

SENATE JOINT RESOLUTION O

January 24, 2018, Introduced by Senator CASPERSON and referred to the Committee on Natural Resources.

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. There is hereby established the Michigan natural resources trust fund. ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, 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 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.~~

~~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~~ **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 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 **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 of public recreation facilities, ~~and for~~
~~the~~ **INCLUDING THE RENOVATION AND REDEVELOPMENT OF PUBLIC RECREATION**
FACILITIES THAT HAVE REACHED THEIR PROJECTED DEPRECIATED LIFE
EXPECTANCY.

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

The trust fund may provide grants to units of local government

1 or public authorities which shall be used for the purposes of this
 2 section. The legislature shall provide that a portion of the cost
 3 of a project funded by ~~such~~ **THESE** grants be provided by the local
 4 unit of government or public authority.

5 ~~Until the trust fund reaches an accumulated principal of~~
 6 ~~\$500,000,000.00, the~~ **AFTER THE MICHIGAN STATE PARKS ENDOWMENT FUND**
 7 **REACHES AN ACCUMULATED PRINCIPAL OF \$800,000,000.00, THE**
 8 legislature may provide, in addition to the expenditure of interest
 9 and earnings authorized by this section, that a portion, not to
 10 exceed ~~33 1/3~~ **50** percent, of the revenues from bonuses, rentals,
 11 delayed rentals, and royalties described in this section received
 12 by the trust fund during each state fiscal year may be expended
 13 during subsequent state fiscal years for the purposes of this
 14 section.

15 Not less than 25 percent of the total amounts made available
 16 for expenditure from the trust fund from any state fiscal year
 17 shall be expended for acquisition of land and rights in land and
 18 not ~~more~~ **LESS** than 25 percent of the total amounts made available
 19 for expenditure from the trust fund from any state fiscal year
 20 shall be expended for development of public recreation facilities.

21 The legislature shall provide by law for the establishment of
 22 a trust fund board within the department of natural resources. The
 23 trust fund board shall recommend the projects to be funded. The
 24 board shall submit its recommendations to the governor who shall
 25 submit the board's recommendations to the legislature in an
 26 appropriations bill.

27 The legislature shall provide by law for the implementation of

1 this section.

2 Sec. 35a. There is hereby established the Michigan state parks
3 endowment fund. The endowment fund shall consist of revenues as
4 provided in section 35 of this article, and as provided by law. The
5 endowment fund may also receive private contributions of money or
6 other things of value. ~~All money in the Genevieve Gillette state~~
7 ~~parks endowment fund shall be transferred to the endowment fund.~~
8 The assets of the endowment fund shall be invested as provided by
9 law.

10 The accumulated principal of the endowment fund shall not
11 exceed \$800,000,000.00, which amount shall be annually adjusted
12 pursuant to the rate of inflation beginning when the endowment fund
13 reaches \$800,000,000.00. This annually adjusted figure is the
14 accumulated principal limit of the endowment fund.

15 Money available for expenditure from the endowment fund as
16 provided in this section shall be expended for ~~operations,~~ **THE**
17 **FOLLOWING:**

18 **(A) OPERATIONS,** maintenance, and capital improvements at
19 Michigan state parks and for the acquisition of land or rights in
20 land for Michigan state parks.

21 **(B) LOCAL PUBLIC RECREATION PROJECTS INCLUDING 1 OR MORE OF**
22 **THE FOLLOWING:**

23 **(i) THE DEVELOPMENT, REDEVELOPMENT, AND RENOVATION OF**
24 **MOTORIZED AND NONMOTORIZED TRAILS AND RELATED INFRASTRUCTURE.**

25 **(ii) THE CONTROL AND PREVENTION OF AQUATIC INVASIVE SPECIES.**

26 **(iii) THE DEVELOPMENT, REDEVELOPMENT, AND RENOVATION OF LOCAL**
27 **PUBLIC RECREATION FACILITIES.**

1 (C) THE ADMINISTRATION OF THE ENDOWMENT FUND.

2 THE ENDOWMENT FUND MAY PROVIDE GRANTS TO UNITS OF LOCAL
3 GOVERNMENT OR PUBLIC AUTHORITIES FOR LOCAL PUBLIC RECREATION
4 PROJECTS AUTHORIZED BY THIS SECTION. HOWEVER, NOT MORE THAN TWENTY-
5 FIVE PERCENT OF THE EXPENDITURES SHALL BE EXPENDED FOR THE CONTROL
6 AND PREVENTION OF AQUATIC INVASIVE SPECIES. THE LEGISLATURE SHALL
7 PROVIDE THAT A PORTION OF THE COST OF A PROJECT FUNDED BY THESE
8 GRANTS BE PROVIDED BY THE LOCAL UNIT OF GOVERNMENT OR PUBLIC
9 AUTHORITY.

10 Money in the endowment fund shall be expended as follows:

11 (1) Until the endowment fund reaches an accumulated principal
12 of \$800,000,000.00, each state fiscal year the legislature may
13 ~~appropriate not more than 50 percent of~~ **SHALL ALLOCATE** the money
14 received under section 35 of this article plus interest and
15 earnings and any private contributions or other revenue to the
16 endowment fund ~~AS FOLLOWS:~~

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

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

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

27 (2) Once the accumulated principal in the endowment fund

1 reaches \$800,000,000.00, only the interest and earnings of the
2 endowment fund in excess of the amount necessary to maintain the
3 endowment fund's accumulated principal limit may be made available
4 for expenditure- **FOR THE FOLLOWING:**

5 **(A) OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENTS AT**
6 **MICHIGAN STATE PARKS.**

7 **(B) THE ADMINISTRATION OF THE ENDOWMENT FUND.**

8 Unexpended appropriations of the endowment fund from any state
9 fiscal year as authorized by this section may be carried forward or
10 may be appropriated as determined by the legislature for purposes
11 of this section.

12 **THE MICHIGAN NATURAL RESOURCES TRUST FUND BOARD ESTABLISHED**
13 **PURSUANT TO SECTION 35 OF THIS ARTICLE SHALL RECOMMEND THE PROJECTS**
14 **TO BE FUNDED BY THE ENDOWMENT FUND. THE BOARD SHALL SUBMIT ITS**
15 **RECOMMENDATIONS TO THE GOVERNOR, WHO SHALL SUBMIT THE BOARD'S**
16 **RECOMMENDATIONS TO THE LEGISLATURE IN AN APPROPRIATIONS BILL.**

17 The legislature shall provide by law for implementation of
18 this section.

19 Resolved further, That the foregoing amendment shall be
20 submitted to the people of the state at the next general election
21 in the manner provided by law.