

Act No. 287  
Public Acts of 2020  
Approved by the Governor  
December 29, 2020  
Filed with the Secretary of State  
December 29, 2020  
EFFECTIVE DATE: December 29, 2020

**STATE OF MICHIGAN  
100TH LEGISLATURE  
REGULAR SESSION OF 2020**

Introduced by Reps. Markkanen and Cambensy

**ENROLLED HOUSE BILL No. 5333**

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 50501, 50502, and 50507 (MCL 324.50501, 324.50502, and 324.50507), sections 50501 and 50502 as amended by 2004 PA 124 and section 50507 as amended by 2018 PA 116.

*The People of the State of Michigan enact:*

Sec. 50501. The purpose of this part and of the authority created by this part is to preserve existing jobs, create new jobs, and alleviate and prevent unemployment through the retention, promotion, and development of forestry and forest industries and to protect the health and vigor of forest resources by doing all of the following:

(a) Funding practices prescribed and approved by the department that intensify management of certain highly productive portions of this state’s forest system.

(b) Implementing a system of forest management that is investment-oriented, economically efficient, and environmentally sound.

(c) Implementing a system of forest management that is consistent with principles of sustainable forestry and with part 525.

(d) Promoting a stable and continuing supply of timber for future economic expansion.

(e) Providing dependable funding of scheduled forest management operations and practices.

(f) Promoting effective investment of revenues from timber sales for high future returns.

(g) Facilitating timely performance of forest management operations and practices.

(h) Earning additional revenues for forest management from timber sales.

(i) Establishing new stands of trees.

(j) Providing for reforestation, forest protection, and timber stand improvement.

(k) Providing an additional funding source for the purposes described in this section from indebtedness secured with revenues generated from future sale of timber harvested from state tax reverted lands, from lands in the state forest system from which revenues derived from the sale of timber were previously deposited in the forest management fund created in former 1945 PA 268, and from other lands as provided by law.

Sec. 50502. As used in this part:

- (a) "Authority" means the Michigan forest finance authority created in section 50503.
- (b) "Board" means the board of directors of the Michigan forest finance authority, except where the context clearly requires a different definition.
- (c) "Bonds" means bonds of the authority issued as provided in this part.
- (d) "Forest management operations and practices" means activities related to the harvesting, reforestation, and other forest management, including, but not limited to, road access for silviculture activity and forest thinning, pest control, disease control, fertilization, forest protection, and wildlife management, that are consistent with principles of sustainable forestry.
- (e) "Notes" means notes of the authority issued as provided in this part, including commercial paper.
- (f) "State forester" means an employee of the department who has a 4-year degree in forest management from an accredited college or university and experience in forest management and who is designated as the state forester by the director.
- (g) "Sustainable forestry" means that term as defined in section 52501.

Sec. 50507. (1) The authority shall finance only forest management operations and practices consistent with part 525 that follow the guidelines, rules, and objectives prescribed by the department.

(2) Funds managed by the authority shall be applied in a manner consistent with part 525 and the land management planning policies of the department on lands that have been identified for forest management practices. In the absence of an approved state forest management plan covering a candidate area, the department shall use an interim procedure to ensure that all forest values have been considered in selecting sites for investment with funds of the authority. The department shall annually submit a list of activities and practices funded from revenue generated under this part for the board's review and determination of consistency with this part.

(3) The executive director of the authority shall notify the department if the authority projects a probable default on any bonds or notes issued by the authority. Within 1 year after receipt of the notification, or less than 1 year if the notification indicates a shorter time period is necessary to avoid a default, the department shall identify and convey to the authority sufficient timber on tax reverted lands to enable the authority to avoid the projected default and to provide for timely payment of principal of and interest on the authority's bonds or notes. The authority may only issue contracts for the cutting and sale of timber that has been conveyed to the authority under this section to avoid a default on any bonds or notes issued by the authority. The determination of the board as to the need to cut and sell timber is conclusive. Contracts for the cutting and sale of timber shall be consistent with part 525 and with the guidelines, rules, and objectives prescribed by the department.

(4) The authority shall establish a fund designated as the "forest development fund". Revenue as provided under section 53519 and any money on hand or received in the future from bond proceeds and from contracts for the cutting and sale of timber on tax reverted lands shall be deposited in the forest development fund. In addition, this fund may receive revenues from any other source. The authority shall use money in the forest development fund only for 1 or more of the following, subject to subsection (5):

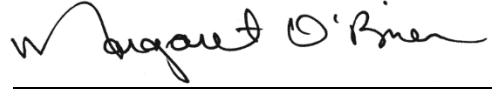
- (a) To provide for the payment of principal of and interest on any bonds or notes issued by the authority.
- (b) For forest management operations and practices.
- (c) To obtain and maintain certification of sustainable forestry standards in the state forest under section 52505.
- (d) For the administration and enforcement of part 535. Revenue deposited in the forest development fund as provided under section 53519 shall be used only as provided in this subdivision.
- (e) For the administration of the forest development fund.
- (5) Money in the forest development fund shall not be used for payments in lieu of taxes under section 2154.
- (6) The auditor general shall audit the expenditures of the forest development fund at least once every 3 years.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved \_\_\_\_\_

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Governor