

# HOUSE BILL No. 5081

September 25, 2001, Introduced by Rep. Vander Veen and referred to the Committee on Conservation and Outdoor Recreation.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 502, 32503, and 33938 (MCL 324.502, 324.32503, and 324.33938), section 502 as amended by 1998 PA 114 and sections 32503 and 33938 as added by 1995 PA 59, and by adding section 61505a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 502. (1) The commission may promulgate rules, not  
2 inconsistent with law, governing its organization and procedure.

3       (2) The department may ~~promulgate~~ DO 1 OR MORE OF THE  
4 FOLLOWING:

5       (A) PROMULGATE and enforce reasonable rules concerning the  
6 use and occupancy of lands and property under its control in  
7 accordance with section 504. ~~It may provide~~

1 (B) PROVIDE and develop facilities for outdoor recreation.

2 ~~may conduct~~

3 (C) CONDUCT investigations it considers necessary for the  
4 proper administration of this part. ~~may remove~~

5 (D) REMOVE and dispose of forest products as required for  
6 the protection, reforestation, and proper development and conser-  
7 vation of the lands and property under THE control of the  
8 department. ~~and may require~~

9 (E) REQUIRE the payment of a fee as provided by law for a  
10 daily permit or other authorization that allows the person to  
11 hunt and take waterfowl on a public hunting area managed and  
12 developed for waterfowl.

13 (3) ~~(2)~~ Except as provided in subsection ~~(3)~~ (4), the  
14 department may enter into contracts for the taking of coal, oil,  
15 gas, and other mineral products from state owned lands, upon a  
16 royalty basis or upon another basis, and upon the terms the  
17 department considers just and equitable subject to section 502a.  
18 This contract power includes authorization to enter into con-  
19 tracts for the storage of gas or other mineral products in or  
20 upon state owned lands, if the consent of the state agency having  
21 jurisdiction and control of the state owned land is first  
22 obtained. A contract permitted under this section for the taking  
23 of coal, oil, gas, or metallic mineral products, or for the stor-  
24 age of gas or other mineral products, is not valid unless the  
25 contract is approved by the state administrative board. Money  
26 received from a contract for the storage of gas or other mineral  
27 products in or upon state lands shall be transmitted to the state

1 treasurer for deposit in the general fund of the state to be used  
2 for the purpose of defraying the expenses incurred in the admin-  
3 istration of this act and other purposes provided by law. Other  
4 money received from a contract permitted under this subsection,  
5 except money received from lands acquired with money from the  
6 game and fish protection fund created in section 43553, shall be  
7 transmitted to the state treasurer for deposit in the Michigan  
8 natural resources trust fund created in section 35 of article IX  
9 of the state constitution of 1963 AND PROVIDED FOR IN PART 19.  
10 However, the money received from the payment of service charges  
11 by a person using areas managed for waterfowl shall be credited  
12 to the game and fish protection fund and used only for the pur-  
13 poses provided by law. Money received from bonuses, rentals,  
14 delayed rentals, royalties, and the direct sale of resources,  
15 including forest resources, from lands acquired with money from  
16 the game and fish protection fund shall be credited to the game  
17 and fish protection trust fund created in section 43702, except  
18 as otherwise provided by law.

19 (4) ~~(3) The~~ BEGINNING ON THE EFFECTIVE DATE OF THE 2001  
20 AMENDATORY ACT THAT AMENDED THIS SECTION, SUBJECT TO SECTIONS  
21 32503 AND 61505A, THE department shall not enter into a contract  
22 that permits drilling operations for the taking of oil or gas  
23 from the lake bottomlands of the Great Lakes or THE connecting or  
24 connected bays, harbors, or waterways ~~, unless all drilling~~  
25 ~~operations originate from locations above and inland of the ordi-~~  
26 ~~nary high-water mark. The~~ OF THE GREAT LAKES. BEGINNING ON THE  
27 EFFECTIVE DATE OF THE 2001 AMENDATORY ACT THAT AMENDED THIS

1 SECTION, SUBJECT TO SECTIONS 32503 AND 61505A, THE department  
2 shall not enter into a contract for exploration of the lake bot-  
3 tomlands of the Great Lakes or THE connecting or connected bays,  
4 harbors, or waterways OF THE GREAT LAKES that permits drilling  
5 operations. ~~unless all drilling operations originate from loca-~~  
6 ~~tions above and inland of the ordinary high-water mark.~~

7 (5) ~~(4)~~ This section does not permit a contract for the  
8 taking of gravel, sand, coal, oil, gas, or other metallic mineral  
9 products that does not comply with applicable local ordinances  
10 and state law.

