

# SENATE BILL No. 361

June 5, 1991, Introduced by Senator CISKY and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend sections 5 and 6 of Act No. 101 of the Public Acts of 1985, entitled .

"Michigan natural resources trust fund act,"

being sections 318.505 and 318.506 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 5 and 6 of Act No. 101 of the Public  
2 Acts of 1985, being sections 318.505 and 318.506 of the Michigan  
3 Compiled Laws, are amended to read as follows:

4       Sec. 5. (1) The money received by the trust fund as  
5 bonuses, rentals, delayed rentals, and royalties from the term  
6 mineral interest previously held by the heritage trust under  
7 former Act No. 327 of the Public Acts of 1982 shall be  
8 distributed in the following order of priority:

1       (a) ~~For~~ UNTIL SEPTEMBER 30, 1994, FOR deposit in the  
2 Michigan economic development fund created by section 5 of FORMER  
3 Act No. 70 of the Public Acts of 1982, being section 125.1905 of  
4 the Michigan Compiled Laws, or its successor, THE MICHIGAN STRA-  
5 TEGIC FUND CREATED IN THE MICHIGAN STRATEGIC FUND ACT, ACT  
6 NO. 270 OF THE PUBLIC ACTS OF 1984, BEING SECTIONS 125.2001 TO  
7 125.2093 OF THE MICHIGAN COMPILED LAWS, on the first day of each  
8 calendar quarter: ~~until the date on which the Michigan economic~~  
9 ~~development authority or its successor makes the final payment of~~  
10 ~~principal and interest on its economic development revenue bonds~~  
11 ~~(oil and gas revenues), series 1982A, dated December 1, 1982:~~

12       (i) \$3,750,000.00, through September 30, 1987.

13       (ii) \$5,000,000.00, after September 30, 1987.

14       (b) For deposit in the research center fund created by  
15 section 27 of FORMER Act No. 70 of the Public Acts of 1982,  
16 ~~being section 125.1927 of the Michigan Compiled Laws,~~ or its  
17 successor, THE MICHIGAN STRATEGIC FUND, \$1,000,000.00 on the  
18 first day of each calendar quarter up to a total of  
19 \$25,000,000.00, less the total amount deposited in the research  
20 center fund and its successor, THE MICHIGAN STRATEGIC FUND, if  
21 any, before ~~the effective date of this act~~ OCTOBER 1, 1985.

22       (c) BEGINNING OCTOBER 1, 1994, \$5,000,000.00 ON THE FIRST  
23 DAY OF EACH CALENDAR QUARTER FOR A PERIOD OF 10 YEARS, FOR  
24 DEPOSIT IN THE MUNICIPAL POLLUTION CONTROL FUND ESTABLISHED PUR-  
25 SUANT TO SECTION 16B OF THE SHARED CREDIT RATING ACT, ACT NO. 227  
26 OF THE PUBLIC ACTS OF 1985, BEING SECTION 141.1066B OF THE

1 MICHIGAN COMPILED LAWS, TO BE USED TO CORRECT OR SEPARATE  
2 COMBINED SEWER SYSTEMS TO ELIMINATE COMBINED SEWER OVERFLOWS.

3 (2) If a quarterly payment is less than the amounts speci-  
4 fied in subsection (1)(a), ~~and~~ (b), AND (C), other payments  
5 within the fiscal year of the state shall be increased so that  
6 the total quarterly payments in the fiscal year shall equal the  
7 aggregate quarterly payments for that fiscal year as specified in  
8 subsection (1) and to the extent that funds are available. On  
9 each quarterly payment date, UNTIL SEPTEMBER 30, 1994, priority  
10 shall be given to the payments ~~for the Michigan economic devel-~~  
11 ~~opment fund or its successor~~ UNDER SUBSECTION (1)(A). However,  
12 payments not made within the fiscal year shall not be carried  
13 forward to increase the quarterly amounts specified in  
14 subsection (1)(a) and (b) in any succeeding fiscal year.

15 (3) The amounts transferred pursuant to subsection (1)(a)  
16 shall be deposited in accounts as provided by the master bond  
17 resolution for the economic development revenue bonds (oil and  
18 gas revenues), series 1982A, dated December 1, 1982. However, to  
19 the extent that any portion of the amounts transferred pursuant  
20 to subsection (1)(a) is deposited in the surplus account estab-  
21 lished by the master bond resolution, that portion shall be  
22 subject to the following:

23 (a) During each of the state fiscal years beginning after  
24 September 30, 1985, and through the state fiscal year beginning  
25 October 1, 1992, the receipts and balance of the surplus account,  
26 up to \$5,250,000.00 annually, shall be utilized for the  
27 authorized purposes of the Michigan economic development fund

1 created by section 5 of FORMER Act No. 70 of the Public Acts of  
2 1982, or its successor, THE MICHIGAN STRATEGIC FUND.

3 (b) During each of the state fiscal years beginning after  
4 September 30, 1985, and through the state fiscal year beginning  
5 October 1, 1990, the receipts and balance of the surplus account,  
6 up to \$2,667,000.00 annually, shall be utilized by the Michigan  
7 economic development authority, or its successor, THE MICHIGAN  
8 STRATEGIC FUND, for the purposes of the research center fund cre-  
9 ated by FORMER Act No. 70 of the Public Acts of 1982, or its  
10 successor, THE MICHIGAN STRATEGIC FUND.

