

HOUSE BILL No. 5118

October 2, 2001, Introduced by Reps. Shackleton, Allen, Mead, Vander Veen, Van Woerkom, Patterson, Bishop, Kowall and Meyer 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 ~~i may conduct~~

3 (C) CONDUCT investigations it considers necessary for the
4 proper administration of this part. ~~i 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. ~~i 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 THAT PERMITS DRILLING OPERATIONS
3 for exploration of the lake bottomlands of the Great Lakes or THE
4 connecting or connected bays, harbors, or waterways ~~that permits~~
5 ~~drilling operations unless all drilling operations originate from~~
6 ~~locations above and inland of the ordinary high-water mark~~ OF
7 THE GREAT LAKES.

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

12 Sec. 32503. (1) Except as otherwise provided in this sec-
13 tion, the department, after finding that the public trust in the
14 waters will not be impaired or substantially affected, may enter
15 into agreements pertaining to waters over and the filling in of
16 submerged patented lands, or to lease or deed unpatented lands,
17 after approval of the state administrative board. Quitclaim
18 deeds, leases, or agreements covering unpatented lands may be
19 issued or entered into by the department with any person, and
20 shall contain such terms, conditions, and requirements as the
21 department determines to be just and equitable and in conformance
22 with the public trust. The department shall reserve to the state
23 all mineral rights, including, but not limited to, coal, oil,
24 gas, sand, gravel, stone, and other materials or products located
25 or found in those lands, except where lands are occupied or to be
26 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 THE LEGISLATURE BY CONCURRENT RESOLU-
25 TION ADOPTED BY A MAJORITY OF MEMBERS ELECTED TO AND SERVING IN
26 EACH HOUSE OF THE LEGISLATURE DECLARES THERE TO BE A STATE ENERGY
27 EMERGENCY. HOWEVER, IF THE DEPARTMENT ENTERS INTO A LEASE OR

1 DEED UNDER THIS SUBSECTION, THE DEPARTMENT SHALL REQUIRE THAT ALL
2 DRILLING OPERATIONS ORIGINATE FROM LOCATIONS ABOVE AND INLAND OF
3 THE ORDINARY 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) EXCEPT AS PROVIDED IN SUBSECTION (2),
7 BEGINNING ON THE EFFECTIVE DATE OF THIS SECTION, NOTWITHSTANDING
8 ANY OTHER PROVISION OF THIS PART OR THE RULES PROMULGATED UNDER
9 THIS PART, THE SUPERVISOR SHALL NOT ISSUE A PERMIT FOR DRILLING,
10 OR AUTHORIZE THE DRILLING OF, AN OIL OR GAS WELL, INCLUDING AN
11 EXPLORATORY WELL, THAT EXTENDS UNDER THE GREAT LAKES OR THE CON-
12 NECTING OR CONNECTED BAYS, HARBORS, OR WATERWAYS OF THE GREAT
13 LAKES.

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 THE LEGISLATURE BY CONCURRENT RESOLUTION ADOPTED BY A
19 MAJORITY OF MEMBERS ELECTED TO AND SERVING IN EACH HOUSE OF THE
20 LEGISLATURE DECLARES THERE TO BE A STATE ENERGY EMERGENCY.
21 HOWEVER, IF THE SUPERVISOR ISSUES A PERMIT OR AUTHORIZES THE
22 DRILLING OF AN OIL OR GAS WELL UNDER THIS SUBSECTION, THE SUPER-
23 VISOR SHALL REQUIRE THAT ALL DRILLING OPERATIONS ORIGINATE FROM
24 LOCATIONS ABOVE AND INLAND OF THE ORDINARY HIGH-WATER MARK OF THE
25 GREAT LAKES AS DESCRIBED IN SECTION 32502.