

**SUBSTITUTE FOR  
HOUSE BILL NO. 4577**

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending section 1903 (MCL 324.1903), as amended by 2002 PA 52.

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

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

6           (a) The acquisition of land or rights in land for recreational  
7 uses or protection of the land because of its environmental  
8 importance or its scenic beauty.

9           (b) The development of public recreation facilities.

10           (c) The administration of the fund, including payments in lieu

1 of taxes on state owned land purchased through the trust fund. **THE**  
2 **LEGISLATURE SHALL MAKE APPROPRIATIONS FROM THE TRUST FUND EACH**  
3 **STATE FISCAL YEAR TO MAKE FULL PAYMENTS IN LIEU OF TAXES ON STATE-**  
4 **OWNED LAND PURCHASED THROUGH THE TRUST FUND, AS PROVIDED IN SECTION**  
5 **2154.**

6 (2) In addition to the money described in subsection (1), 33-  
7 1/3% of the money, exclusive of interest and earnings, received by  
8 the trust fund in any state fiscal year may be expended in  
9 subsequent state fiscal years for the purposes described in  
10 subsection (1). However, the authorization for the expenditure of  
11 money provided in this subsection does not apply after the state  
12 fiscal year in which the total amount of money in the trust fund,  
13 exclusive of interest and earnings and amounts authorized for  
14 expenditure under this section, exceeds \$500,000,000.00.

15 (3) An expenditure from the trust fund may be made in the form  
16 of a grant to a local unit of government **OR PUBLIC AUTHORITY,**  
17 subject to **ALL OF** the following conditions:

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

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

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

26 (4) Not less than 25% of the total amounts made available for  
27 expenditure from the trust fund from any state fiscal year shall be

1 expended for acquisition of land and rights in land, and not more  
2 than 25% of the total amounts made available for expenditure from  
3 the trust fund from any state fiscal year shall be expended for  
4 development of public recreation facilities.

5 (5) If property that was acquired with money from the trust  
6 fund is subsequently sold or transferred by the state to a  
7 nongovernmental entity, the state shall forward to the state  
8 treasurer for deposit into the trust fund an amount of money equal  
9 to the following:

10 (a) If the property was acquired solely with trust fund money,  
11 the greatest of the following:

12 (i) The net proceeds of the sale.

13 (ii) The fair market value of the property at the time of the  
14 sale or transfer.

15 (iii) The amount of money that was expended from the trust fund  
16 to acquire the property.

17 (b) If the property was acquired with a combination of trust  
18 fund money and other restricted funding sources governed by federal  
19 or state law, an amount equal to the percentage of the funds  
20 contributed by the trust fund for the acquisition of the property  
21 multiplied by the greatest of **THE AMOUNTS UNDER** subdivision (a) (i),  
22 (ii), ~~or~~ **AND** (iii).