

# HOUSE BILL No. 5789

May 21, 1990, Introduced by Reps. Bartnik, Mathieu, Bandstra, Middaugh, DeLange, Hoffman, DeMars, Hickner, Barns, Giese, Keith, Martin, Hoekman, Gagliardi, Hertel, Hart, Weeks, Joe Young, Jr., Joe Young, Sr., Profit, Griffin, Niederstadt, DeBeaussaert and Pridnia and referred to the Committee on Conservation, Recreation and Environment.

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 deposit in the Michigan economic development fund  
 2 created by section 5 of FORMER Act No. 70 of the Public Acts of  
 3 1982, ~~being section 125.1905 of the Michigan Compiled Laws,~~ or  
 4 its successor, THE MICHIGAN STRATEGIC FUND, on the first day of  
 5 each calendar quarter: ~~until the date on which the Michigan eco-~~  
 6 ~~nomic development authority or its successor makes the final pay-~~  
 7 ~~ment of principal and interest on its economic development reve-~~  
 8 ~~nue bonds (oil and gas revenues), series 1982A, dated December 1,~~  
 9 ~~1982.~~

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

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

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

20 (2) If a quarterly payment is less than the amounts speci-  
 21 fied in subsection (1)(a) and (b), other payments within the  
 22 fiscal year of the state shall be increased so that the total  
 23 quarterly payments in the fiscal year shall equal the aggregate  
 24 quarterly payments for that fiscal year as specified in  
 25 subsection (1) and to the extent that funds are available. On  
 26 each quarterly payment date, priority shall be given to the  
 27 payments ~~for the Michigan economic development fund or its~~

1 ~~successor~~ UNDER SUBSECTION (1)(A). However, payments not made  
2 within the fiscal year shall not be carried forward to increase  
3 the quarterly amounts specified in subsection (1)(a) and (b) in  
4 any succeeding fiscal year.

5 (3) ~~The~~ UNTIL SEPTEMBER 30, 1994, THE amounts transferred  
6 pursuant to subsection (1)(a) shall be deposited in accounts as  
7 provided by the master bond resolution for the economic develop-  
8 ment revenue bonds (oil and gas revenues), series 1982A, dated  
9 December 1, 1982. However, to the extent that any portion of the  
10 amounts transferred pursuant to subsection (1)(a) is deposited in  
11 the surplus account established by the master bond resolution,  
12 that portion shall be subject to the following:

13 (a) During each of the state fiscal years beginning after  
14 September 30, 1985, and through the state fiscal year beginning  
15 October 1, 1992, the receipts and balance of the surplus account,  
16 up to \$5,250,000.00 annually, shall be utilized for the autho-  
17 rized purposes of the Michigan economic development fund created  
18 by section 5 of FORMER Act No. 70 of the Public Acts of 1982, or  
19 its successor, THE MICHIGAN STRATEGIC FUND.

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

1 (c) If the maximum amounts described in subdivisions (a) and  
2 (b) are not available in any state fiscal year, the available  
3 funds shall be divided for the purposes described in subdivisions  
4 (a) and (b) in the same proportion as the maximum amounts are  
5 allocated in subdivisions (a) and (b). If the maximum amounts  
6 described in subdivisions (a) and (b) are not available in any 1  
7 or more fiscal years, the deficiency or deficiencies shall be  
8 recaptured for utilization in any state fiscal year commencing  
9 before October 1, 1994, when the amount of the deficiencies  
10 becomes available.

11 (d) During each of the state fiscal years beginning after  
12 September 30, 1990, and through the state fiscal year beginning  
13 October 1, 1993, the receipts and balance of the surplus account,  
14 to the extent that they exceed the annual distributions described  
15 in subdivisions (a) and (b) and up to \$5,000,000.00 annually, or  
16 up to the sum of \$5,000,000.00 and the amount by which the amount  
17 available under this subdivision during the previous state fiscal  
18 year was less than \$5,000,000.00, whichever is greater, may be  
19 authorized by the legislature to be utilized for the purposes  
20 authorized by law for either the research center fund or its suc-  
21 cessor, THE MICHIGAN STRATEGIC FUND, or the Michigan economic  
22 development fund or its successor, THE MICHIGAN STRATEGIC FUND,  
23 or may be divided for both purposes.

24 (e) Any amount remaining in the surplus account after the  
25 distributions described in subdivisions (a), (b), (c), and (d)  
26 have been made shall be retained in the surplus account until the  
27 date on which the Michigan economic development authority or its

1 successor, THE MICHIGAN STRATEGIC FUND, makes the final payment  
2 of principal and interest on its economic development revenue  
3 bonds (oil and gas revenues), series 1982A, dated December 1,  
4 1982. ~~, and then shall be deposited in the trust fund.~~

5 (4) BEGINNING OCTOBER 1, 1994, MONEY TRANSFERRED PURSUANT TO  
6 SUBSECTION (1)(A) SHALL BE USED PURSUANT TO THE STATE CLEAN WATER  
7 ASSISTANCE ACT, ACT NO. 317 OF THE PUBLIC ACTS OF 1988, BEING  
8 SECTIONS 323.451 TO 323.470 OF THE MICHIGAN COMPILED LAWS, TO  
9 PROVIDE ASSISTANCE TO MUNICIPALITIES FOR SEWAGE TREATMENT WORKS  
10 PROJECTS TO CORRECT OR SEPARATE COMBINED SEWER SYSTEMS TO ELIMI-  
11 NATE COMBINED SEWER OVERFLOWS.

12 (5) ~~(4)~~ After all of the distributions described in sub-  
13 sections (1) and (2) have been made for a state fiscal year, the  
14 balance of any money received as bonuses, rentals, delayed  
15 rentals, and royalties from the term mineral interest previously  
16 held by the heritage trust shall be retained by the trust fund,  
17 subject to the limitations described in section 6, and shall be  
18 available to be expended as provided in section 4.

19 (6) ~~(5) The~~ UNTIL SEPTEMBER 30, 1994, THE deposits  
20 required in subsections (1)(a) and (b) and (2) shall be made by  
21 the state treasurer, at the direction of the bondholder protec-  
22 tion board created in section 11. The bondholder protection  
23 board shall file a report with the board immediately after  
24 directing that any deposits required in subsections (1)(a) and  
25 (b) and (2) be made, stating the amounts of money deposited, the  
26 date the deposits were made, and the extent to which  
27 subsection (2) has been applied. Before January 9 of each year,

1 the bondholder protection board shall report to the board  
2 detailing the operations of the bondholder protection board for  
3 the most recently completed state fiscal year. BEGINNING  
4 OCTOBER 1, 1994, THE DEPOSITS REQUIRED IN THIS SECTION SHALL BE  
5 MADE BY THE STATE TREASURER.

6 (7) AS USED IN THIS SECTION:

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

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

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

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

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

21 Sec. 6. The amount accumulated in the trust fund shall not  
22 exceed ~~\$200,000,000.00~~ \$300,000,000.00, exclusive of interest  
23 and earnings. Any amount of money that would be a part of the  
24 trust fund but for the limitation stated in this section shall be  
25 deposited as provided by law. However, only the balance remain-  
26 ing after the operation of section 5(1) and (2) shall be subject  
27 to this section.

1       Section 2. This amendatory act shall not take effect unless  
2 all of the following bills of the 85th Legislature are enacted  
3 into law:

4       (a) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
5 no. 04319'89 \*\*).

6       (b) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
7 no. 05673'90 a).