

SUBSTITUTE FOR  
HOUSE BILL NO. 4060

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending section 502 (MCL 324.502), as amended by 1996 PA 272,  
and by adding section 502a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 502. ~~-(1) The powers and duties previously vested by~~  
2 ~~law in the public domain commission; the state game, fish, and~~  
3 ~~forest fire commissioner and the state board of fish commis-~~  
4 ~~ers; the geological survey; and the Michigan state park commis-~~  
5 ~~sion are transferred to and vested in the department. In addi-~~  
6 ~~tion, the powers and duties previously vested by law in each of~~  
7 ~~the following are also transferred to and vested in the~~  
8 ~~department:~~

9       ~~(a) The nongame fish and wildlife advisory committee created~~  
10 ~~in former Act No. 285 of the Public Acts of 1986.~~

**HB4060, As Passed House, December 10, 1997**

House Bill No. 4060

2

- 1       ~~(b) The Great Lakes fishery advisory committee.~~
- 2       ~~(c) The hunting area control committee.~~
- 3       ~~(d) The forest and mineral resource development fund board.~~
- 4       ~~(e) The state forest products industry development council.~~
- 5       ~~(f) The advisory board created in former Act No. 61 of the~~  
6 ~~Public Acts of 1939.~~
- 7       ~~(g) The mineral well advisory board created in former Act~~  
8 ~~No. 315 of the Public Acts of 1969.~~
- 9       ~~(h) The Michigan unitization law appeal board created in~~  
10 ~~former Act No. 197 of the Public Acts of 1959.~~
- 11       ~~(i) The inventory advisory committee created in former Act~~  
12 ~~No. 204 of the Public Acts of 1979.~~
- 13       ~~(j) The marine safety education commission.~~
- 14       ~~(k) The marine safety advisory council.~~
- 15       ~~(l) The wilderness and natural areas advisory board.~~
- 16       ~~(m) The state recreation and cultural arts advisory commit-~~  
17 ~~tee created in former Act No. 326 of the Public Acts of 1965.~~
- 18       ~~(n) The air pollution control commission.~~
- 19       ~~(o) The water resources commission.~~
- 20       ~~(p) The critical materials advisory committee.~~
- 21       ~~(q) The clean Michigan fund act advisory panel created in~~  
22 ~~former Act No. 249 of the Public Acts of 1986.~~
- 23       ~~(r) The hazardous waste policy committee created in~~  
24 ~~section 8a of former Act No. 64 of the Public Acts of 1979.~~
- 25       ~~(2) Whenever reference is made in a law of this state to a~~  
26 ~~board, commission, or officer whose powers and duties are~~

**HB4060, As Passed House, December 10, 1997**

House Bill No. 4060

3

1 ~~transferred by this section, reference shall be considered to be~~  
2 ~~made to the department.~~

3       (1) ~~(3)~~ The commission may promulgate rules, not inconsis-  
4 tent with law, governing its organization and procedure. The  
5 department may promulgate and enforce reasonable rules concerning  
6 the use and occupancy of lands and property under its control in  
7 accordance with section 504; may provide and develop facilities  
8 for outdoor recreation; may conduct investigations it considers  
9 necessary for the proper administration of this part; may remove  
10 and dispose of forest products as required for the protection,  
11 reforestation, and proper development and conservation of the  
12 lands and property under control of the department; and may  
13 require the payment of a fee as provided by law for a daily  
14 permit or other authorization that allows the person to hunt and  
15 take waterfowl on a public hunting area managed and developed for  
16 waterfowl.

