **IN** any state
22 fiscal year shall be expended for development of public recreation
23 facilities.

24 (4) ~~(5)~~—If property that was acquired with money from the
25 trust fund is subsequently sold or transferred by ~~the~~ **THIS** state,
26 ~~to a nongovernmental entity, the~~ **THIS** state shall forward to the
27 state treasurer for deposit into the trust fund an amount of money

1 equal 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
8 fund 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. 1905. (1) The Michigan natural resources trust fund board
16 is established within the department. The board ~~shall have~~ **HAS** the
17 powers and duties of an agency transferred under a type I transfer
18 pursuant to section 3 of the executive organization act of 1965,
19 1965 PA 380, MCL 16.103. The board shall be administered under the
20 supervision **OF THE** department and the department shall offer its
21 cooperation and aid to the board and shall provide suitable offices
22 and equipment for the board.

23 (2) The board ~~shall consist~~ **CONSISTS** of 5 members. The members
24 shall include the director or a member of the commission as
25 determined by the commission, and 4 residents of ~~the~~ **THIS** state to
26 be appointed by the governor with the advice and consent of the
27 senate.

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

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

8 (5) Vacancies on the board shall be filled for the unexpired
9 term in the same manner as the original appointments.

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

13 Sec. 1907. (1) The board shall determine which lands and
14 rights in land within ~~the~~ **THIS** state should be acquired and which
15 public recreation facilities should be developed with money from
16 the trust fund and shall submit **ITS RECOMMENDATION** to the
17 legislature ~~in January of~~ each year a list of those lands and
18 rights in land and those public recreation facilities that the
19 board has determined should be acquired or developed with trust
20 fund money, compiled in order of priority. **THE LIST PREPARED UNDER**
21 **THIS SUBSECTION SHALL BE BASED UPON THE ACCOUNTING OF REVENUES**
22 **AVAILABLE FOR EXPENDITURE AS DESCRIBED IN THE REPORT PREPARED UNDER**
23 **SECTION 1902(4) AND SHALL CONTAIN PROPOSED APPROPRIATIONS FOR**
24 **PUBLIC RECREATION FACILITIES EQUAL TO 25% OF THE INTEREST AND**
25 **EARNINGS OF THE TRUST FUND FROM THE PREVIOUS YEAR AND 25% OF ANY**
26 **ADDITIONAL PROPOSED APPROPRIATIONS.** In preparing the list under
27 this subsection, the board shall do all of the following:

1 (A) ALLOW FOR THE PURCHASE OF LAND OR RIGHTS IN LAND
2 PREVIOUSLY PURCHASED WITH FEDERAL FUNDS OR OTHER RESTRICTED STATE
3 FUNDS IN A MANNER THAT ALLOWS RESTRICTIONS TO BE REMOVED TO PROVIDE
4 FOR GREATER USE OF THE PROPERTY.

5 (B) ALLOW FOR THE REIMBURSEMENT OF FEDERAL FUNDS THAT WERE
6 USED TO PURCHASE LAND OR RIGHTS IN LAND IN A MANNER THAT ALLOWS
7 RESTRICTIONS TO BE REMOVED TO PROVIDE FOR GREATER USE OF THE
8 PROPERTY.

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

12 (D) ALLOW UP TO 25% OF THE FUNDING AVAILABLE FOR DEVELOPMENT
13 OF PUBLIC RECREATION FACILITIES TO BE AVAILABLE FOR MULTIYEAR
14 PROJECTS.

15 (E) ALLOW FUNDING FOR THE ACQUISITION OF LAND, OR RIGHTS IN
16 LAND, THAT HAS ALREADY BEEN DEVELOPED FOR PUBLIC RECREATION
17 FACILITIES OR IS PROPOSED FOR DEVELOPMENT FOR PUBLIC RECREATION
18 FACILITIES. FUNDING FOR PROJECTS UNDER THIS SUBDIVISION SHALL COME
19 FROM THE MONEY AUTHORIZED FOR EXPENDITURE IN SECTION 1903(1)(A).

