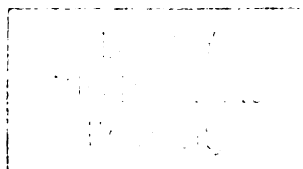




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Michigan Natural Resources Trust Fund:

A Program Analysis

By

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A Plan B Paper

**Submitted in partial fulfillment of
the requirement for the degree of**

Master of Science

Department of Geography

School of Urban Planning and Landscape Architecture

Michigan State University

1987

THESIS

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1961

ACKNOWLEDGEMENTS

The author acknowledges with gratitude the cooperation and contribution of numerous individuals at the Michigan Department of Natural Resources in granting interviews and supplying materials for this paper. Special thanks is offered to the staff of the Division of Recreation Facilities, of the Department, where the author is employed as a student assistant, for use of data materials and literature of the NRTF projects. The author also gratefully acknowledges Professor Theodore Haskell and Mark Wyckoff for their assistance and guidance, and most especially to Dr. Carl Goldschmidt for his encouragement and assistance at all times.

Last but not least, my heartfelt thanks go to my family especially my mother Nancy and children Ekow, Aba and Papa for their love, encouragement, patience and understanding during the preparation of this paper as well as the seemingly endless years it took to obtain this degree.

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DEFINITIONS

"NRTF ACT" means the Michigan Natural Resources Trust Fund Act established in Section 35 of article IX of the state constitution of 1963.

"Board" means the MNRTF board established in section 7 of PA101, 1985.

"DNR" means Michigan's Department of Natural Resources.

"Local Unit of Government" means a county, city, township, village or school district or any combination thereof, which authority is legally constituted to provide public recreation.

"Program" means the implementation of the NRTF, by the Michigan DNR, as provided.

CHAPTER ONE

Introduction

Michigan has a legislation - the Natural Resources Trust Fund Act PA 101 1984 (NRTF)- which appropriates by means of a constitutional provision, revenues from oil, gas and mineral leases and extractions in the Pigeon River Country State Forest as well as all other state lands for the acquisition of recreational land and its development for public use. The trust fund was set up to compensate for the use of non-renewable resources, such as oil and gas, drilled from Michigan lands, by placing the revenues from these activities in a special fund.

The trust fund program is administered by a Board of Trustees composed of five members appointed by the Governor. The board receives staff assistance from the Recreation Services Division of the Michigan Department of Natural Resources (DNR).

The NRTF funding assistance is directed toward six goals and objectives which are based in part on Michigan's statewide recreation plan. These goals are intended to guide the Board in making decisions on the purchase and development of

land for the Trust Fund purposes. The six goals of the Trust Fund program are to acquire lands that promote and enhance: 1) Urban Recreation, 2) Water Access, 3) Economic Development, 4) Community Recreation, 5) Wise Investment and 6) Resource Protection.

This paper will study and analyze three of the above goals which in the author's opinion are the most significant. The goals will be reviewed to determine whether or not they uphold the intent of the NRTF Act. In addition, the actual acquisitions will be evaluated to determine how they relate to the goals of the program. The three selected goals are the Resource Protection, Urban Recreation and Water Access goals. The study will consist of evaluation of the lands acquired, to establish if they fit the categories of land that the program intends to protect and acquire, and whether or not the acquisitions and the implementation of the program has upheld the objectives of the Trust Fund act and program.

The analysis is based on the review of published materials on NRTF program and its activities obtained from DNR, interviews with DNR personnel who are involved with the Trust Fund program, the statutes, and other publications relevant to the study. The study will be limited to acquisition projects only. Development projects will not be

reviewed since that portion of the program was introduced only in 1985; there is therefore inadequate information for any meaningful evaluation at this time.

HISTORY

The idea that Michigan's natural resources must be held and managed as a kind of trust has prevailed from years back. Citizens have zealously guarded their land and water and their right to use and enjoy it. It is therefore easy to understand the furious debate that was touched off in the 1970's by the proposal to drill for oil and natural gas in the Pigeon River Country State Forest. This forest is home to the largest elk herd east of the Mississippi and the effect of drilling activities on those elk was unknown. People resented the intrusion on their land, as well as the drilling proposal while others felt strongly that drilling could take place safely with minimum impact while bringing in huge profits which can benefit the public. This led to a lengthy court battle from which emerged a new perspective on the issue of resource development on public lands. It was felt that as nonrenewable resources were used, something tangible must replace them. Thus revenues from leasing state land for oil and natural gas exploration and from royalties on successful wells were placed in the state's general fund. However, the money was spent as fast as it

was earned, providing little evidence of permanent public benefit.

This led to the advancement of a new idea that revenues from drilling activity be placed in a special fund and interest from that money would be used to purchase recreational land for public use. This will ensure that although nonrenewable resources would continue to be depleted, the public would benefit forever from the temporary intrusions on public land. This idea led to the birth of the Kammer Recreational Land Trust Fund Act (see Appendix A--PA 204 1976), which provided that money received from the drilling activity be placed in a fund for the acquisition of recreational lands and protection of resources.

One reason for deciding to use the Trust Fund revenues for land acquisition rather than other purposes was that land is the ultimate nonrenewable resource. Other reasons were that although Michigan's public land base is extensive, there are deficiencies in many areas. In 1984, less than 10% of Great Lakes shoreline property was publicly owned. Southern Michigan, where 90% of the residents live, has less than 10% of the state's publicly owned land. Michigan's wetlands, though ecologically significant, are disappearing rapidly due to development.

Access to inland waterways, especially near urban areas, state parks, recreational areas and game areas is bounded by private holdings. Another big reason the Trust Fund was earmarked for public land acquisition was that the oil and gas resources in question are the fruit of existing public lands.

