

# SENATE BILL No. 9

January 10, 2001, Introduced by Senator PETERS and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending sections 502, 32503, and 33938 (MCL 324.502,  
324.32503, and 324.33938), section 502 as amended by 1998 PA 114  
and sections 32503 and 33938 as added by 1995 PA 59, and by  
adding section 61505a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 502. (1) The commission may promulgate rules, not  
2 inconsistent with law, governing its organization and procedure.

3       (2) The department may ~~promulgate~~ DO 1 OR MORE OF THE  
4 FOLLOWING:

5       (A) PROMULGATE and enforce reasonable rules concerning the  
6 use and occupancy of lands and property under its control in  
7 accordance with section 50. ~~it may provide~~

1 (B) PROVIDE and develop facilities for outdoor recreation.

2 ~~may conduct~~

3 (C) CONDUCT investigations it considers necessary for the  
4 proper administration of this part. ~~may remove~~

5 (D) REMOVE and dispose of forest products as required for  
6 the protection, reforestation, and proper development and conser-  
7 vation of the lands and property under control of the department.  
8 ~~and may require~~

9 (E) REQUIRE the payment of a fee as provided by law for a  
10 daily permit or other authorization that allows the person to  
11 hunt and take waterfowl on a public hunting area managed and  
12 developed for waterfowl.

13 (3) ~~(2)~~ Except as provided in subsection ~~(3)~~ (4), the  
14 department may enter into contracts for the taking of coal, oil,  
15 gas, and other mineral products from state owned lands, upon a  
16 royalty basis or upon another basis, and upon the terms the  
17 department considers just and equitable subject to section 502a.  
18 This contract power includes authorization to enter into con-  
19 tracts for the storage of gas or other mineral products in or  
20 upon state owned lands, if the consent of the state agency having  
21 jurisdiction and control of the state owned land is first  
22 obtained. A contract permitted under this section for the taking  
23 of coal, oil, gas, or metallic mineral products, or for the stor-  
24 age of gas or other mineral products, is not valid unless the  
25 contract is approved by the state administrative board. Money  
26 received from a contract for the storage of gas or other mineral  
27 products in or upon state lands shall be transmitted to the state

1 treasurer for deposit in the general fund of the state to be used  
2 for the purpose of defraying the expenses incurred in the admin-  
3 istration of this act and other purposes provided by law. Other  
4 money received from a contract permitted under this subsection,  
5 except money received from lands acquired with money from the  
6 game and fish protection fund created in section 43553, shall be  
7 transmitted to the state treasurer for deposit in the Michigan  
8 natural resources trust fund created in section 35 of article IX  
9 of the state constitution of 1963 AND PROVIDED FOR IN PART 19.

10 However, the money received from the payment of service charges  
11 by a person using areas managed for waterfowl shall be credited  
12 to the game and fish protection fund and used only for the pur-  
13 poses provided by law. Money received from bonuses, rentals,  
14 delayed rentals, royalties, and the direct sale of resources,  
15 including forest resources, from lands acquired with money from  
16 the game and fish protection fund shall be credited to the game  
17 and fish protection trust fund created in section 43702, except  
18 as otherwise provided by law.

19       (4) ~~-(3)-~~ The department shall not enter into a contract  
20 that permits drilling operations for the taking of oil or gas  
21 from the lake bottomlands of the Great Lakes or THE connecting or  
22 connected bays, harbors, or waterways ~~-, unless all drilling~~  
23 ~~operations originate from locations above and inland of the ordi-~~  
24 ~~nary high-water mark~~ OF THE GREAT LAKES. The department shall  
25 not enter into a contract for exploration of the lake bottomlands  
26 of the Great Lakes or THE connecting or connected bays, harbors,  
27 or waterways OF THE GREAT LAKES that permits drilling operations.

1 ~~unless all drilling operations originate from locations above~~  
2 ~~and inland of the ordinary high-water mark.~~

3 (5) ~~(4)~~ This section does not permit a contract for the  
4 taking of gravel, sand, coal, oil, gas, or other metallic mineral  
5 products that does not comply with applicable local ordinances  
6 and state law.