11 Sec. 32503. (1) Except as otherwise provided in this sec-  
12 tion, the department, after finding that the public trust in the  
13 waters will not be impaired or substantially affected, may enter  
14 into agreements pertaining to waters over and the filling in of  
15 submerged patented lands, or to lease or deed unpatented lands,  
16 after approval of the state administrative board. Quitclaim  
17 deeds, leases, or agreements covering unpatented lands may be  
18 issued or entered into by the department with any person, and  
19 shall contain such terms, conditions, and requirements as the  
20 department determines to be just and equitable and in conformance  
21 with the public trust. The department shall reserve to the state  
22 all mineral rights, including, but not limited to, coal, oil,  
23 gas, sand, gravel, stone, and other materials or products located  
24 or found in those lands, except where lands are occupied or to be  
25 occupied for residential purposes at the time of conveyance.

1 (2) A riparian owner shall obtain a permit from the  
2 department before dredging or placing spoil or other materials on  
3 bottomland.

4 (3) ~~The~~ BEGINNING ON THE EFFECTIVE DATE OF THE 2001 AMEN-  
5 DATORY ACT THAT AMENDED THIS SECTION, SUBJECT TO SUBSECTION (5),  
6 THE department shall not enter into a lease or deed of unpatented  
7 lands that permits drilling operations for the taking of oil or  
8 gas. ~~, unless all drilling operations originate from locations~~  
9 ~~above and inland of the ordinary high-water mark. The~~ BEGINNING  
10 ON THE EFFECTIVE DATE OF THE 2001 AMENDATORY ACT THAT AMENDED  
11 THIS SECTION, SUBJECT TO SUBSECTION (5), THE department shall not  
12 enter into a lease or deed of unpatented lands that permits  
13 drilling for exploration purposes. ~~unless the drilling opera-~~  
14 ~~tions originate from locations above and inland of the ordinary~~  
15 ~~high-water mark.~~

16 (4) An agreement, lease, or deed entered into under this  
17 part by the department with the United States shall be entered  
18 into and executed pursuant to the property rights acquisition  
19 act, ~~Act No. 201 of the Public Acts of 1986, being section 3.251~~  
20 ~~to 3.262 of the Michigan Compiled Laws~~ 1986 PA 201, MCL 3.251 TO  
21 3.262.

22 (5) THE DEPARTMENT MAY ENTER INTO A LEASE OR DEED OF UNPAT-  
23 ENTED LANDS THAT PERMITS DRILLING OPERATIONS FOR THE EXPLORATION  
24 OR TAKING OF OIL OR GAS IF A STATE OF ENERGY EMERGENCY HAS BEEN  
25 DECLARED BY THE GOVERNOR OR HAS BEEN CONTINUED BY THE LEGISLATURE  
26 UNDER 1982 PA 191, MCL 10.81 TO 10.89. HOWEVER, IF THE  
27 DEPARTMENT ENTERS INTO A LEASE OR DEED UNDER THIS SUBSECTION, THE

1 DEPARTMENT SHALL REQUIRE THAT ALL DRILLING OPERATIONS ORIGINATE  
2 FROM LOCATIONS AT LEAST 1,500 FEET ABOVE AND INLAND OF THE ORDI-  
3 NARY HIGH-WATER MARK.

4       Sec. 33938. (1) A person shall not remove metallic miner-  
5 als, marl, stone, rock, sand, gravel, or earth from or under the  
6 beds of the Great Lakes or the bays and harbors connected with  
7 the Great Lakes without first obtaining a written lease from the  
8 department granting the right to take the material.

