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# JOINT RESOLUTION

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## JOINT RESOLUTION

A JOINT RESOLUTION proposing an amendment to the state constitution of 1963, by amending sections 19 and 35, section 36 related to the Michigan state parks endowment fund, and section 37 of article IX, to eliminate certain investment restrictions for certain state funds, to increase the accumulated principal limitation of the Michigan natural resources trust fund, to modify provisions of the Michigan natural resources trust fund and the state parks endowment fund related to their allowable expenditures and the investment of their assets, to provide for the investment of the assets of the Michigan veterans' trust fund, and to renumber certain sections.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to eliminate certain investment restrictions for certain state funds, to increase the accumulated principal limitation of the Michigan natural resources trust fund, to modify provisions of the Michigan natural resources trust fund and the state parks endowment fund related to their allowable expenditures and the investment of their assets, to provide for the investment of the assets of the Michigan veterans' trust fund, and to renumber certain sections, is proposed, agreed to, and submitted to the people of the state:

### ARTICLE IX

Sec. 19. The state shall not subscribe to, nor be interested in the stock of any company, association or corporation, except as follows:

(a) Funds accumulated to provide retirement or pension benefits for public officials and employees may be invested as provided by law.

(b) Endowment funds created for charitable or educational purposes may be invested as provided by law governing the investment of funds held in trust by trustees.

(c) Funds held as permanent funds or endowment funds other than those described in subdivision (b) may be invested as provided by law.

Except as otherwise provided in this section, other state funds or money may be invested in accounts of a bank, savings and loan association, or credit union organized under the laws of this state or federal law, as provided by law.

Sec. 35. There is hereby established the Michigan natural resources trust fund. The trust fund shall consist of all bonuses, rentals, delayed rentals, and royalties collected or reserved by the state under provisions of leases for the extraction of nonrenewable resources from state owned lands, except such revenues accruing under leases of state owned lands acquired with money from state or federal game and fish protection funds or revenues accruing from lands purchased with such revenues. The trust fund may receive appropriations, money, or other things of value. The assets of the trust fund shall be invested as provided by law.

Until the trust fund reaches an accumulated principal of \$500,000,000.00, \$10,000,000.00 of the revenues from bonuses, rentals, delayed rentals, and royalties described in this section otherwise dedicated to the trust fund that are received by the state each state fiscal year shall be deposited into the Michigan state parks endowment fund. However, until the trust fund reaches an accumulated principal of \$500,000,000.00, in any state fiscal year, not more than 50 percent of the total revenues from bonuses, rentals, delayed rentals, and royalties described in this section otherwise dedicated to the trust fund that

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are received by the state each state fiscal year shall be deposited into the Michigan state parks endowment fund.

The amount accumulated in the trust fund in any state fiscal year shall not exceed \$500,000,000.00, exclusive of interest and earnings and amounts authorized for expenditure pursuant to this section. When the accumulated principal of the trust fund reaches \$500,000,000.00, all revenue from bonuses, rentals, delayed rentals, and royalties described in this section that would be received by the trust fund but for this limitation shall be deposited into the Michigan state parks endowment fund until the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00. When the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00, all revenues from bonuses, rentals, delayed rentals, and royalties described in this section shall be distributed as provided by law.

The interest and earnings of the trust fund shall be expended for the acquisition of land or rights in land for recreational uses or protection of the land because of its environmental importance or its scenic beauty, for the development of public recreation facilities, and for the administration of the trust fund, which may include payments in lieu of taxes on state owned land purchased through the trust fund. The trust fund may provide grants to units of local government or public authorities which shall be used for the purposes of this section. The legislature shall provide that a portion of the cost of a project funded by such grants be provided by the local unit of government or public authority.

Until the trust fund reaches an accumulated principal of \$500,000,000.00, the legislature may provide, in addition to the expenditure of interest and earnings authorized by this section, that a portion, not to exceed 33-1/3 percent, of the revenues from bonuses, rentals, delayed rentals, and royalties described in this section received by the trust fund during each state fiscal year may be expended during subsequent state fiscal years for the purposes of this section.