The Trust Fund Act provided that all revenues from oil, gas and mineral leases and extractions in the Pigeon River Country State Forest, (PA 204, 1976, Section 4(1)) as well as revenues from any new leases and extractions on state lands outside that forest, would be deposited in the Land Trust Fund. Each year the interest from the fund was to be expended, along with \$2.5 million (Act 204, Sec 5) of the revenue it received that year. The Trust Fund's ceiling was set at \$100 million. (Act 204, Sec 4(2)).

The Trust Fund has a good record in terms of acquiring quality recreation property; however, in terms of preserving a trust as a source of continuing revenue for future generations the fund has suffered several setbacks. Trust Fund revenue averaged \$191,000 a month in its first fiscal year. In the following year, revenue rose to \$490,000 a month, increasing to \$857,000 a month in the third year. By fiscal year 1979-80, revenue had risen to \$1.4 million a month. That was the year that the Trust Fund Program

started suffering setbacks.

Through legislation, \$6 million of the funds destined for the Trust Fund were borrowed to cater to other activities. The legislation also raided the Trust Fund when it required that \$20 million per year be transferred to the Michigan Economic Development Authority (Article IX, Sec 35) and again on two separate occasions money from the Trust Fund was taken to balance the state budget.

Despite good intentions and a legislative mandate for repayment (Act 101 Sec 14), the money from the Trust Fund was never repaid, but to compensate for this the ceiling on the Trust Fund was raised to \$200 million (Act 101, Section 6).

This constant use of the Trust Fund revenues for other purposes led the Senate in 1981 to create a special committee to identify the best and wisest use for oil and gas revenue. The committee members came up with a resolution proposing a constitutional amendment to protect the Trust Fund. In 1984, an effort was undertaken to protect the Trust Fund by introducing a joint resolution--- Proposal B---to constitutionally create a Natural Resources Trust Fund. This proposal was easily passed by the required two-thirds majority in both houses.

Under the act, interest earned by the Trust Fund would be used for public recreational land acquisition and development of public recreation facilities (Act 101, Section 4a,b). Facility development would be limited to a maximum of 25% of expenditures each year. This is made possible through the expanded Trust Fund ceiling.

In addition, the trust fund act provides that payments will be made to local governments who lose tax revenue due to sale of land to the NRTF program, to compensate for said revenue since in Michigan the State does not pay taxes on land. (Act 101, Section 4c).

CHAPTER TWO

Analysis:

Analysis: N R T F Act: Goals and Acquisitions

Acquisitions and Expenditures

The history of recreational funding has not been a very positive one. Programs and funds on both state and federal levels that have provided past support have been drastically cut or eliminated. Recreational programs have thus shifted toward "user-pay" with recreation attempting to support itself without adding to the tax burden. The Michigan Natural Resources Trust Fund Program offers the people of Michigan a unique opportunity and commitment in the provision of recreational facilities.

As noted earlier, the MNRTF provides money to buy land for recreation and protection of natural features, and to develop recreation facilities. It's administered by a five-member board appointed by the Governor with staff support from the Department of Natural Resources', Recreation Division.

Both DNR and local units of government request Trust Fund money for specific projects. In addition, any private citizen or organization may submit a Trust Fund acquisition proposal. These privately sponsored Trust Fund proposals nominate parcels of land for DNR or local government ownership and propose MNRTF assistance for purchase of the land.

The MNRTF Board considers such proposals for funding only if a DNR division or local unit agrees to take ownership of the land and manage it for public recreation or protection of natural features. Local units of government must pay at least 25% of the cost of their projects.

Development proposals may also be submitted by a unit of government. This can include school districts, where they are the primary provider of recreation in their geographic area. The Trust Fund Board reviews the proposals for conformance to its goals and requirements (Appendix B) and for the significance and availability of the land and reasonableness of the request. Other factors considered in the final recommendation of a project are cost, availability of the land, state or local unit interest in the project and capability of administering the land or facility as well as public input.

Proposals with the greatest potential, as determined by the Trust Fund Board, are then scored and ranked according to proposal evaluation criteria (Appendix C). This scoring system allows an objective evaluation of the merits of each proposal relative to the goals of the program and assists in prioritizing the proposals.

NRTF annual appropriations are derived from a formula provided by the Act stating that "...interest and earnings of the Trust Fund in any 1 state fiscal year, ... 33% of the money, exclusive of interest and earnings of any 1 state fiscal year may be expended..." (Act 101 Secs4 (1&2)). Out of this grant, "not less than 25% of the total expenditures from the Trust Fund in any fiscal year shall be expended for acquisition of land and rights in land, and not more than 25% of the total expenditures from the Trust Fund in any fiscal year shall be expended for development of public recreation facilities."

From the inception of the program to the period ending September, 1985, the State Legislature has appropriated the NRTF about \$105 million and approved over 137,000 acres of recreation land for both state and local governments. At the state level about 54,000 acres of land out of the approved proposals have been acquired at the cost of about

\$44 million (table 1). Lands acquired for local governments total about 4,700 acres at the cost of \$7.4 million.

