

**SUBSTITUTE FOR  
SENATE JOINT RESOLUTION O**

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 35 and 35a of article IX, to provide for the use of certain revenues generated from leases for the extraction of nonrenewable resources from state owned lands and to modify the allowable expenditures from the Michigan natural resources trust fund and the Michigan state parks endowment fund.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to provide for the use of certain revenues generated from leases for the extraction of nonrenewable resources from state owned lands and to modify the allowable expenditures

from the Michigan natural resources trust fund and the Michigan state parks endowment fund, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 35. (1) There is hereby established the Michigan natural resources trust fund. 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, except such revenues accruing under leases of state owned lands acquired with money from state or federal game and fish protection funds or revenues accruing from lands purchased with such revenues. ~~The~~ **HOWEVER,**  
**UNTIL THE MICHIGAN STATE PARKS ENDOWMENT FUND REACHES AN**  
**ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE REVENUES FROM**  
**BONUSES, RENTALS, DELAYED RENTALS, AND ROYALTIES DESCRIBED IN THIS**  
**SECTION THAT WOULD OTHERWISE BE DEPOSITED INTO THE TRUST FUND SHALL**  
**BE DEPOSITED INTO THE MICHIGAN STATE PARKS ENDOWMENT FUND. IN**  
**ADDITION TO THE REVENUES DESCRIBED IN THIS SUBSECTION, THE** trust  
fund may receive appropriations, money, or other things of value.  
The assets of the trust fund shall be invested as provided by law.  
~~—— Until the trust fund reaches an accumulated principal of~~  
~~\$500,000,000.00, \$10,000,000.00 of the revenues from bonuses,~~  
~~rentals, delayed rentals, and royalties described in this section~~  
~~otherwise dedicated to the trust fund that are received by the~~  
~~state each state fiscal year shall be deposited into the Michigan~~  
~~state parks endowment fund. However, until the trust fund reaches~~  
~~an accumulated principal of \$500,000,000.00, in any state fiscal~~

~~year, not more than 50 percent of the total revenues from bonuses, rentals, delayed rentals, and royalties described in this section otherwise dedicated to the trust fund that are received by the state each state fiscal year shall be deposited into the Michigan state parks endowment fund.~~

(2) ~~The~~ **UNTIL THE MICHIGAN STATE PARKS ENDOWMENT FUND REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE** amount accumulated in the trust fund in any state fiscal year shall not exceed \$500,000,000.00, exclusive of interest and earnings and amounts authorized for expenditure pursuant to this section. ~~When the accumulated principal of the trust fund reaches \$500,000,000.00, all revenue from bonuses, rentals, delayed rentals, and royalties described in this section that would be received by the trust fund but for this limitation shall be deposited into the Michigan state parks endowment fund until the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00. When the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00, all revenues from bonuses, rentals, delayed rentals, and royalties described in this section shall be distributed as provided by law.~~

~~—— The interest and earnings of the trust fund shall be expended for the~~ **THIS AMOUNT IS THE ACCUMULATED PRINCIPAL LIMITATION. THE ACCUMULATED PRINCIPAL OF THE TRUST FUND SHALL NOT BE EXPENDED. HOWEVER, THE INTEREST AND EARNINGS OF THE TRUST FUND SHALL BE EXPENDED FOR THE FOLLOWING:**

(A) **THE** acquisition of land or rights in land for recreational uses or protection of the land because of its environmental

1 importance or its scenic beauty. ~~for the~~

2 (B) THE development, RENOVATION, AND REDEVELOPMENT of public  
3 recreation facilities. ~~and for the~~

4 (C) THE administration of the trust fund, which may include  
5 payments in lieu of taxes on state owned land purchased through the  
6 trust fund.

7 (3) The trust fund may provide grants to LOCAL units of local  
8 government or public authorities, which shall be used for the  
9 purposes of this section. The legislature shall provide that a  
10 portion of the cost of a project funded by ~~such~~ THESE grants be  
11 provided by the local unit of government or public authority.