17       (2) ~~(4)~~ Except as provided in subsection ~~(5)~~ (3), the  
18 department may enter into contracts for the taking of coal, oil,  
19 gas, and other mineral products from state owned lands, upon a  
20 royalty basis or upon another basis, and upon the terms the  
21 department considers just and equitable SUBJECT TO SECTION 502A.  
22 This contract power includes authorization to enter into con-  
23 tracts for the storage of gas or other mineral products in or  
24 upon state owned lands, if the consent of the state agency having  
25 jurisdiction and control of the state owned land is first  
26 obtained. A contract permitted under this section for the taking  
27 of coal, oil, gas, or metallic mineral products, or for the

**HB4060, As Passed House, December 10, 1997**

House Bill No. 4060

4

1 storage of gas or other mineral products, is not valid unless the  
2 contract is approved by the state administrative board. Money  
3 received from a contract for the storage of gas or other mineral  
4 products in or upon state lands shall be transmitted to the state  
5 treasurer for deposit in the general fund of the state to be used  
6 for the purpose of defraying the expenses incurred in the admin-  
7 istration of this act and other purposes provided by law. Other  
8 money received from a contract permitted under this subsection,  
9 except money received from lands acquired with money from the  
10 game and fish protection fund created in section 43553 shall be  
11 transmitted to the state treasurer for deposit in the Michigan  
12 natural resources trust fund created in section 35 of article IX  
13 of the state constitution of 1963. However, the money received  
14 from the payment of service charges by a person using areas man-  
15 aged for waterfowl shall be credited to the game and fish protec-  
16 tion fund and used only for the purposes provided by law. Money  
17 received from bonuses, rentals, delayed rentals, royalties, and  
18 the direct sale of resources, including forest resources, from  
19 lands acquired with money from the game and fish protection fund  
20 shall be credited to the game and fish protection trust fund cre-  
21 ated in section 43702, except as otherwise provided by law.

22       (3) ~~-(5)-~~ The department shall not enter into a contract  
23 that permits drilling operations for the taking of oil or gas  
24 from the lake bottomlands of the Great Lakes or connecting or  
25 connected bays, harbors, or waterways, unless all drilling opera-  
26 tions originate from locations above and inland of the ordinary  
27 high-water mark. The department shall not enter into a contract

**HB4060, As Passed House, December 10, 1997**

House Bill No. 4060

5

1 for exploration of the lake bottomlands of the Great Lakes or  
2 connecting or connected bays, harbors, or waterways that permits  
3 drilling operations unless all drilling operations originate from  
4 locations above and inland of the ordinary high-water mark.

5 (4) ~~(6)~~ This section does not permit a contract for the  
6 taking of gravel, sand, coal, oil, gas, or other metallic mineral  
7 products that does not comply with applicable local ordinances  
8 and state law.

9 SEC. 502A. (1) UPON PETITION BY A PERSON, RECOMMENDATION OF  
10 THE DEPARTMENT, OR ITS OWN MOTION, THE COMMISSION SHALL PLACE ON  
11 ITS AGENDA AT AN UPCOMING MEETING OF THE COMMISSION THE QUESTION  
12 OF DESIGNATION OF A STATE LAND RESERVE. THE PETITION, RECOMMEN-  
13 DATION, OR MOTION SHALL INCLUDE THE LAND PROPOSED FOR INCLUSION  
14 WITHIN THE STATE LAND RESERVE AND A RATIONALE FOR ITS INCLUSION.  
15 A TRACT OF LAND IS ELIGIBLE FOR COMMISSION CONSIDERATION FOR DES-  
16 IGNATION AS A STATE LAND RESERVE IF IT IS AT LEAST 640 CONTIGUOUS  
17 ACRES IN SIZE AND CONTAINS 1 OR MORE OF THE FOLLOWING:

18 (A) A CRITICAL DUNE AS REGULATED UNDER PART 353.

19 (B) A HIGH-RISK AREA REGULATED UNDER PART 323.

20 (C) A WETLAND REGULATED UNDER PART 303.

21 (D) AN ENDANGERED SPECIES PROTECTED UNDER PART 365.

22 (E) A WILDERNESS AREA OR NATURAL AREA REGULATED UNDER PART  
23 351.

24 (F) A NATURAL RIVER REGULATED UNDER PART 305.

25 (G) ANY OTHER SIGNIFICANT SURFACE OR SUBSURFACE NATURAL FEA-  
26 TURE OR AREA OF ENVIRONMENTAL SENSITIVITY.