9       (2) ~~A~~ BEGINNING ON THE EFFECTIVE DATE OF THE 2001 AMENDA-  
10 TORY ACT THAT AMENDED THIS SECTION, SUBJECT TO SECTIONS 32503 AND  
11 61505A, A person shall not conduct drilling operations for the  
12 removal of oil or gas from under the beds of the Great Lakes or  
13 THE connecting or connected bays, harbors, or waterways ~~, unless~~  
14 ~~all drilling operations originate from locations above and inland~~  
15 ~~of the ordinary high-water mark and are conducted pursuant to the~~  
16 ~~terms of a written lease obtained from the department.~~ A OF THE  
17 GREAT LAKES UNLESS THE DRILLING OPERATIONS BEGAN PRIOR TO THE  
18 EFFECTIVE DATE OF THE 2001 AMENDATORY ACT THAT AMENDED THIS  
19 SECTION. BEGINNING ON THE EFFECTIVE DATE OF THE 2001 AMENDATORY  
20 ACT THAT AMENDED THIS SECTION, SUBJECT TO SECTIONS 32503 AND  
21 61505A, A person shall not conduct drilling operations for the  
22 purpose of exploring for oil and gas under the beds of the Great  
23 Lakes or THE connecting or connected bays, harbors, or waterways  
24 ~~, unless all drilling operations originate from locations above~~  
25 ~~and inland of the high-water mark~~ OF THE GREAT LAKES.

26       (3) A person who violates subsection (1) or (2) is liable to  
27 this state for an amount equal to 3 times the value of the

1 materials taken plus an amount equal to the cost of restoring the  
2 waters, beds, bottomlands, adjacent uplands, or any natural  
3 resource of the Great Lakes or THE connecting or connected bays,  
4 harbors, or waterways OF THE GREAT LAKES that is damaged as a  
5 result of the violation.

6 SEC. 61505A. (1) BEGINNING ON THE EFFECTIVE DATE OF THIS  
7 SECTION, NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART OR THE  
8 RULES PROMULGATED UNDER THIS PART, THE SUPERVISOR SHALL NOT ISSUE  
9 A PERMIT FOR DRILLING, OR AUTHORIZE THE DRILLING OF, AN OIL OR  
10 GAS WELL, INCLUDING AN EXPLORATORY WELL, THAT EXTENDS UNDER THE  
11 GREAT LAKES OR THE CONNECTING OR CONNECTED BAYS, HARBORS, OR  
12 WATERWAYS OF THE GREAT LAKES EXCEPT AS PROVIDED IN SUBSECTION  
13 (2).

14 (2) THE SUPERVISOR MAY ISSUE A PERMIT FOR DRILLING, OR MAY  
15 AUTHORIZE THE DRILLING OF, AN OIL OR GAS WELL, INCLUDING AN  
16 EXPLORATORY WELL THAT EXTENDS UNDER THE GREAT LAKES OR THE CON-  
17 NECTING OR CONNECTED BAYS, HARBORS, OR WATERWAYS OF THE GREAT  
18 LAKES IF A STATE OF ENERGY EMERGENCY HAS BEEN DECLARED BY THE  
19 GOVERNOR OR HAS BEEN CONTINUED BY THE LEGISLATURE UNDER 1982  
20 PA 191, MCL 10.81 TO 10.89. HOWEVER, IF THE SUPERVISOR ISSUES A  
21 PERMIT OR AUTHORIZES THE DRILLING OF AN OIL OR GAS WELL UNDER  
22 THIS SUBSECTION, THE SUPERVISOR SHALL REQUIRE THAT ALL DRILLING  
23 OPERATIONS ORIGINATE FROM LOCATIONS AT LEAST 1,500 FEET ABOVE AND  
24 INLAND OF THE ORDINARY HIGH-WATER MARK OF THE GREAT LAKES AS  
25 DESCRIBED IN SECTION 32502.