

Michigan Resource Stewards

Resolution in Support of 2020-Proposal 1

“Use of State and Local Park Funds Amendment”

Whereas, The Kammer Recreational Land Trust Fund Act was created by Act 204 of 1976 to provide a source of funding for the public acquisition of land for resource protection and public outdoor recreation. Funding was derived from royalties on the sale and lease of state-owned minerals.

Whereas, In 1984 Michigan residents approved Proposal B, amending Michigan’s Constitution and creating the Michigan Natural Resources Trust Fund. The amendment mandated that oil, gas, and other mineral lease and royalty payments be placed into the Trust Fund, with proceeds used to acquire and develop public recreation lands. To implement the constitutional amendment, the Legislature enacted Act 101 of 1985, the Michigan Natural Resources Trust Fund Act. This act stipulated that in any one fiscal year, up to a third of all mineral lease revenues plus the interest and earnings of the MNRTF could be used to purchase land for resource conservation and public outdoor recreation and develop outdoor recreation facilities. Act 101 specified that not less than 25 percent of funds made available from the fund in any fiscal year shall be expended for the acquisition of land and rights in land, and not more than 25 percent of funds made available from the fund in any fiscal year shall be expended for development of public recreation facilities. In addition, Act 101 authorized the use of the MNRTF to make annual payments in-lieu of taxes to local units of government that are required under subpart 14 of Part 21 of the Natural Resources and Environmental Protection Act. The MNRTF is used to meet the DNR's obligations under Part 21 for lands acquired by the DNR with MNRTF assistance.

Whereas, In 1994, Michigan voters approved Proposal P, which also amended the State Constitution. The 1994 amendment reversed a previous constitutional provision which allowed the diversion of Trust Fund revenue to the Michigan Strategic Fund. Proposal P also established the State Park Endowment Fund (SPEF) for the operation, maintenance and capital improvements at Michigan's State Parks, and provided for the distribution of \$10 million annually in Trust Fund revenues to the new SPEF. The 1994 amendment also raised the maximum amount that could accumulate in the Trust Fund from \$200 million to \$400 million.

Whereas, In 2002, Michigan residents approved Proposal 2. This amendment to Article IX of the Michigan Constitution allows the MNRTF to invest in a wider array of investments and raised the cap on the corpus amount from \$400 million to \$500 million.

Whereas, In 2011, the MNRTF balance achieved the statutorily level of \$500 million. At this point grant-making and related operations of the program began to be solely funded by the interest and earnings of the program’s invested funds. New revenue from mineral royalties started to be deposited into the State Park Endowment Fund.

Whereas, Proposal 1 would improve how revenue in the state's park-related funds can be spent enhancing its benefits. The ballot measure will make projects to renovate and redevelop existing recreational facilities eligible for grants. Currently, a maximum of 25 percent of grant funding can be spent on developing facilities. The ballot measure will require that a minimum of 25 percent of grant funding be spent on developing, renovating, and redeveloping recreational facilities each year. The ballot measure will continue to provide that a minimum of 25 percent of grant funding be spent on acquiring land each year.

Whereas, The State Parks Endowment Fund provides funding for the state park system. Proposal 1 requires that at least 20 percent of the annual expenditures be spent on capital improvements. Proposal 1 will remove the Fund's cap of \$500 million in principal and allow the trust fund to begin receiving revenue again after the SPEF reaches \$800 million in principal. The NRTF reached the cap in 2011. Removal of the cap would allow the NRTF to grow faster and increase funding for grants.

Whereas, It is the position of the Michigan Resource Stewards that the above changes to the Fund's funding and expenditure levels will be of a significant benefit to the outdoor recreational capabilities and protection of unique natural and cultural resources in Michigan for present and future generation.

Therefore, Be it Resolved, That the Resource Stewards support the Proposal and encourage Michigan's citizens to vote for its passage on election day, November 3, 2020.

October 15, 2020

Michigan Resource Stewards