Table 1

Acreage and Cost of NRTF Projects

<u>Year</u>	<u>Act</u>	<u>Appropriated Amount</u> (x\$1000)	<u>Acres Approved</u> (State)	<u>Acres Acquired</u> (State)	<u>Cost of State Acquisitions</u> (x 1000)
1977	362	2288	3140.0	1411.0	1678.7
1978&79	19	18651	22635.0	20881.6	12347.4
1980	130	6126	2509.7	2876.5	3570.5
1981	223	10777	30167.2	10279.4	6317.8
1982	201	17399	15719.1	12071.3	9050.2
1983	429	14372	9698.5	4417.8	5320.8
1984	105	19362	11768.5	1640.8	4082.4
1985	197	16358	15001.0		
TOTAL		\$105,333	110639.0	53578.4	\$43367.8
1986		(House Bill)	12298	11396.0	

Table 2

Local Govt. Land Acquisitions & Cost

<u>Year</u>	<u>Act</u>	<u>Acres Acq.</u>	<u>Cost (x\$1000)</u>
1977	362	154.00	185.00
1978-79	19	1553.08	1,513.60
1980	130	430.09	2,224.63
1981	223	231.00	1,309.18
1982	201	1354.14	899.10
1983	429	447.48	1,517.66
1984	105		
TOTAL		4,169.79	13,716.17

(Act 105, 1984-85 approved projects amount to 573.20 acres corresponding to a cost of \$13,716,170. Projects are at different stages of acquisition)

When combined, the Trust Fund has acquired about 60,000 acres on both the state and local levels at the cost of nearly \$58,000,000. The acquisitions range in size from

parcels on two great fishing rivers: the Manistee and AuSable Rivers, as well as fish and wildlife habitats in the St. Johns Marsh and the Lapeer State Game Area.

These acquisitions include nearly 200 miles of frontage on inland lakes, streams, rivers, and four out of the five Great Lakes. Overall, about 20% of the lands acquired are in urban centers of the state but the cost of these lands account for about 35% of the total funds expended for acquisition (Table 3).

Table 3

NRIF State Projects: Urban and Non-Urban Area Acquisitions

Area	# of Projects	# of Acres	Cost (x\$1000)
Urban	79	9,360.81	14,742.78
Non-Urban	107	45,265.54	31,066.19
TOTAL	186	54,626.35	45,808.97

In fiscal years 1985-86 and 1986-87, the Legislature appropriated about \$37 million to the Trust Fund. Figures available for fiscal years 1985-86 and 1986-87 reflect mainly the proposals approved by the Board and their corresponding costs (Table 4). These figures show that for 1985, the Trust Fund Board has approved 15,001.4 acres of land to be acquired on the State level at a cost of \$15.5 million and 2,312.6 acres of land to be acquired on the local level at the cost of \$4.8 million. These approved

project proposals are currently at different stages of the acquisition process.

The current (1986) project proposals are before the State legislature for its approval. The Trust Fund Board recommendations consist of 11,396 acres of land costing \$18.7 million for state acquisitions and 902.3 acres costing over \$3 million at the local levels. The combined 1985 and 1986 proposals include about 30 miles of water frontage on various lakes and bodies of water in the state.

Table 4

APPROVED ACRES AND COST 1985 & 1986

<u>Level of</u> Govt.	<u>Year</u>	<u>Act</u>	<u>Acres</u> Approved	<u>Cost</u> (x\$1000)
State	1985	197	15001.4	15511.6
	1986	(House Bill)	11396.0	18708.0
Local	1985	197	2312.6	4887.7
	1986	(House Bill)	902.3	3051.1
TOTAL			29612.3	\$42158.4

Program Objectives

The object of this study is to see how closely the lands acquired relate to the three selected MNRTF objectives, i.e. whether or not the acquired recreational lands are projects that provide: 1) urban recreation; 2) water access; and 3)

protection for significant natural resources.

Before proceeding with this task, the author will review these objectives and determine whether or not they uphold the intent of the NRTF Act. The main objective of the original Kammer Recreational Land Trust Fund Act, P.A. 204 of 1976, was to acquire recreational land with funds from the sale of oil, gas and mineral leases in the Pigeon River Country State Forest and "in certain other land" and specifically to improve the lands and use of the Pigeon River Country State Forest.

The joint resolution which proposed a constitutional amendment by adding Section 35 to Article IX to establish the NRTF had a different emphasis.

The goal of this amendment was to use the money from the Trust Fund to acquire lands due to their environmental importance or beauty for recreation use or to protect such land for their environmental significance. The Fund is also to contribute to Michigan's Economic Development Authority. In addition, this amendment provided that local units of government be entitled to grants from the NRTF for the acquisition of recreational lands and protection of significant recreational resources in their communities.

The second legislation, implemented the amendment proposed by Article IX, Section 35 and became PA 101,1985. This Act also provides for the acquisition of recreational land but, in addition it provides that a maximum of 25% of the Fund is to be used to develop recreational facilities. Since the State of Michigan does not pay taxes on its lands, the Act provides that communities that lose tax revenues due to a sale of land to the NRTF program will receive " payments in lieu of taxes" (Sec.4,1c). Finally, these functions are to be performed on both state and local levels of government.

Overall, the dominant provisions in both the Kammer Land Trust Fund (PA 204, 1976) and NRTF (PA 101,1985) are to:

- 1) Acquire lands in the Pigeon River Country State Forest.
- 2) Acquire lands for their recreational value, environmental and scenic significance.
- 3) Provide grants for the development of recreational facilities.
- 4) Provide grants to local government for the

acquisition of recreational land and development facilities.

- 5) Contribute to Michigan's economic development.
- 6) Make payments to communities instead of taxes on state-owned lands acquired with NRTF monies.

It is evident that the basis for some of the six goals of the NRTF Program (1.Resource Protection, 2.Water Access, 3.Urban Recreation, 4.Economic Development, 5.Community Recreation and 6.Wise Investment) is rooted in the language of the enactments. The provision to acquire lands for their recreational value, environmental and scenic significance is covered in a few of the NRTF goals, e.g. the resource protection, water access, urban recreation and community recreation goals because these categories of land can be described as having recreational value as well as environmental and scenic significance.

Following is the DNR's[1] definition of the three selected NRTF goals, they shed more light on what the program is supposed to achieve.

