

Act No. 114
Public Acts of 1998
Approved by the Governor
June 8, 1998
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STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Rep. Bobier

ENROLLED HOUSE BILL No. 4060

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 prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," 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:

Sec. 502. (1) The commission may promulgate rules, not inconsistent with law, governing its organization and procedure. The department may promulgate and enforce reasonable rules concerning the use and occupancy of lands and property under its control in accordance with section 504; may provide and develop facilities for outdoor recreation; may conduct investigations it considers necessary for the proper administration of this part; may remove and dispose of forest products as required for the protection, reforestation, and proper development and conservation of the lands and property under control of the department; and may require the payment of a fee as provided by law for a daily permit or other authorization that allows the person to hunt and take waterfowl on a public hunting area managed and developed for waterfowl.

(2) Except as provided in subsection (3), the department may enter into contracts for the taking of coal, oil, gas, and other mineral products from state owned lands, upon a royalty basis or upon another basis, and upon the terms the department considers just and equitable subject to section 502a. This contract power includes authorization to enter into contracts for the storage of gas or other mineral products in or upon state owned lands, if the consent of the state agency having jurisdiction and control of the state owned land is first obtained. A contract permitted under this section for the taking of coal, oil, gas, or metallic mineral products, or for the storage of gas or other mineral products, is not valid unless the contract is approved by the state administrative board. Money received from a contract for the storage of gas or other mineral products in or upon state lands shall be transmitted to the state treasurer for deposit in the general fund of the state to be used for the purpose of defraying the expenses incurred in the administration of this act and other purposes provided by law. Other money received from a contract permitted under this subsection, except money received from lands acquired with money from the game and fish protection fund created in section 43553 shall be transmitted to the state treasurer for deposit in the Michigan natural resources trust fund created in section 35 of article IX of the state constitution of 1963. However, the money received from the payment of service charges by a person using areas managed for waterfowl shall be credited to the game and fish protection fund and used only for the purposes provided by law. Money received from bonuses, rentals, delayed rentals, royalties, and the direct sale of resources, including forest resources, from lands acquired with money from the game and fish protection fund shall be credited to the game and fish protection trust fund created in section 43702, except as otherwise provided by law.

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

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

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

Sec. 502a. (1) Upon petition by a person, recommendation of the department, or its own motion, the commission shall place on its agenda at an upcoming meeting of the commission the question of designation of a state land reserve. The petition, recommendation, or motion shall include the land proposed for inclusion within the state land reserve and a rationale for its inclusion. A tract of land is eligible for commission consideration for designation as a state land reserve if it includes at least 640 contiguous acres of state owned land and contains 1 or more of the following:

- (a) A critical dune as regulated under part 353.
- (b) A high-risk area regulated under part 323.
- (c) A wetland regulated under part 303.
- (d) An endangered species protected under part 365.
- (e) A wilderness area or natural area regulated under part 351.
- (f) A natural river regulated under part 305.
- (g) Any other significant surface or subsurface natural feature or area of environmental sensitivity.

(2) Prior to making its recommendation on the designation of a state land reserve, the commission shall receive public testimony on the issue. After considering the public testimony, the commission shall issue a written recommendation to the legislature on whether or not the commission believes a state land reserve should be designated. In making its recommendation, the commission shall consider the need for a buffer zone surrounding the land to eliminate the potential drainage of oil and gas. The commission may expand or restrict the land area proposed for the state land reserve. The commission shall include with the recommendation a rationale for its recommendation.

(3) Upon receipt of a recommendation from the commission under subsection (2), a member of the legislature may offer a resolution to create a state land reserve pursuant to section 5 of article X of the state constitution of 1963. The resolution is not required to conform to the recommendation of the commission. When considering this resolution, the legislature shall also consider the need for a buffer zone surrounding the land to eliminate the potential drainage of oil and gas.

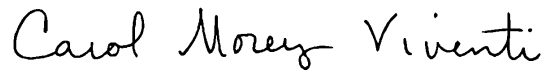
(4) If the legislature adopts the resolution under subsection (3) by 2/3 of the members elected to and serving in each house, a state land reserve is designated. Pursuant to section 5 of article X of the state constitution of 1963, land within a state land reserve shall not be removed from the reserve, sold, leased, or otherwise disposed of except by a resolution of the legislature.

(5) Upon designation of a state land reserve under subsection (4), the department shall attempt to purchase, trade, or otherwise acquire any holdings within the contiguous area of the state land reserve that improve ownership patterns, including any severed mineral rights. The owner of an inholding described in this subdivision who offers that land or interest in that land for sale or lease, if that land transfer is subject to the state transfer tax, shall first offer that land or interest in land to the state and shall give the state a right of first refusal.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.