

SENATE BILL No. 796

October 24, 2001, Introduced by Senators MC MANUS, JOHNSON, SMITH, GAST, DUNASKISS, BULLARD, HART, NORTH, DE BEAUSSAERT, KOIVISTO, DINGELL, HOFFMAN, BENNETT, SIKKEMA, STEIL, SHUGARS, SCHUETTE, GOUGEON, HAMMERSTROM, GOSCHKA, GARCIA and SCHWARZ and referred to the Committee on Appropriations.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1902, 1903, and 1904 (MCL 324.1902, 324.1903, and 324.1904), section 1902 as amended by 1996 PA 134 and sections 1903 and 1904 as added by 1995 PA 60.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1902. (1) ~~The~~ IN ACCORDANCE WITH SECTION 35 OF ARTI-
2 CLE IX OF THE STATE CONSTITUTION OF 1963, THE Michigan natural
3 resources trust fund is established in the state treasury. The
4 trust fund shall consist of all bonuses, rentals, delayed
5 rentals, and royalties collected or reserved by the state under
6 provisions of leases for the extraction of nonrenewable resources
7 from state owned lands. However, the trust fund shall not
8 include bonuses, rentals, delayed rentals, and royalties
9 collected or reserved by the state from the following sources:

1 (a) State owned lands acquired with money appropriated from
2 the game and fish protection fund created in part 435.

3 (b) State owned lands acquired with money appropriated from
4 the subfund account created by former section 4 of ~~the Kammer~~
5 ~~recreational land trust fund act of 1976,~~ former ~~Act No. 204 of~~
6 ~~the Public Acts of 1976~~ 1976 PA 204.

7 (c) State owned lands acquired with money appropriated from
8 related federal funds made available to the state under chapter
9 899, 50 Stat. 917, 16 U.S.C. 669 to 669b and 669c to 669i, com-
10 monly known as the federal aid in wildlife restoration act, or
11 chapter 658, 64 Stat. 430, 16 U.S.C. 777 to 777e, 777f to 777i,
12 and 777k to 777l, commonly known as the federal aid in fish res-
13 toration act.

14 (d) Money received by the state from net proceeds allocable
15 to the nonconventional fuel credit contained in section 29 of the
16 internal revenue code of 1986, 26 U.S.C. 29, as provided for in
17 section 503.

18 (2) Notwithstanding subsection (1), until the trust fund
19 reaches an accumulated principal of ~~-\$400,000,000.00-~~
20 \$500,000,000.00, \$10,000,000.00 of the revenues from bonuses,
21 rentals, delayed rentals, and royalties described in this sec-
22 tion, but not including money received by the state from net pro-
23 ceeds allocable to the nonconventional fuel credit contained in
24 section 29 of the internal revenue code of 1986, 26 U.S.C. 29, as
25 provided for in section 503, otherwise dedicated to the trust
26 fund that are received by the trust fund each state fiscal year
27 shall be transferred to the state treasurer for deposit into the

1 Michigan state parks endowment fund created in section 74119.
2 However, until the trust fund reaches an accumulated principal of
3 ~~-\$400,000,000.00~~ \$500,000,000.00, in any state fiscal year, not
4 more than 50% of the total revenues from bonuses, rentals,
5 delayed rentals, and royalties described in this section, but not
6 including net proceeds allocable to the nonconventional fuel
7 credit contained in section 29 of the internal revenue code of
8 1986, 26 U.S.C. 29, as provided in section 503, otherwise dedi-
9 cated to the trust fund that are received by the trust fund each
10 state fiscal year shall be transferred to the Michigan state
11 parks endowment fund. To implement this subsection, until the
12 trust fund reaches an accumulated principal of ~~-\$400,000,000.00~~
13 \$500,000,000.00, the department shall transfer 50% of the money
14 received by the trust fund each month pursuant to subsection (1)
15 to the state treasurer for deposit into the Michigan state parks
16 endowment fund. The department shall make this transfer on the
17 last day of each month or as soon as practicable thereafter.
18 However, not more than a total of \$10,000,000.00 shall be trans-
19 ferred in any state fiscal year pursuant to this subsection.

20 (3) In addition to the contents of the trust fund described
21 in subsection (1), the trust fund shall consist of money trans-
22 ferred to the trust fund pursuant to section 1909.

23 (4) The trust fund may receive appropriations, money, or
24 other things of value.

25 (5) The state treasurer shall direct the investment of the
26 trust fund. THE STATE TREASURER SHALL HAVE THE SAME AUTHORITY TO
27 INVEST THE ASSETS OF THE TRUST FUND AS IS GRANTED TO AN

1 INVESTMENT FIDUCIARY UNDER THE PUBLIC EMPLOYEE RETIREMENT SYSTEM
2 INVESTMENT ACT, 1965 PA 314, MCL 38.1132 TO 38.1140/.

3 (6) THE STATE TREASURER SHALL ANNUALLY PREPARE AN ACCOUNTING
4 OF REVENUES AND EXPENDITURES FROM THE TRUST FUND. THIS ACCOUNT-
5 ING SHALL SPECIFICALLY IDENTIFY THE INTEREST AND EARNINGS OF THE
6 TRUST FUND, SHALL DESCRIBE HOW THE AMOUNT OF INTEREST AND EARN-
7 INGS HAS BEEN AFFECTED BY THE EXPANDED INVESTMENT OPTIONS PRO-
8 VIDED FOR IN SUBSECTION (5), AND SHALL IDENTIFY HOW THE INCREASED
9 INTEREST AND EARNINGS, IF ANY, HAVE BEEN EXPENDED. THIS ACCOUNT-
10 ING SHALL BE PROVIDED TO THE SENATE AND HOUSE OF REPRESENTATIVES
11 APPROPRIATIONS COMMITTEES AND THE STANDING COMMITTEES OF THE
12 SENATE AND HOUSE OF REPRESENTATIVES WITH JURISDICTION OVER ISSUES
13 PERTAINING TO NATURAL RESOURCES AND THE ENVIRONMENT.

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

19 (a) The acquisition of land or rights in land for recrea-
20 tional uses or protection of the land because of its environmen-
21 tal importance or its scenic beauty.

22 (b) The development of public recreation facilities.

23 (c) The administration of the fund, including payments in
24 lieu of taxes on state owned land purchased through the trust
25 fund.

26 (2) In addition to the money described in subsection (1),
27 33-1/3% of the money, exclusive of interest and earnings,

1 received by the trust fund in any state fiscal year may be
2 expended in subsequent state fiscal years for the purposes
3 described in subsection (1). However, the authorization for the
4 expenditure of money provided in this subsection does not apply
5 after the state fiscal year in which the total amount of money in
6 the trust fund, exclusive of interest and earnings and amounts
7 authorized for expenditure under this section, exceeds
8 ~~\$200,000,000.00~~ \$500,000,000.00.

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

12 (a) The grant is used for the purposes described in
13 subsection (1) and meets the requirements of either subdivision
14 (b) or (c).

15 (b) A grant for the purposes described in subsection (1)(a)
16 is matched by the local unit of government or public authority
17 with at least 25% of the total cost of the project.

18 (c) A grant for the purposes described in subsection (1)(b)
19 is matched by the local unit of government with 25% or more of
20 the total cost of the project.

21 (4) Not less than 25% of the total amounts made available
22 for expenditure from the trust fund from any state fiscal year
23 shall be expended for acquisition of land and rights in land, and
24 not more than 25% of the total amounts made available for expen-
25 diture from the trust fund from any state fiscal year shall be
26 expended for development of public recreation facilities.