11 (c) If the maximum amounts described in subdivisions (a) and  
12 (b) are not available in any state fiscal year, the available  
13 funds shall be divided for the purposes described in subdivisions  
14 (a) and (b) in the same proportion as the maximum amounts are  
15 allocated in subdivisions (a) and (b). If the maximum amounts  
16 described in subdivisions (a) and (b) are not available in any 1  
17 or more fiscal years, the deficiency or deficiencies shall be  
18 recaptured for utilization in any state fiscal year commencing  
19 before October 1, 1994, when the amount of the deficiencies  
20 becomes available.

21 (d) During each of the state fiscal years beginning after  
22 September 30, 1990, and through the state fiscal year beginning  
23 October 1, 1993, the receipts and balance of the surplus account,  
24 to the extent that they exceed the annual distributions described  
25 in subdivisions (a) and (b) and up to \$5,000,000.00 annually, or  
26 up to the sum of \$5,000,000.00 and the amount by which the amount  
27 available under this subdivision during the previous state fiscal

1 year was less than \$5,000,000.00, whichever is greater, may be  
2 authorized by the legislature to be utilized for the purposes  
3 authorized by law for either the research center fund or its suc-  
4 cessor, THE MICHIGAN STRATEGIC FUND, or the Michigan economic  
5 development fund or its successor, THE MICHIGAN STRATEGIC FUND,  
6 or may be divided for both purposes.

7 (e) Any amount remaining in the surplus account after the  
8 distributions described in subdivisions (a), (b), (c), and (d)  
9 have been made shall be retained in the surplus account until the  
10 date on which the Michigan economic development authority or its  
11 successor, THE MICHIGAN STRATEGIC FUND, makes the final payment  
12 of principal and interest on its economic development revenue  
13 bonds (oil and gas revenues), series 1982A, dated December 1,  
14 1982. ~~, and then shall be deposited in the trust fund.~~

15 (4) After all of the distributions described in subsections  
16 (1) and (2) have been made for a state fiscal year, the balance  
17 of any money received as bonuses, rentals, delayed rentals, and  
18 royalties from the term mineral interest previously held by the  
19 heritage trust shall be retained by the trust fund, subject to  
20 the limitations described in section 6, and shall be available to  
21 be expended as provided in section 4.

22 (5) The deposits required in subsections (1)(a) and (b)  
23 and (2) shall be made by the state treasurer, at the direction of  
24 the bondholder protection board created in section 11. The bond-  
25 holder protection board shall file a report with the board imme-  
26 diately after directing that any deposits required in  
27 subsections (1)(a) and (b) and (2) be made, stating the amounts

1 of money deposited, the date the deposits were made, and the  
2 extent to which subsection (2) has been applied. Before  
3 January 9 of each year, the bondholder protection board shall  
4 report to the board detailing the operations of the bondholder  
5 protection board for the most recently completed state fiscal  
6 year. THE DEPOSITS REQUIRED IN SUBSECTION (1)(C) SHALL BE MADE  
7 BY THE STATE TREASURER.

8 (6) AS USED IN THIS SECTION:

9 (A) "COMBINED SEWER SYSTEM" MEANS A SEWER INTENDED TO SERVE  
10 AS A SANITARY SEWER AND A STORM SEWER.

11 (B) "COMBINED SEWER OVERFLOW" MEANS A DISCHARGE FROM A COM-  
12 BINED SEWER SYSTEM THAT OCCURS WHEN THE FLOW CAPACITY OF THE COM-  
13 BINED SEWER SYSTEM IS EXCEEDED.

14 (C) "MICHIGAN STRATEGIC FUND" MEANS THE MICHIGAN STRATEGIC  
15 FUND CREATED IN THE MICHIGAN STRATEGIC FUND ACT, ACT NO. 270 OF  
16 THE PUBLIC ACTS OF 1984, BEING SECTIONS 125.2001 TO 125.2093 OF  
17 THE MICHIGAN COMPILED LAWS.

18 (D) "SANITARY SEWER" MEANS A SEWER INTENDED TO CARRY ONLY  
19 SANITARY AND INDUSTRIAL WASTE FROM RESIDENCES, COMMERCIAL BUILD-  
20 INGS, INDUSTRIAL PLANTS, AND INSTITUTIONS.

21 (E) "STORM SEWER" MEANS A SEWER INTENDED TO CARRY ONLY STORM  
22 WATERS, SURFACE RUNOFF, STREET WASH WATERS, AND DRAINAGE.

23 Sec. 6. The amount accumulated in the trust fund shall not  
24 exceed ~~\$200,000,000.00~~ \$400,000,000.00, exclusive of interest  
25 and earnings. Any amount of money that would be a part of the  
26 trust fund but for the limitation stated in this section shall be  
27 deposited as provided by law. However, only the balance

1 remaining after the operation of section 5(1) and (2) ~~shall be~~  
2 IS subject to this section.

3       Section 2. This amendatory act shall not take effect unless  
4 all of the following bills of the 86th Legislature are enacted  
5 into law:

6       (a) Senate Joint Resolution I.

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8       (b) Senate Bill No. 362.

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