

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

(B) **THE** development, **RENOVATION, AND REDEVELOPMENT** of public

1 recreation facilities. ~~and for the~~

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

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

10 (4) ~~Until the trust fund reaches an accumulated principal of~~
11 ~~\$500,000,000.00, the~~ **AFTER THE MICHIGAN STATE PARKS ENDOWMENT FUND**
12 **REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE**
13 **ACCUMULATED PRINCIPAL LIMITATION FOR THE TRUST FUND AS PROVIDED FOR**
14 **IN SUBSECTION (2) NO LONGER APPLIES AND THE REVENUES FROM BONUSES,**
15 **RENTALS, DELAYED RENTALS, AND ROYALTIES DESCRIBED IN SUBSECTION (1)**
16 **SHALL BE DEPOSITED INTO THE TRUST FUND. FROM THESE REVENUES EACH**
17 **YEAR THE** legislature may provide, in addition to the expenditure of
18 interest and earnings authorized by this section, that a portion,
19 not to exceed ~~33 1/3~~ **50** percent, ~~of the revenues from bonuses,~~
20 ~~rentals, delayed rentals, and royalties described in this section~~
21 ~~received by the trust fund during each state fiscal year may be~~
22 expended during subsequent state fiscal years for the purposes of
23 this section.

24 (5) Not less than 25 percent of the total amounts made
25 available for expenditure from the trust fund from any state fiscal
26 year shall be expended for acquisition of land and rights in land
27 **FOR RECREATIONAL USES OR PROTECTION OF THE LAND BECAUSE OF ITS**

1 **ENVIRONMENTAL IMPORTANCE OR ITS SCENIC BEAUTY**, and not ~~more~~ **LESS**
2 than 25 percent of the total amounts made available for expenditure
3 from the trust fund from any state fiscal year shall be expended
4 for development, **RENOVATION, AND REDEVELOPMENT** of public recreation
5 facilities.

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

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

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

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

27 (3) ~~Money~~ **UNTIL DECEMBER 31, 2019, MONEY** available for

1 expenditure from the endowment fund as provided in this section
2 shall be expended for operations, maintenance, and capital
3 improvements at Michigan state parks and for the acquisition of
4 land or rights in land for Michigan state parks.

5 ~~(4) Money in the endowment fund shall be expended as follows:~~

6 ~~—— (1) Until the endowment fund reaches an accumulated principal~~
7 ~~of \$800,000,000.00, UNTIL DECEMBER 31, 2019, each state fiscal year~~
8 ~~the legislature may appropriate not more than 50 percent of the~~
9 ~~money received under section 35 of this article plus interest and~~
10 ~~earnings and any private contributions or other revenue to the~~
11 ~~endowment fund.~~

12 ~~—— (2) Once the accumulated principal in the endowment fund~~
13 ~~reaches \$800,000,000.00, only the interest and earnings of the~~
14 ~~endowment fund in excess of the amount necessary to maintain the~~
15 ~~endowment fund's accumulated principal limit may be made available~~
16 ~~for expenditure.~~

17 (5) BEGINNING JANUARY 1, 2020, MONEY AVAILABLE FOR EXPENDITURE
18 FROM THE ENDOWMENT FUND AS PROVIDED IN THIS SECTION SHALL BE
19 EXPENDED FOR THE FOLLOWING:

20 (A) OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT
21 MICHIGAN STATE PARKS AND FOR THE ACQUISITION OF LAND OR RIGHTS IN
22 LAND FOR MICHIGAN STATE PARKS.

23 (B) LOCAL PUBLIC RECREATION PROJECTS CONDUCTED BY LOCAL UNITS
24 OF GOVERNMENT AND PUBLIC AUTHORITIES THAT PROVIDE FOR THE
25 FOLLOWING:

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

1 (ii) THE DEVELOPMENT, RENOVATION, AND REDEVELOPMENT OF LOCAL
2 PUBLIC RECREATION FACILITIES. HOWEVER, NOT MORE THAN 25 PERCENT OF
3 THE TOTAL EXPENDITURES UNDER THIS SUBPARAGRAPH SHALL BE EXPENDED
4 FOR THE PREVENTION OF AQUATIC INVASIVE SPECIES AND THE 1-TIME
5 CONTROL OF AQUATIC INVASIVE SPECIES CONDUCTED IN CONJUNCTION WITH
6 LOCAL PUBLIC RECREATION PROJECTS.