- 1) Resource Protection Goal: This is to protect Michigan's Natural Recreation Resources, and provide for their

public use and enjoyment. Natural resources are essential to Michigan's future and must be protected to insure against loss. Resources in need of such protection include, but are not limited to, forests, fish and wildlife and their habitats, wetlands, sand dunes, floodplains, natural and wilderness areas. Projects can further this goal by helping to protect natural resources from user impacts and by facilitating appropriate public use and enjoyment of those resources.

Proposals of special interest are those involving resources in imminent danger of loss unless acquired or developed soon: rare, fragile, or scenic areas or resources; endangered or threatened species of fish, wildlife, or plants; hunting or fishing opportunities, development of lands previously acquired with trust fund assistance; the Pigeon River Country State Forest areas, and any natural features identified as significant by Michigan Natural Features Inventory.

- 2) Water Access Goal: The intention of this goal is to provide public access to Michigan's water bodies, particularly the Great Lakes, and to facilitate their recreational use. Michigan's inland lakes, Great Lakes and connecting waters, rivers, and streams are precious recreation resources; thus projects enhancing recreation

use of these resources are encouraged. Many recreation activities require water, and almost all are enhanced by the presence of water. The public's right to use water bodies for recreation is meaningless without public access to these waters. Adequate water access and related facilities are lacking at many locations in Michigan. Because of their unique recreation values, the Great Lakes and their shorelines are particularly precious and proposals for acquisition and development on these lakes receive special consideration.

- 3) Urban Recreation Goal: The sole intent of this goal is to improve outdoor recreation opportunity in Michigan's urban areas. Nearly two-thirds of Michigan's citizens, including most of the elderly, poor, and minority citizens, live in urban areas. The aim of this goal is to meet their recreation needs and desires within these urban areas, to increase their opportunity for recreation during small blocks of free time, at low cost in both money and time and with a minimum of energy consumption. Recreation land acquisition in these areas is especially important due to rising land costs and lack of public open space in these areas.

Prior to formulating the program goals, the N.R.T.F. board members used to rely on the following criteria established in 1977 with the program:

The board is required to submit its list of recommended lands in order of priority to the legislature, and to include a statement of the guidelines used in listing and assigning priority. To assist the board in meeting these requirements, the T.F. board staff reviews the proposals having greatest potential as determined by the board are then scored and ranked according to the quantified criteria. A proposal receives points in every factor of each category that is applicable to that proposal. This scoring system allows an objective evaluation of the merits of each proposal relative to the board's goals and assist in identifying priority proposals. The score of a proposal based on the quantified criteria, however is not the sole the board must consider in making final funding recommendations. Other factors include cost, availability of the land, state or local unit government interest in administering the land, project feasibility, public input, etc. (DNR, 1981)

Based on these guidelines, the board scored a project using a set of established standards, (Appendix B). However, these standards did not seem to give the board enough information and guidance on which to base their decisions therefore the goals and objectives were developed to rectify this shortcoming.

The formulation of the NRTF goals were based in part on the "Michigan Recreation Plan".[2] But a review of the two sets of goals (i.e the goals of the Michigan Recreation Plan and the goals of the NRTF) reveals that they share only two

common goals, these are the goal which attaches priority to acquisition and development of land near urban and densely populated areas and the goal which aims at protecting Michigan's natural resources.

In developing these issues, the Plan expresses similar concerns to those expressed by the NRTF eg, concerns about rapid development of available open space which is resulting in fewer recreation sites. It notes that this problem is particularly crucial in high population areas such as southern Michigan (Figure 1). This underscores the need to acquire recreational lands in urban areas which is also stressed by the NRTF program. Another issue raised by the Plan is the importance of preventing physical damage to natural resources; this also is the same as the NRTF's goal of resource protection. Although this second goal is very important it must be noted that it is so general that it is not always easy to measure its achievement.

What the author has sought to do in this section is to establish [if there is] a relationship between the intent of the Trust Fund act and the Trust Fund program' goals and to learn if the goals have any relationship to the State's recreation plan.

Highly Urbanized Areas

[illegible]

It is clear that the Trust Fund program has been structured to live up to the ideals of the Trust Fund act. In fulfilling its objectives, the program also recognizes two of the recreational needs identified by the state's recreational plan and incorporates them into its objectives. Having established this fact, the next step is to establish if the implementation process, that is if the actual projects acquired, uphold these objectives.

In the early part of this chapter, it was stated that the acquisitions made include over 200 miles of water frontage. Over 50% of the land acquired account for this frontage distributed across the state. This is quite an achievement in promoting publicly owned water frontage in the state especially since it is composed of a variety of bodies of water such as lakes, streams, rivers and four out of the five Great Lakes. (see Appendix D for a listing of projects that provide frontage on a body of water).

The acquisitions also meet the resource protection goal more than adequately, since this goal covers a broad range of resources. The resource protection goal seeks to protect Michigan's natural recreation resources, insure against their loss and provide for their public use and enjoyment. Some of the resources in need of such protection include

forests, fish and wildlife and their habitats, wetlands, sand dunes, floodplains, natural and wilderness areas. This, obviously covers a wide range and variety of resources. Over eighty percent of the lands acquired can be classified under this category.

Following is a distribution of the acquisitions as divided among the five DNR divisions (Table 5), namely, Wildlife, Parks, Fisheries, Forest Management and Waterways divisions.

Table 5

NRTF Land Acquisitions by DNR Divisions
(1977-1984)

Division	# of Projects	# of Acres	Cost (x\$1000)	% of Total State Acres Acq.	% of Total State \$Acq.
State:					
Parks	76	6540.45	13997.30	12.98	34.57
Forestry	11	31014.74	14172.30	61.55	35.00
Wildlife	71	11000.19	8877.37	21.83	21.93
Fisheries	15	1161.24	1725.60	2.30	4.26
Waterways	17	670.67	1707.20	1.33	4.21
Total	190	50387.29	\$40479.77	99.99	99.97

About twenty percent of the lands acquired in the trust fund program were found to be located in urban areas of the state although this was found to account for nearly 35% of the funds expended (Table 3). This shows that although a good share of funds is being spent in the urban areas, there is no correlation between the amount of money being spent and the actual acreage of land being acquired (21%) in the urban areas of the state.

