

# SENATE BILL NO. 634

November 05, 2019, Introduced by Senators IRWIN, BRINKS, BAYER and GEISS and referred to the Committee on Natural Resources.

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending section 61524 (MCL 324.61524), as amended by 1998 PA  
252.

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

1       Sec. 61524. (1) For the purposes of monitoring, surveillance,  
2 enforcement, and administration of this part, a fee not in excess  
3 of ~~1%~~**2%**, based upon the gross cash market value, is levied upon  
4 oil and gas produced in this state. The fee shall be collected by

the revenue division of the department of treasury in the same manner, at the same time, and subject to the **same** provisions ~~of-as~~ the tax levied by 1929 PA 48, MCL 205.301 to 205.317.

(2) The fee shall be computed as follows:

(a) The director of the department of **technology**, management, and budget, ~~on or before~~**by** November 1 **each year**, shall certify to the department of treasury the amount appropriated for the **current state** fiscal year for the purposes of monitoring, surveillance, enforcement, and administration of this part.

(b) The department, **by November 1 each year**, shall estimate the total production and gross cash market value of all oil and gas that will be produced in this state during the **current state** fiscal year ~~ending September 30, and shall~~**and** certify its estimate to the department of treasury. ~~on or before November 1.~~

(c) ~~Within 30 days after the effective date of the 1998 amendments to this section and on or before~~**By** December 1 of each ~~succeeding~~ year, the department of treasury shall determine the fee as follows:

(i) If the fund balance is less than \$7,000,000.00 as of the end of the **immediately preceding state** fiscal year, ~~immediately prior to November 1, the fee shall be 1%~~**the fee is 2%** of the gross cash market value of oil and gas produced, or an amount calculated to cause the fund to accumulate to \$7,000,000.00 at the end of the current fiscal year, whichever is less.

(ii) If the fund balance is equal to or exceeds \$7,000,000.00 as of the end of the **immediately preceding** fiscal year, ~~immediately prior to November 1,~~ the fee shall be the ratio, to the nearest 1/100 of 1%, that the appropriation bears to the total gross cash market value of the oil and gas that will be produced in this state

as estimated by the department ~~as provided in~~ **under** subdivision (b).

(iii) Any money accumulated in the fund in excess of \$7,000,000.00 as of the end of the **immediately preceding state** fiscal year shall be deducted from the ~~following~~ **current state** **fiscal** year's appropriation in determining an amount to be certified by the director of the department of **technology**, management, and budget ~~to the department of treasury for computing the annual fee provided for in this section.~~ **under subdivision (a).**

(d) The percentage determined pursuant to subdivision (c) shall not exceed ~~1%~~ **2%** and ~~shall be~~ **is** the fee, beginning the first of the following month, ~~and will continue to be the fee for the next 12 months~~ **for a 1-year period** and until a different fee is determined. ~~However, the fee shall be 1% beginning the first day of the second month after the effective date of the 1998 amendments to this section and will continue to be the fee for the remainder of that calendar year.~~

(3) The proceeds of the fee provided for in this section shall be forwarded to the state treasurer for deposit into the fund.