7 (C) THE ADMINISTRATION OF THE ENDOWMENT FUND.

8 (6) BEGINNING JANUARY 1, 2020 AND UNTIL THE ENDOWMENT FUND
9 REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE ENDOWMENT
10 FUND MAY PROVIDE GRANTS TO LOCAL UNITS OF GOVERNMENT OR PUBLIC
11 AUTHORITIES FOR LOCAL PUBLIC RECREATION PROJECTS AUTHORIZED BY THIS
12 SECTION. THE LEGISLATURE SHALL PROVIDE THAT A PORTION OF THE COST
13 OF A PROJECT FUNDED BY THESE GRANTS BE PROVIDED BY THE LOCAL UNIT
14 OF GOVERNMENT OR PUBLIC AUTHORITY.

15 (7) BEGINNING JANUARY 1, 2020 AND UNTIL THE ENDOWMENT FUND
16 REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, EACH STATE
17 FISCAL YEAR THE LEGISLATURE SHALL ALLOCATE THE MONEY RECEIVED UNDER
18 SECTION 35 OF THIS ARTICLE AS FOLLOWS:

19 (A) THIRTY PERCENT SHALL BE RETAINED BY THE ENDOWMENT FUND AND
20 CREDITED TO THE ACCUMULATED PRINCIPAL OF THE ENDOWMENT FUND.

21 (B) FIFTY-FIVE PERCENT SHALL BE MADE AVAILABLE FOR EXPENDITURE
22 FOR OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT MICHIGAN
23 STATE PARKS AND THE ACQUISITION OF LAND AND RIGHTS IN LAND FOR
24 MICHIGAN STATE PARKS.

25 (C) FIFTEEN PERCENT SHALL BE MADE AVAILABLE FOR EXPENDITURE
26 FOR LOCAL PUBLIC RECREATION PROJECTS AUTHORIZED BY THIS SECTION.

27 (8) BEGINNING JANUARY 1, 2020 AND UNTIL THE ENDOWMENT FUND

1 REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE
2 LEGISLATURE MAY APPROPRIATE THE MONEY MADE AVAILABLE FOR
3 EXPENDITURE UNDER SUBSECTION (7) PLUS INTEREST AND EARNINGS AND ANY
4 PRIVATE CONTRIBUTIONS OR OTHER REVENUE RECEIVED BY THE ENDOWMENT
5 FUND.

6 (9) BEGINNING JANUARY 1, 2020 AND UNTIL THE ENDOWMENT FUND
7 REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE MICHIGAN
8 NATURAL RESOURCES TRUST FUND BOARD ESTABLISHED PURSUANT TO SECTION
9 35 OF THIS ARTICLE SHALL RECOMMEND THE LOCAL PUBLIC RECREATION
10 PROJECTS TO BE FUNDED BY THE ENDOWMENT FUND. THE BOARD SHALL SUBMIT
11 ITS RECOMMENDATIONS TO THE GOVERNOR, WHO SHALL SUBMIT THE BOARD'S
12 RECOMMENDATIONS TO THE LEGISLATURE IN AN APPROPRIATIONS BILL.

13 (10) ONCE THE ACCUMULATED PRINCIPAL IN THE ENDOWMENT FUND
14 REACHES \$800,000,000.00, THE LEGISLATURE SHALL APPROPRIATE ONLY THE
15 INTEREST AND EARNINGS OF THE ENDOWMENT FUND AND ANY PRIVATE
16 CONTRIBUTIONS OR OTHER REVENUE RECEIVED BY THE ENDOWMENT FUND IN
17 EXCESS OF THE AMOUNT NECESSARY TO MAINTAIN THE ENDOWMENT FUND'S
18 ACCUMULATED PRINCIPAL LIMIT FOR THE FOLLOWING:

19 (A) OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT
20 MICHIGAN STATE PARKS AND FOR THE ACQUISITION OF LAND AND RIGHTS IN
21 LAND FOR MICHIGAN STATE PARKS.

22 (B) THE ADMINISTRATION OF THE ENDOWMENT FUND.

23 (11) Unexpended appropriations of the endowment fund from any
24 state fiscal year as authorized by this section may be carried
25 forward or may be appropriated as determined by the legislature for
26 purposes of this section.

27 (12) The legislature shall provide by law for implementation

1 of this section.

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