ANALYSIS AND PROCEDURES:

The administrators of the NRTF program have done well in implementing the program as closely as possible to the stated objectives, however, it must be noted that the language of the NRTF legislation and program does not limit the meaning of "recreational activity". Although the objectives of the program concerning the kind of recreational lands to acquire is quite specific, the types of recreational activities to promote is left quite ambiguous.

In 1958 the U.S. Congress established the "Outdoor Recreation Resources Review Commission"(ORRRC) to study the problems created by escalating outdoor recreation demand. The resulting ORRRC legislation (PL85-470) specifically states that:

Outdoor recreation resources shall not mean nor include recreation facilities, programs, and opportunities usually associated with urban development such as playgrounds, stadia, golf courses, city parks and zoos.

Because of the NRTF's lack of definition of recreational activities, the N.R.T.F. program has been involved in the acquisition of a wide range of recreation projects. Some of these projects such as golf courses, tennis courts, and ball

diamonds would be disqualified according to the ORRRC legislation.

The acquired lands in the urban areas account for a large proportion of the program funds in relation to the rest of the state's counties and rural areas. Thus the question as to how best a decision can be made for the use of a given dollar for recreation land acquisition can be raised. Is it better to get less land closer to people (ie in or near an urban area), or more land farther away. The real question should not be either or, but rather how much of each. This is a difficult question to answer and this paper does not attempt to do so but only draws attention to it. The NRTF allocation system provides no mechanism by which it can systematically consider projects. Moreover, there no "systems" view[3] of statewide recreation, nor any measure of results or output by which to decide the optimum trade-off.

It can be argued that there is a need for employing an equitable formula based on population which will allocate local funds to the states' fourteen regions (Figure 1). These regions vary from Region 1 of the Detroit metropolitan area with over 60% of the State's population to Region 2 of the eastern Upper with only six-tenths of one percent of the State's population.

Figure 2

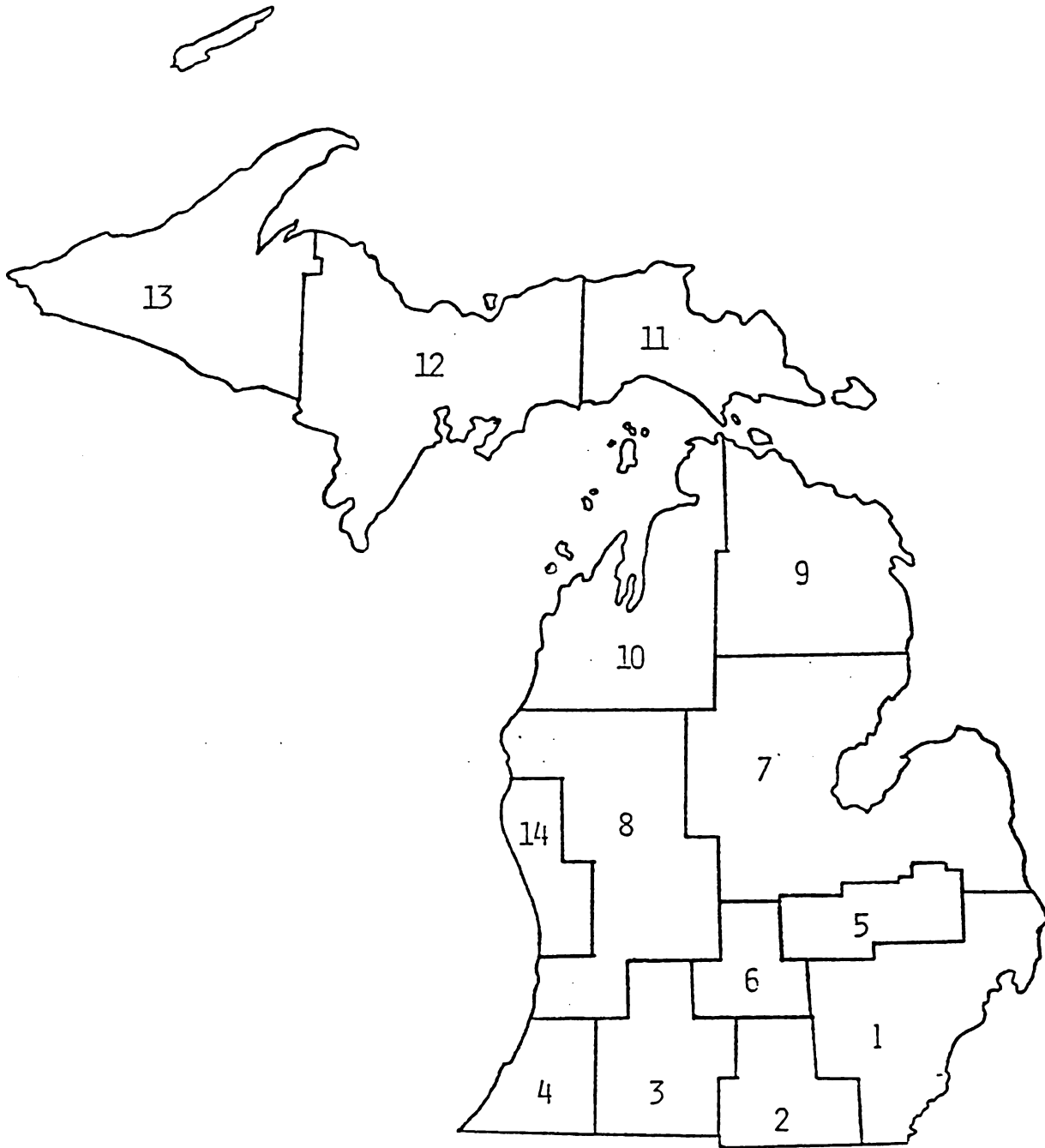


FIGURE 2. State Planning and Development Regions.