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

21 (i) A project or acquisition that is located within a local
22 unit of government that has adopted a resolution in support of the
23 project or acquisition.

24 (ii) The acquisition of land and rights in land for
25 recreational trails that intersect the downtown areas of cities and
26 villages.

27 (G) ~~(b)~~—Identify each parcel of land that is recommended for

1 acquisition by legal description and include the estimated cost of
2 acquisition and assessed value.

3 (H) FOR EACH PARCEL OF LAND THAT IS RECOMMENDED FOR
4 ACQUISITION BY THE DEPARTMENT, INCLUDE BOTH OF THE FOLLOWING:

5 (i) THE PROVISIONS OF THE STRATEGIC PLAN PROVIDED FOR IN
6 SECTION 503 APPLICABLE TO THAT PARCEL AND A DESCRIPTION OF HOW THE
7 ACQUISITION OF THAT LAND WILL BE CONSISTENT WITH THE STRATEGIC
8 PLAN.

9 (ii) ALL RESTRICTIONS ON ACCESS TO THE LAND OR USES OF THE
10 LAND THAT THE DEPARTMENT INTENDS TO IMPOSE IF THE LAND IS ACQUIRED
11 BY THE DEPARTMENT.

12 (I) ~~(e)~~—Provide a scoring of each parcel of land recommended
13 for acquisition AND EACH PROJECT RECOMMENDED FOR DEVELOPMENT OF
14 PUBLIC RECREATION FACILITIES, individually.

15 (J) ~~(d)~~—Give consideration to an acquisition that meets either
16 or both of the following:

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

19 (ii) Allows motorized recreational use.

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

22 (a) The board shall not include an acquisition of land on the
23 list if the board determines that the seller was harassed,
24 intimidated, or coerced into selling his or her land by the
25 department, a local unit of government, or a qualified conservation
26 organization.

27 (b) A project or acquisition may be named in honor or memory

1 of an individual or organization.

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

5 (4) The board shall supply with the list prepared under
6 subsection (1) a statement of the guidelines used in listing and
7 assigning the priority of these proposed acquisitions and
8 developments.

9 (5) The legislature shall ~~approve by law the~~ **APPROPRIATE MONEY**
10 **FOR THE FUNDING OF** lands and rights in land and the public
11 recreation facilities to be acquired or developed each year with
12 money from the trust fund. **THE LEGISLATURE MAY INCLUDE IN THIS**
13 **APPROPRIATION ALL OR A PORTION OF THE MONEY HELD IN THE**
14 **STABILIZATION ACCOUNT AUTHORIZED UNDER SECTION 1902(3). HOWEVER,**
15 **THE LEGISLATURE SHALL NOT FUND A PROJECT THAT HAS NOT BEEN SCORED**
16 **BY THE BOARD UNDER SECTION 1907.**

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

20 Sec. 1907a. (1) **FOLLOWING THE APPROPRIATION OF MONEY UNDER**
21 **SECTION 1907, BUT PRIOR TO THE RELEASE OF THAT MONEY, THE**
22 **DEPARTMENT SHALL ENTER INTO AN AGREEMENT WITH THE RECIPIENT OF THE**
23 **APPROPRIATION. THE AGREEMENT MUST INCLUDE THE FOLLOWING:**

24 (A) **IF THE APPROPRIATION IS FOR THE ACQUISITION OF LAND, THE**
25 **LAND MUST BE ACQUIRED WITHIN 2 YEARS AFTER THE END OF THE STATE**
26 **FISCAL YEAR IN WHICH THE MONEY WAS APPROPRIATED. MONEY THAT HAS NOT**
27 **BEEN EXPENDED DURING THIS TIME PERIOD LAPSES TO THE TRUST FUND AND**

