

Act No. 166
Public Acts of 2018
Approved by the Governor
June 3, 2018
Filed with the Secretary of State
June 4, 2018
EFFECTIVE DATE: June 4, 2018

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senator Hildenbrand

ENROLLED SENATE BILL No. 551

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 1902, 1903, and 1907 (MCL 324.1902, 324.1903, and 324.1907), sections 1902 and 1907 as amended by 2012 PA 619 and section 1903 as amended by 2011 PA 117.

The People of the State of Michigan enact:

Sec. 1902. (1) In accordance with section 35 of article IX of the state constitution of 1963, the Michigan natural resources trust fund is established in the state treasury. The trust fund shall consist of all bonuses, rentals, delayed rentals, and royalties collected or reserved by the state under provisions of leases for the extraction of nonrenewable resources from state owned lands. However, the trust fund shall not include bonuses, rentals, delayed rentals, and royalties collected or reserved by the state from the following sources:

(a) State owned lands acquired with money appropriated from the former game and fish protection fund or the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

(b) State owned lands acquired with money appropriated from the subfund account created by former section 4 of former 1976 PA 204.

(c) State owned lands acquired with money appropriated from related federal funds made available to the state under the Pittman-Robertson wildlife restoration act, 16 USC 669 to 669i, or the Dingell-Johnson sport fish restoration act, 16 USC 777 to 777m.

(d) Money received by the state from net proceeds allocable to the nonconventional source production credit contained in section 45k of the internal revenue code of 1986, 26 USC 45k, as provided for in section 503.

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

(3) The state treasurer shall direct the investment of the trust fund. The state treasurer shall have the same authority to invest the assets of the trust fund as is granted to an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1141.

(4) The department shall annually prepare a report containing an accounting of revenues and expenditures from the trust fund. This report shall identify the interest and earnings of the trust fund from the previous year, the cumulative total amount of unexpended interest and earnings held by the trust fund, the investment performance of the trust fund during the previous year, and the total amount of appropriations from the trust fund during the previous year. This

report shall be provided to the senate and house of representatives appropriations committees and the standing committees of the senate and house of representatives with jurisdiction over issues pertaining to natural resources and the environment.

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

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

(b) The development of public recreation facilities.

(c) The administration of the fund, including payments in lieu of taxes on state-owned land purchased through the trust fund. The legislature shall make appropriations from the trust fund each state fiscal year to make full payments in lieu of taxes on state-owned land purchased through the trust fund, as provided in section 2154.

(2) An expenditure from the trust fund may be made in the form of a grant to a local unit of government or public authority, subject to all of the following conditions:

(a) The grant is used for the purposes described in subsection (1).

(b) The grant is matched by the local unit of government or public authority with at least 25% of the total cost of the project.

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

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

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

(i) The net proceeds of the sale.

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

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

(b) If the property was acquired with a combination of trust fund money and other restricted funding sources governed by federal or state law, an amount equal to the percentage of the funds contributed by the trust fund for the acquisition of the property multiplied by the greatest of the amounts under subdivision (a)(i), (ii), and (iii).

Sec. 1907. (1) The board shall determine which lands and rights in land within this state should be acquired and which public recreation facilities should be developed with money from the trust fund and shall submit to the legislature in January of each year a list of those lands and rights in land and those public recreation facilities that the board has determined should be acquired or developed with trust fund money, compiled in order of priority. The list prepared under this subsection shall be based upon the accounting of revenues available for expenditure as described in the report prepared under section 1902(4) and upon consideration of any consensus recommendation submitted under subsection (2) that is consistent with section 35 of article 9 of the state constitution of 1963.

(2) By December 1 of each year, the governor or his or her designee, the state treasurer or his or her designee, the senate majority leader or his or her designee, and the speaker of the house of representatives or his or her designee, and 1 member of the board selected by the board, shall meet and develop a consensus recommendation to be submitted to the board on the amount of money that should be made available to fund each of the following:

(a) Acquisitions under section 1903(1)(a).

(b) Development projects under section 1903(1)(b).

(c) Administration of the trust fund under section 1903(1)(c).

(d) If there is additional money available after funding recommendations are made for subdivisions (a), (b), and (c), an amount that should be retained by the trust fund to mitigate potential future investment return fluctuations.

(3) In preparing the list under subsection (1), the board shall do all of the following:

(a) Give a preference to the following:

(i) A project or acquisition that is located within a local unit of government that has adopted a resolution in support of the project or acquisition.

(ii) The acquisition of land and rights in land for recreational trails that intersect the downtown areas of cities and villages.

(b) Identify each parcel of land that is recommended for acquisition by legal description and include the estimated cost of acquisition and assessed value.

(c) Provide a scoring of each parcel of land recommended for acquisition individually.

(d) Give consideration to an acquisition that meets either or both of the following:

(i) Is located within a county that contains 50% or more privately owned land.

(ii) Allows motorized recreational use.

(4) In preparing the list of lands to be acquired or developed under subsection (1), the following apply:

(a) The board shall not include an acquisition of land on the list if the board determines that the seller was harassed, intimidated, or coerced into selling his or her land by the department, a local unit of government, or a qualified conservation organization.

(b) A project or acquisition may be named in honor or memory of an individual or organization.

(5) The list prepared under subsection (1) shall be accompanied by estimates of total costs for the proposed acquisitions and developments.

(6) The board shall supply with the list prepared under subsection (1) a statement of the guidelines used in listing and assigning the priority of these proposed acquisitions and developments.

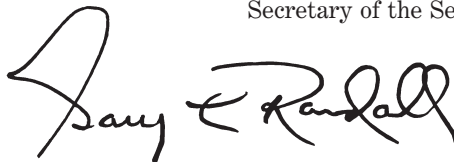
(7) The legislature shall approve by law the lands and rights in land and the public recreation facilities to be acquired or developed each year with money from the trust fund.

(8) As used in this section, "qualified conservation organization" means that term as it is defined in section 7o of the general property tax act, 1893 PA 206, MCL 211.7o.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

.....
Governor