Describing priorities between state and local agencies and what projects to fund within each would encourage a systems view of statewide recreation.

Since there is no comprehensive plan for specific targeted lands to acquire, the NRTF program and its administrators merely ensure the competent use of the trust fund money in seeing to it that projects acquired fall within stated objectives. The NRTF program administrators do not go out on their own to acquire specifically targeted lands. They rely on state or local agencies to bring projects to their attention by means of a proposal.

An impediment to policy analysis is the lack of data on rejected projects. A systematic comparison of the attributes of funded projects to the attributes of those rejected could possibly reveal something about policy implementation. Until very recently, little information was available even on the number of rejected projects, much less details on the characteristics of the rejected projects.

The available acquisition and expenditure data show little usefulness since they lack a basis for interpretation. For example, figures telling us that urban areas represented twenty percent of the acquisitions do not necessarily tell

us that the NRTF program did poorly in its efforts in urban areas. This figure may simply reflect the fact that relatively few proposals were submitted by or for these areas.

To give adequate program publicity to local government units and to ensure that all communities have a fair chance to submit proposals for NRTF consideration, maybe the program's staff should take the initiative to inform all communities at a given date each year when project applications are due. The state may take the responsibility to inform the counties and the counties in turn will have the responsibility of informing their communities.

In addition, the NRTF should have an inventory of the state's resources and subsequently target for acquisition and development those that meet their goals and objectives.

CHAPTER THREE

Recommendations and Conclusion

At various points throughout this paper, recommendations have been suggested. This section brings these suggestions together, and expands them to a coherent statement of recommendations.

Recommendation 1: The NRTF program needs to develop an action plan which targets certain specific lands for acquisition. In addition to the general objectives of the program, there is a need for a plan to buy specific recreation land and to develop specific recreation facilities. The NRTF program buys land throughout Michigan for recreation and protection of natural features. The NRTF program also assists a number of local government acquisitions. However, these lands and developments are considered for trust fund assistance only after being proposed by a DNR division or a local government unit. In addition to relying on local governments and divisions in State government such as the DNR, it will be more appropriate for the program to adopt a plan based perhaps on features identified as significant by the Michigan Natural Features Inventory.

This type of planning will help the NRTF program proceed to make acquisitions and developments by region, facility type and type of recreation resource. This will bring about a more effective recreation planning and will better identify the resources that need promotion or protection.

Recommendation 2: In reviewing the projects acquired through NRTF funding it is discovered that there has been no particular time frame within which an acquisition process has to be concluded. Projects on the average take two years from date of proposal to actual acquisition date but there are some which have been in the books pending acquisition for four years or more. As part of its policy, the program needs a built-in mechanism that will ensure a rapid and consistent method of acquisition or completion of project. In reviewing grant applications the NRTF administrators should stipulate a time frame for the project and also take into consideration how quickly the applicant completed previous NRTF grant projects, if any.

Recommendation 3: There is a need for recreation research and planning. The purpose of the NRTF act as stated in the legislation is to preserve and acquire land for their environmental significance and recreational value. It can be deduced that acquiring recreational land implies its use for recreational activities. This study measures the extent

to which the program has met its objectives. It is worthwhile to preserve and acquire recreational lands but it will be more useful to know whether or not these acquisitions are actually impacting on the communities' recreation program. It is evident that the amount and quality of recreation research is inadequate. There is definitely a need for a follow-up study after an NRTF project has been acquired. This follow-up study should determine if and how the projects repond to social and recreational needs. This also implies that there's a need to develop an acceptable way to measure user benefit of recreation facilities.

Recommendation 4: Greater efforts are needed to acquire urban recreational lands. It is note worthy that the NRTF program has directed a substantial amount of money to the urban areas in reponse to the large differences in population distributions and natural resources as they apply to recreation opportunities in the state. However, the amount of money spent in the urban area does not have a direct relationship on the amount of land acquired. This is because lands in urban centers are more expensive than lands in the rural areas. This in effect means that the natural resources in the rural areas, mostly, northern Michigan receive the greatest emphasis. These recreation resources are accessible to most Michigan residents living in the

populated southern regions only at considerable cost in time and money. Physical recreation resources such as forests, hills and mountains are limited in southern Michigan therefore there is a need for a plan which will emphasize the limited recreation potential in the urban areas in addition to the attempts to acquire lands in these areas.

Summary

This paper has examined Michigan's Natural Resources Trust Fund program. The program acquires land in the state for its environmental and recreational significance for public use. Decision on the lands to acquire is done by a trust fund board of directors based on the goals and objectives of the program. The focus of this paper was to examine how well the program's implementation has upheld its three most important objectives, the Urban Recreation Goal, Water Access Goal and Resource Protection Goal.

Examination of data has revealed that an impressive amount of water frontage has been acquired on many water bodies in the state thus providing access to these areas for the public.

An extensive amount of acquisitions has also been made of recreational lands and resources that are considered to be resources in need of protection. The remaining program goal

that was reviewed--the urban recreation goal--was also found to be composed with. Although a respectable share of funds (35%) has been expended in the urban areas, the corresponding acres acquired, acres acquired in the urban areas, falls below expectations considering the percentage of the state's population living in the urban areas.

Observations or recommendations that could enhance the implementation of the program to its full potential included a system's view of statewide recreation; a comprehensive plan of action for the acquisition of targeted recreational lands and natural resources based on a statewide natural resource inventory.

