

**SUBSTITUTE FOR
SENATE BILL NO. 1169**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 36202 (MCL 324.36202), as amended by 2016 PA
265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 36202. (1) The agricultural preservation fund is created
2 within the state treasury.

3 (2) The state treasurer may receive money or other assets from
4 any source for deposit into the fund, including federal funds,
5 other state revenues, gifts, bequests, and other donations. The
6 state treasurer shall direct the investment of the fund and shall
7 credit to the fund interest and earnings from fund investments.

8 (3) Money in the fund at the close of the fiscal year shall

1 remain in the fund and shall not lapse to the general fund.

2 (4) The department ~~shall be~~ **is** the administrator of the fund
3 for ~~auditing purposes.~~ **audits of the fund.**

4 (5) Money in the fund may be expended, upon appropriation, as
5 follows:

6 (a) ~~Not~~ **Subject to subsection (6), not** more than ~~\$1,400,000.00~~
7 **\$2,100,000.00** annually **may be expended** for the administrative costs
8 of the department and the board in implementing this part and part
9 361.

10 (b) After expenditures for the administrative costs under
11 subdivision (a), money in the fund may be ~~used,~~ **expended**, upon
12 approval of the board, to provide grants to local units of
13 government pursuant to section 36203.

14 (c) ~~After~~ **If, after** expenditures under subdivisions (a) and
15 (b), ~~have been made, if~~ the amount of money remaining in the fund
16 exceeds \$5,000,000.00, money in the fund may be ~~used,~~ **expended**,
17 upon approval of the board, pursuant to part 361 for the purchase
18 of development rights to farmland or the acquisition of
19 agricultural conservation easements.

20 (6) **For the 2025-2026 state fiscal year and each state fiscal**
21 **year thereafter, the state treasurer shall adjust the amount in**
22 **subsection (5) (a) by the percentage by which the Consumer Price**
23 **Index for the preceding calendar year exceeds or is less than the**
24 **Consumer Price Index for 2023. If an amount produced by a**
25 **computation under this subsection is not a multiple of \$1,000.00,**
26 **the state treasurer shall round the amount to the nearest multiple**
27 **of \$1,000.00. The department of treasury shall post the adjusted**
28 **amount for each state fiscal year on its website by the preceding**
29 **June 1. As used in this subsection, "Consumer Price Index" means**

1 the most comprehensive index of consumer prices available for the
2 Detroit-Warren-Dearborn area from the Bureau of Labor Statistics of
3 the United States Department of Labor.

4 (7) ~~(6)~~—Expenditures of money in the fund as provided in this
5 part are consistent with the state's interest in preserving
6 farmland and are for an important public purpose.