Not less than 25 percent of the total amounts made available for expenditure from the trust fund from any state fiscal year shall be expended for acquisition of land and rights in land and not more than 25 percent of the total amounts made available for expenditure from the trust fund from any state fiscal year shall be expended for development of public recreation facilities.

The legislature shall provide by law for the establishment of a trust fund board within the department of natural resources. The trust fund board shall recommend the projects to be funded. The board shall submit its recommendations to the governor who shall submit the board's recommendations to the legislature in an appropriations bill.

The legislature shall provide by law for the implementation of this section.

Sec. 35a. There is hereby established the Michigan state parks endowment fund. The endowment fund shall consist of revenues as provided in section 35 of this article, and as provided by law. The endowment fund may also receive private contributions of money or other things of value. All money in the Genevieve Gillette state parks endowment fund shall be transferred to the endowment fund. The assets of the endowment fund shall be invested as provided by law.

The accumulated principal of the endowment fund shall not exceed \$800,000,000.00, which amount shall be annually adjusted pursuant to the rate of inflation beginning when the endowment fund reaches \$800,000,000.00. This annually adjusted figure is the accumulated principal limit of the endowment fund.

Money available for expenditure from the endowment fund as provided in this section shall be expended for operations, maintenance, and capital improvements at Michigan state parks and for the acquisition of land or rights in land for Michigan state parks.

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Money in the endowment fund shall be expended as follows:

(1) Until the endowment fund reaches an accumulated principal of \$800,000,000.00, each state fiscal year the legislature may appropriate not more than 50 percent of the money received under section 35 of this article plus interest and earnings and any private contributions or other revenue to the endowment fund.

(2) Once the accumulated principal in the endowment fund reaches \$800,000,000.00, only the interest and earnings of the endowment fund in excess of the amount necessary to maintain the endowment fund's accumulated principal limit may be made available for expenditure.

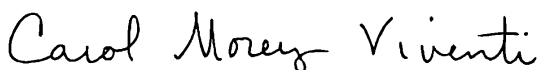
Unexpended appropriations of the endowment fund from any state fiscal year as authorized by this section may be carried forward or may be appropriated as determined by the legislature for purposes of this section.

The legislature shall provide by law for implementation of this section.

Sec. 37. The Michigan veterans' trust fund is established within the department of treasury. All money in the fund established by 1946 (1st Ex Sess) PA 9 shall be transferred to the Michigan veterans' trust fund. The trust fund may additionally receive appropriations, money, or other things of value. The state treasurer shall direct investment of the fund as provided by law, and credit interest and earnings of the fund to the fund. Except for the state treasurer's actions authorized under this section, an expenditure or transfer of a trust fund asset, interest, or earnings may be made only upon the authorization of a majority of the members of the Michigan veterans' trust fund board of trustees.

Resolved further, That the foregoing amendment shall be submitted to the people of the state at a special election held at the same time as the August 6, 2002 statewide primary election in the manner provided by law.

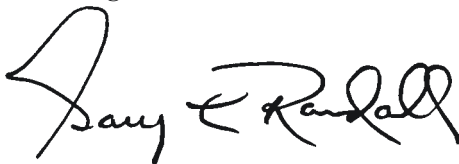
I hereby certify that on the twenty-sixth day of February, two thousand two, the foregoing joint resolution was agreed to by the Senate, by a two-thirds vote of all the Senators elected and serving.



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Secretary of the Senate.

I hereby certify that on the twentieth day of February, two thousand two, the foregoing joint resolution was agreed to by the House of Representatives, by a two-thirds vote of all the Representatives elected and serving.



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Clerk of the House of Representatives.

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**Compiler's note:** Senate Joint Resolution T, set out above, was agreed to by the Senate on February 26, 2002, and by the House of Representatives on February 20, 2002. The joint resolution was ordered enrolled on February 26, 2002, and was filed with the Secretary of State on March 5, 2002. The proposed constitutional amendment was submitted to, and approved by, the electors as Proposal 02-02 at the statewide primary election held August 6, 2002. This amendment to the Constitution of Michigan of 1963 became effective September 21, 2002.