A third recommendation is that the program needs recreation research and planning to ensure that in addition to fulfilling the NRTF objectives of acquiring recreational lands, these acquisitions in turn translate into providing actual recreation benefits to the public. It was also found that there is a lack of specific time frame within which projects are handled. Although there is a deadline for requesting NRTF assistance each year for projects, the actual acquisition process can take anywhere from two to four years. This leads to the recommendation that the program needs a mechanism that will ensure a rapid and consistent method of acquisitions or completion of projects.

Finally, the author advocates more effort on the part of the program administrators in publicising the program for the benefit of local government units especially in urban areas. In addition, a better performance record in the urban areas of the state where a majority of the state's population resides should be considered a priority.

In closing, the author wishes to state that if the question is asked "how effective the NRTF program has been?", different answers can be given. One answer can be that the program has been very effective in acquiring thousands of acres of land. Another answer can be that, as far as the three goals reviewed here, the NRTF scored quite well;; two out of three is not bad. However, there are no studies yet on the program's adherence to the three other goals (wise investment, economic development, and community recreation). It is noted that there is no means of determining if acquiring recreational lands, as is required by the NRTF act and program, have indeed provided recreational benefits to communities. Maybe the program could benefit from the development of "a management information system ... to provide the information necessary to determine the results or outcomes of the program"4

Footnotes

- 1 Michigan Natural Resources Trust Fund Program, Goals, Guidelines and Project Evaluation Criteria 1985.
- 2 Michigan Recreation Plan 1979: Issues, Policy Recommendations and Management Actions.
- 3 C. W. Churchman "The System's Approach" describes a system as a set of parts coordinated to accomplish a set of goals.
4. Philip A. Wells "Allocating Land and Water Conservation Funds in Michigan: A Policy Analysis.

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- Michigan's 1986-87 Recreation Action Program: An Element of Building Michigan's Recreation Future by Michigan Department of Natural Resources
- Michigan, State of, Department of Natural Resources 1985. "Natural Resources Trust Fund, NRTF: Program Goals, Guidelines, and Project
- National Academy of Sciences and Bureau of Outdoor Recreation of U. S. Department of Interior. 1975 "Assessing Demand For Outdoor Recreation", Washington, D. C., U. S. Government Printing Office.
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APPENDIX

APPENDIX A

Act No. 204

Public Acts of 1976

Approved by Governor

July 23, 1976

STATE OF MICHIGAN

78TH LEGISLATURE

REGULAR SESSION OF 1976

Introduced by Senators Kammer, Hart, McCollough, Zollar, Huffman, DeGraw, Toepp, Brown, Byker, Plawecki, Holmes, O'Brien, Ziegler, Young, Nelson, Allen, Cartwright, Derezhinski, Cooper, Kildee, Pursell, Otterbacher, Bowman, Davis and Corbin

ENROLLED SENATE BILL NO. 1258

AN ACT to create a state recreational land acquisition trust fund to be funded by the sale of oil, gas, and mineral leases in the Pigeon river country state forest and in certain other land and from the royalties accruing from the oil, gas, and mineral leases sold in the Pigeon river country state forest and in certain other land; to create the state recreational land acquisition trust fund board of trustees and to prescribe its powers and duties; and to provide for the administration and uses of the fund.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the "Kammer recreational land trust fund act of 1976".

Sec. 2. As used in this act:

- (a) "Gas" means casinghead gas, or gas produced incidental to the production of oil.
- (b) "Mineral" means an inorganic substance that can be extracted from the earth, except for oil or gas, and includes rock, metal ores, coal, and mineral water.
- (c) "Oil" means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir.

Sec. 3. The state recreational land acquisition trust fund is created in the state treasury and shall be administered by the state recreational land acquisition trust fund board of trustees, hereafter called the board, which board shall be a division of the department of natural resources. The state treasurer shall direct the investment of the trust fund. The department of natural resources shall offer its cooperation and aid to the board and shall provide suitable offices and equipment for the board. In compliance with 16 U.S.C. sections 669 to 669i and 16 U.S.C. sections 777 to 777k, the interest and earnings of the fund shall be used exclusively for the purchase of land or rights in land as provided in sections 6 for hunting or fishing and recreational purposes including, but not limited to, camping, hiking, picnicking, and swimming, for those expenses authorized in section 7(5), and for the payment of any taxes owed by the state on the land.

Sec. 4. (1) The moneys accruing to the state from the royalties paid by persons extracting oil and gas from the Pigeon river country state forest under leases with the state and from gas, oil, and mineral extractions initiated after the effective date of this act on other lands for which the state has sold mineral, gas, or oil leases; and from the sale of additional oil and gas leases in the Pigeon river country state forest and from other mineral, gas, or oil leases the state enters into after the effective date of this act shall be deposited in the state recreational land acquisition trust fund. Money accrued in this section may be allotted to improve the multipurpose use of the Pigeon river country state forest.

(2) The trust fund shall not exceed the sum of \$100,000,000.00, excluding interest. When the trust fund contains the sum of \$100,000,000.00, excluding interest, additional moneys accruing to the state from the royalties or leases described in subsection (1) shall be deposited as provided by law, including section 5.

Sec. 5. In any 1 fiscal year, not more than 33-1/3% of the moneys accruing to the state pursuant to section 4(1) in the previous fiscal year may be used for the purposes for which the interest and earnings of the fund may be used for pursuant to section 3. However, the total expenditure of moneys permitted by this section in a fiscal year shall not exceed \$2,500,000.00. In any fiscal year at least 66-2/3% of the moneys accruing to the state pursuant to section 4(1) shall be deposited in the state recreational land acquisition trust fund.

Sec. 6. The board may acquire an easement from the owner of land in this state which shall restrict the development of the land pursuant to the easement agreement entered into between the parties. The form of the easement agreement shall be approved by the attorney general.