12 (4) ~~Until the trust fund reaches an accumulated principal of~~  
13 ~~\$500,000,000.00, the~~ AFTER THE MICHIGAN STATE PARKS ENDOWMENT FUND  
14 REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE  
15 ACCUMULATED PRINCIPAL LIMITATION FOR THE TRUST FUND AS PROVIDED FOR  
16 IN SUBSECTION (2) IS ELIMINATED AND THE REVENUES FROM BONUSES,  
17 RENTALS, DELAYED RENTALS, AND ROYALTIES DESCRIBED IN SUBSECTION (1)  
18 SHALL BE DEPOSITED INTO THE TRUST FUND. FROM THESE REVENUES EACH  
19 YEAR THE legislature may provide, in addition to the expenditure of  
20 interest and earnings authorized by this section, that a portion,  
21 not to exceed ~~33-1/3~~ 50 percent, ~~of the revenues from bonuses,~~  
22 ~~rentals, delayed rentals, and royalties described in this section~~  
23 ~~received by the trust fund during each state fiscal year may be~~  
24 expended during subsequent state fiscal years for the purposes of  
25 this section.

26 (5) Not less than 25 percent of the total amounts made  
27 available for expenditure from the trust fund from any state fiscal

1 year shall be expended for acquisition of land and rights in land  
2 **FOR RECREATIONAL USES OR PROTECTION OF THE LAND BECAUSE OF ITS**  
3 **ENVIRONMENTAL IMPORTANCE OR ITS SCENIC BEAUTY,** and not ~~more~~-**LESS**  
4 than 25 percent of the total amounts made available for expenditure  
5 from the trust fund from any state fiscal year shall be expended  
6 for development, **RENOVATION, AND REDEVELOPMENT** of public recreation  
7 facilities.

8 (6) The legislature shall provide by law for the establishment  
9 of a trust fund board within the department of natural resources.  
10 The trust fund board shall recommend the projects to be funded. The  
11 board shall submit its recommendations to the governor who shall  
12 submit the board's recommendations to the legislature in an  
13 appropriations bill.

14 (7) The legislature shall provide by law for the  
15 implementation of this section.

16 Sec. 35a. (1) There is hereby established the Michigan state  
17 parks endowment fund. The endowment fund shall consist of revenues  
18 as provided in section 35 of this article, and as provided by law.  
19 The endowment fund may also receive private contributions of money  
20 or other things of value. ~~All money in the Genevieve Gillette state~~  
21 ~~parks endowment fund shall be transferred to the endowment fund.~~  
22 The assets of the endowment fund shall be invested as provided by  
23 law.

24 (2) The accumulated principal of the endowment fund shall not  
25 exceed \$800,000,000.00, which amount shall be annually adjusted  
26 pursuant to the rate of inflation beginning when the endowment fund  
27 reaches \$800,000,000.00. This annually adjusted figure is the

1 accumulated principal limit of the endowment fund.

2 (3) Money available for expenditure from the endowment fund as  
3 provided in this section shall be expended for ~~operations, THE~~

4 **FOLLOWING:**

5 (A) OPERATIONS, maintenance, and capital improvements at  
6 Michigan state parks and for the acquisition of land or rights in  
7 land for Michigan state parks.

8 (B) LOCAL PUBLIC RECREATION PROJECTS CONDUCTED BY LOCAL UNITS  
9 OF GOVERNMENT AND PUBLIC AUTHORITIES THAT PROVIDE FOR 1 OR MORE OF  
10 THE FOLLOWING:

11 (i) THE DEVELOPMENT, RENOVATION, AND REDEVELOPMENT OF  
12 MOTORIZED AND NONMOTORIZED TRAILS AND RELATED INFRASTRUCTURE.

13 (ii) THE PREVENTION AND MANAGEMENT OF AQUATIC INVASIVE SPECIES  
14 THAT ADVERSELY AFFECT RECREATIONAL OPPORTUNITIES.

15 (iii) THE DEVELOPMENT, RENOVATION, AND REDEVELOPMENT OF LOCAL  
16 PUBLIC RECREATION FACILITIES.

17 (C) THE ADMINISTRATION OF THE ENDOWMENT FUND.