7 Sec. 32503. (1) Except as otherwise provided in this sec-  
8 tion, the department, after finding that the public trust in the  
9 waters will not be impaired or substantially affected, may enter  
10 into agreements pertaining to waters over and the filling in of  
11 submerged patented lands, or to lease or deed unpatented lands,  
12 after approval of the state administrative board. Quitclaim  
13 deeds, leases, or agreements covering unpatented lands may be  
14 issued or entered into by the department with any person, and  
15 shall contain such terms, conditions, and requirements as the  
16 department determines to be just and equitable and in conformance  
17 with the public trust. The department shall reserve to the state  
18 all mineral rights, including, but not limited to, coal, oil,  
19 gas, sand, gravel, stone, and other materials or products located  
20 or found in those lands, except where lands are occupied or to be  
21 occupied for residential purposes at the time of conveyance.

22 (2) A riparian owner shall obtain a permit from the depart-  
23 ment before dredging or placing spoil or other materials on  
24 bottomland.

25 (3) The department shall not enter into a lease or deed of  
26 unpatented lands that permits drilling operations for the taking  
27 of oil or gas. ~~, unless all drilling operations originate from~~

~~1 locations above and inland of the ordinary high-water mark. The~~  
~~2 department shall not enter into a lease or deed of unpatented~~  
~~3 lands that permits drilling for exploration purposes. unless the~~  
~~4 drilling operations originate from locations above and inland of~~  
~~5 the ordinary high-water mark.~~

6 (4) An agreement, lease, or deed entered into under this  
7 part by the department with the United States shall be entered  
8 into and executed pursuant to the property rights acquisition  
9 act, ~~Act No. 201 of the Public Acts of 1986, being section 3.251~~  
10 ~~to 3.262 of the Michigan Compiled Laws~~ 1986 PA 201, MCL 3.251 TO  
11 3.262.

12 Sec. 33938. (1) A person shall not remove metallic miner-  
13 als, marl, stone, rock, sand, gravel, or earth from or under the  
14 beds of the Great Lakes or the bays and harbors connected with  
15 the Great Lakes without first obtaining a written lease from the  
16 department granting the right to take the material.

17 (2) A person shall not conduct drilling operations for the  
18 removal of oil or gas from under the beds of the Great Lakes or  
19 THE connecting or connected bays, harbors, or waterways ~~, unless~~  
20 ~~all drilling operations originate from locations above and inland~~  
21 ~~of the ordinary high-water mark and are conducted pursuant to the~~  
22 ~~terms of a written lease obtained from the department~~ OF THE  
23 GREAT LAKES. A person shall not conduct drilling operations for  
24 the purpose of exploring for oil and gas under the beds of the  
25 Great Lakes or THE connecting or connected bays, harbors, or  
26 waterways ~~, unless all drilling operations originate from~~

1 ~~locations above and inland of the high-water mark~~ OF THE GREAT  
2 LAKES.

3       (3) A person who violates subsection (1) or (2) is liable to  
4 this state for an amount equal to 3 times the value of the mate-  
5 rials taken plus an amount equal to the cost of restoring the  
6 waters, beds, bottomlands, adjacent uplands, or any natural  
7 resource of the Great Lakes or THE connecting or connected bays,  
8 harbors, or waterways OF THE GREAT LAKES that is damaged as a  
9 result of the violation.

10       SEC. 61505A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
11 PART OR THE RULES PROMULGATED UNDER THIS PART, THE SUPERVISOR  
12 SHALL NOT ISSUE A PERMIT FOR DRILLING, OR AUTHORIZE THE DRILLING  
13 OF, AN OIL OR GAS WELL, INCLUDING AN EXPLORATORY WELL, THAT  
14 EXTENDS UNDER THE GREAT LAKES OR THE CONNECTING OR CONNECTED  
15 BAYS, HARBORS, OR WATERWAYS OF THE GREAT LAKES.