**HB4060, As Passed House, December 10, 1997**

House Bill No. 4060

6

1           (2) PRIOR TO MAKING ITS RECOMMENDATION ON THE DESIGNATION OF  
2 A STATE LAND RESERVE, THE COMMISSION SHALL RECEIVE PUBLIC  
3 TESTIMONY ON THE ISSUE. AFTER CONSIDERING THE PUBLIC TESTIMONY,  
4 THE COMMISSION SHALL ISSUE A WRITTEN RECOMMENDATION TO THE LEGIS-  
5 LATURE ON WHETHER OR NOT THE COMMISSION BELIEVES A STATE LAND  
6 RESERVE SHOULD BE DESIGNATED. THE COMMISSION MAY EXPAND OR  
7 RESTRICT THE LAND AREA PROPOSED FOR THE STATE LAND RESERVE. THE  
8 COMMISSION SHALL INCLUDE WITH THE RECOMMENDATION A RATIONALE FOR  
9 ITS RECOMMENDATION.

10           (3) UPON RECEIPT OF A RECOMMENDATION FROM THE COMMISSION  
11 UNDER SUBSECTION (2), A MEMBER OF THE LEGISLATURE MAY OFFER A  
12 RESOLUTION TO CREATE A STATE LAND RESERVE PURSUANT TO SECTION 5  
13 OF ARTICLE X OF THE STATE CONSTITUTION OF 1963. THE RESOLUTION  
14 IS NOT REQUIRED TO CONFORM TO THE RECOMMENDATION OF THE  
15 COMMISSION.

16           (4) IF THE LEGISLATURE ADOPTS THE RESOLUTION UNDER SUBSEC-  
17 TION (3) BY 2/3 OF THE MEMBERS ELECTED TO AND SERVING IN EACH  
18 HOUSE, A STATE LAND RESERVE IS DESIGNATED. PURSUANT TO SECTION 5  
19 OF ARTICLE X OF THE STATE CONSTITUTION OF 1963, LAND WITHIN A  
20 STATE LAND RESERVE SHALL NOT BE REMOVED FROM THE RESERVE, SOLD,  
21 LEASED, OR OTHERWISE DISPOSED OF EXCEPT BY A RESOLUTION OF THE  
22 LEGISLATURE.

23           (5) UPON DESIGNATION OF A STATE LAND RESERVE UNDER SUBSEC-  
24 TION (4), THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING:

25           (A) IMMEDIATELY ATTEMPT TO PURCHASE, TRADE, OR OTHERWISE  
26 ACQUIRE ANY HOLDINGS WITHIN THE CONTIGUOUS AREA OF THE STATE LAND  
27 RESERVE, INCLUDING ANY SEVERED MINERAL RIGHTS. THE OWNER OF AN

**HB4060, As Passed House, December 10, 1997**

House Bill No. 4060

7

1 INHOLDING DESCRIBED IN THIS SUBDIVISION WHO OFFERS THAT LAND OR  
2 INTEREST IN THAT LAND FOR SALE OR LEASE, IF THAT LAND TRANSFER IS  
3 SUBJECT TO THE STATE TRANSFER TAX, SHALL FIRST OFFER THAT LAND OR  
4 INTEREST IN LAND TO THE STATE AND SHALL GIVE THE STATE A RIGHT OF  
5 FIRST REFUSAL.

6 (B) ESTABLISH A BUFFER ZONE SURROUNDING THE STATE LAND  
7 RESERVE IN WHICH ANY SUBSURFACE MINERAL LEASES OWNED BY THE STATE  
8 SHALL CONTAIN NONDEVELOPMENT CLAUSES.

9 (C) IF THE DEPARTMENT DETERMINES THAT SUBSURFACE MINERALS  
10 BENEATH LAND WITHIN A STATE LAND RESERVE ARE BEING DRAINED BY OIL  
11 OR GAS PRODUCTION, THE DEPARTMENT SHALL PETITION FOR THE AREA  
12 BEING DRAINED TO BE INCLUDED WITHIN A DRILLING UNIT UNDER PART  
13 615, POOLED OR COMMUNITIZED UNDER PART 615, OR MADE PART OF A  
14 UNIT AREA UNDER PART 617.