18 (4) THE ENDOWMENT FUND MAY PROVIDE GRANTS TO LOCAL UNITS OF  
19 GOVERNMENT OR PUBLIC AUTHORITIES FOR LOCAL PUBLIC RECREATION  
20 PROJECTS AUTHORIZED BY THIS SECTION. HOWEVER, NOT MORE THAN TWENTY-  
21 FIVE PERCENT OF THE EXPENDITURES FOR LOCAL PUBLIC RECREATION  
22 PROJECTS SHALL BE EXPENDED FOR THE CONTROL AND PREVENTION OF  
23 AQUATIC INVASIVE SPECIES. THE LEGISLATURE SHALL PROVIDE THAT A  
24 PORTION OF THE COST OF A PROJECT FUNDED BY THESE GRANTS BE PROVIDED  
25 BY THE LOCAL UNIT OF GOVERNMENT OR PUBLIC AUTHORITY.

26 ~~Money in the endowment fund shall be expended as follows:~~

27 (5) ~~(1)~~ Until the endowment fund reaches an accumulated

principal of \$800,000,000.00, each state fiscal year the legislature ~~may appropriate not more than 50 percent of~~ **SHALL ALLOCATE** the money received under section 35 of this article ~~plus interest and earnings and any private contributions or other revenue to the endowment fund.~~ **AS FOLLOWS:**

(A) TWENTY-FIVE PERCENT SHALL BE RETAINED BY THE ENDOWMENT FUND AND CREDITED TO THE ACCUMULATED PRINCIPAL OF THE ENDOWMENT FUND.

(B) NOT LESS THAN FIFTY PERCENT SHALL BE MADE AVAILABLE FOR EXPENDITURE FOR OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT MICHIGAN STATE PARKS AND THE ACQUISITION OF LAND AND RIGHTS IN LAND FOR MICHIGAN STATE PARKS.

(C) NOT LESS THAN TWENTY PERCENT SHALL BE MADE AVAILABLE FOR EXPENDITURE FOR LOCAL PUBLIC RECREATION PROJECTS AUTHORIZED BY THIS SECTION.

(6) UNTIL THE ENDOWMENT FUND REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE LEGISLATURE MAY APPROPRIATE THE MONEY MADE AVAILABLE FOR EXPENDITURE UNDER SUBSECTION (5) PLUS INTEREST AND EARNINGS AND ANY PRIVATE CONTRIBUTIONS OR OTHER REVENUE RECEIVED BY THE ENDOWMENT FUND.

(7) ~~(2)~~—Once the accumulated principal in the endowment fund reaches \$800,000,000.00, **THE LEGISLATURE MAY APPROPRIATE** only the interest and earnings of the endowment fund **AND ANY PRIVATE CONTRIBUTIONS OR OTHER REVENUE RECEIVED BY THE ENDOWMENT FUND** in excess of the amount necessary to maintain the endowment fund's accumulated principal limit ~~may be made available for expenditure.~~ **FOR THE FOLLOWING:**

1           (A) OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT  
2 MICHIGAN STATE PARKS AND FOR THE ACQUISITION OF LAND AND RIGHTS IN  
3 LAND FOR MICHIGAN STATE PARKS.

4           (B) THE ADMINISTRATION OF THE ENDOWMENT FUND.

5           (8) Unexpended appropriations of the endowment fund from any  
6 state fiscal year as authorized by this section may be carried  
7 forward or may be appropriated as determined by the legislature for  
8 purposes of this section.

9           (9) THE MICHIGAN NATURAL RESOURCES TRUST FUND BOARD  
10 ESTABLISHED PURSUANT TO SECTION 35 OF THIS ARTICLE SHALL RECOMMEND  
11 THE LOCAL PUBLIC RECREATION PROJECTS TO BE FUNDED BY THE ENDOWMENT  
12 FUND. THE BOARD SHALL SUBMIT ITS RECOMMENDATIONS TO THE GOVERNOR,  
13 WHO SHALL SUBMIT THE BOARD'S RECOMMENDATIONS TO THE LEGISLATURE IN  
14 AN APPROPRIATIONS BILL.

15           (10) The legislature shall provide by law for implementation  
16 of this section.

17           Resolved further, That the foregoing amendment shall be  
18 submitted to the people of the state at a special election to be  
19 held on August 7, 2018 in the manner provided by law.