1 THE RECIPIENT OF THE MONEY SHALL PROMPTLY RETURN THE MONEY TO THE
2 STATE TREASURER FOR DEPOSIT INTO THE TRUST FUND.

3 (B) IF THE APPROPRIATION IS FOR THE DEVELOPMENT OF PUBLIC
4 RECREATION FACILITIES, THE PROJECT MUST BE COMPLETED WITHIN 2 YEARS
5 AFTER THE END OF THE STATE FISCAL YEAR IN WHICH THE MONEY WAS
6 APPROPRIATED. MONEY THAT HAS NOT BEEN EXPENDED DURING THIS TIME
7 PERIOD LAPSES TO THE TRUST FUND AND THE RECIPIENT OF THE MONEY
8 SHALL PROMPTLY RETURN THE MONEY TO THE STATE TREASURER FOR DEPOSIT
9 INTO THE TRUST FUND.

10 (C) IF MONEY LAPSES UNDER SUBDIVISION (A) OR (B), THE
11 RECIPIENT OF THE APPROPRIATION SHALL NOTIFY THE DEPARTMENT AND THE
12 BOARD OF THE REASONS FOR THE LAPSED MONEY AND WHETHER THE RECIPIENT
13 INTENDS TO PURSUE THE ACQUISITION OR THE DEVELOPMENT PROJECT IN THE
14 FUTURE.

15 (2) ~~(1) If within 2 years after a parcel of property that is~~
16 ~~approved for acquisition or development by the legislature has not~~
17 ~~been acquired or developed in the manner determined by the board~~
18 ~~and is not open for public use, the~~ **THE** board shall report to the
19 standing committees of the senate and the house of representatives
20 with jurisdiction over issues related to natural resources and the
21 environment ~~on the status of the project and the reason why the~~
22 ~~property has not been purchased or developed in the manner~~
23 ~~determined by the board.~~ **INFORMATION RECEIVED PURSUANT TO**
24 **SUBSECTION (1) (C).** The department shall post on its website a
25 bimonthly report of project status ~~containing~~ **OF ALL PROJECTS**
26 **FUNDED BY THE TRUST FUND, INCLUDING** information described in this
27 subsection.

1 (3) ~~(2)~~—Following the appropriation of money from the trust
2 fund, if the public recreation project changes significantly, the
3 board shall submit the changes to the joint capital outlay
4 subcommittee of the legislature to review whether the proposed
5 changed project is consistent with the purpose of the
6 appropriation. As used in this subsection, "changes significantly"
7 means changes to a project such that the project would not have
8 been funded had the change been in place during the evaluation of
9 the project.

10 SEC. 1907B. (1) EXCEPT FOR LAND PURCHASED ENTIRELY WITH
11 FUNDING FROM THE LAND EXCHANGE FACILITATION FUND CREATED IN SECTION
12 2134, THE DEPARTMENT SHALL NOT ACQUIRE LAND IN THIS STATE WITH
13 FUNDING FROM ANY SOURCE UNLESS THE DEPARTMENT HAS FIRST SUBMITTED
14 AN APPLICATION FOR FUNDING FROM THE TRUST FUND AND FUNDING FROM THE
15 TRUST FUND FOR THE ACQUISITION OF THAT LAND HAS BEEN DENIED.

16 (2) UPON ACQUISITION OF LAND WITH MONEY FROM THE TRUST FUND,
17 THE DEPARTMENT SHALL MANAGE THAT LAND CONSISTENT WITH THE
18 RESTRICTIONS ON ACCESS AND USE OF THE LAND THAT WERE IDENTIFIED IN
19 SECTION 1907(1)(H). THE DEPARTMENT MAY CHANGE THE RESTRICTIONS ON
20 ACCESS OR USE OF THE LAND ONLY IF BOTH OF THE FOLLOWING CONDITIONS
21 ARE MET:

22 (A) THE GOVERNING BODY OF EACH CITY, VILLAGE, OR TOWNSHIP IN
23 WHICH THE LAND IS LOCATED ADOPTS A RESOLUTION IN SUPPORT OF THE
24 CHANGES.

25 (B) THE NATURAL RESOURCES COMMISSION APPROVES THE CHANGES.