Sec. 7. (1) The board shall consist of 5 members. The members shall include the director of the department of natural resources, the chairman of the natural resources commission, and 3 citizens of the state to be appointed by the governor with the advice and consent of the senate. One of the appointed members shall be from a group representative of sportsmen's associations or interests.

(2) The terms of the appointive members shall be 3 years, except that of those first appointed, 1 shall be appointed for 1 year, 1 shall be appointed for 2 years, and 1 shall be appointed for 3 years.

(3) The appointive members may be removed by the governor for inefficiency, neglect of duty, or malfeasance in office.

(4) Vacancies on the board shall be filled for the unexpired term in the same manner as the original appointments.

(5) The board may incur expenses necessary to carry out its powers and duties under this act and shall compensate its members for actual expenses incurred in carrying out their official duties.

Sec. 8. (1) The board shall elect its own chairman and establish its own administrative procedures. It shall meet at least bimonthly and shall record its proceedings. All meetings shall be open to the public.

(2) On or before January 15 of each year the board shall report to the governor and to the legislature detailing the operations of the board for the preceding 1-year period. The board shall also make special reports as requested by the governor or the legislature.

Sec. 9. (1) The board shall determine which lands and rights in lands within the state should be acquired and shall submit to the legislature in January of each year a list of those lands and rights in lands it has determined should be acquired with fund money, compiled in order of priority.

(2) The list shall be accompanied by estimates of total costs for the proposed acquisitions.

(3) The board shall supply with each list a statement of the guidelines used in listing and assigning the priority of these proposed acquisitions.

(4) The legislature shall approve by law the lands and rights in lands to be acquired with fund money each year.

This act is ordered to take immediate effect.

STATE OF MICHIGAN

92ND LEGISLATURE

REGULAR SESSION OF 1984

Introduced by Reps. Bartnik, Middaugh, Gagliardi, Scott, DeMars, Hertel, Parrott, Spaniola, Porreca, Weeks, Pridnia, McNamee, Hoffman, Van Regensorter, DeLange, Hillegonds, Van Singel, Johnson, Strand, Power, Willis Bullard, Joe Young, Jr., Barnes, Mahalak, Sullivan, Nash, Brown, Cherry, Docherty, Hickner and Dodak.

Rep. McGee named co-sponsor.

ENROLLED HOUSE

JOINT RESOLUTION M

A JOINT RESOLUTION proposing an amendment to the state constitution of 1963, by adding section 35 to article IX, to establish the Michigan natural resources trust fund.

Resolved by the Senate and House of Representatives of the state of Michigan. That the following amendment to the state constitution of 1963, to establish the Michigan natural resources trust fund, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

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.

All money in the state recreational land acquisition trust and the heritage trust shall be transferred to the trust fund. The legislature may provide by law that revenues otherwise dedicated to the trust fund be distributed to the Michigan economic development authority under the terms and in amounts not to exceed the distributions allowed by law on March 30, 1984. The legislature shall provide by law that all rights acquired by holders of bonds heretofore issued by the Michigan economic development authority shall remain unimpaired.

The amount accumulated in the trust fund in any state fiscal year shall not exceed \$200,000,000.00, exclusive of interest and earnings, except that this limitation may be increased 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.

The legislature may provide that a portion, not to exceed 33-1/3 percent, of the revenues received by the trust fund during a fiscal year may be expended during the following fiscal year for the purposes of this section. Not less than 25 percent of the total expenditures from the trust fund in any fiscal year shall be expended for acquisition of land and rights in land, and not more than 25 percent of the total expenditures from the trust fund in any 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.

Resolved further. That the foregoing amendment shall be submitted to the people of the state at the next general election in the manner provided by law.

I hereby certify that on the twenty-second day of March, nineteen hundred eighty-four, the foregoing joint resolution was agreed to by the House of Representatives, by a two-thirds vote of all the Representatives-elect.

William A. Ryan Clerk of the House of Representatives

I hereby certify that on the thirteenth day of June, nineteen hundred eighty-four, the foregoing joint resolution was agreed to by the Senate, by a two-thirds vote of all the Senators-elect.

William C. Kandler Secretary of the Senate

PUBLIC ACT NO. 101
of 1985
Effective 7/30/85

STATE OF MICHIGAN
83RD LEGISLATURE
REGULAR SESSION OF 1985

Introduced by Senators Engler, K. Holmes, A. Cropsey and Shinkle

ENROLLED SENATE BILL NO. 144

AN ACT to provide for the implementation of section 35 of article IX of the state constitution of 1963 creating the Michigan natural resources trust fund; to establish the Michigan natural resources trust fund board; to establish the Michigan natural resources trust bondholder protection board; to require the transfer of money from certain trusts to the Michigan natural resources trust fund; to require the transfer of certain documents and records; to prescribe certain powers and duties of the Michigan natural resources trust fund board, the Michigan natural resources trust bondholder protection board, the state treasurer, the department of natural resources, and the department of treasury; to provide for certain distributions from the Michigan natural resources trust fund, and to repeal certain acts and parts of acts.

The People of the State of Michigan enact:

Sec. 1. This act may be known and shall be cited as the "Michigan natural resources trust fund act".

Sec. 2. As used in this act:

- (a) "Board" means the Michigan natural resources trust fund board established in section 7.
- (b) "Bondholder protection board" means the Michigan natural resources trust bondholder protection board created in section 11.
- (c) "Department" means the department of natural resources.
- (d) "Local unit of government" means a county, city, township, village, school district, the Huron-Clinton metropolitan authority, or any authority composed of counties, cities, townships, villages, or school districts, or any combination thereof, which authority is legally constituted to provide public recreation.
- (e) "Total expenditures" means the amounts actually expended from the trust fund as authorized by section 4(1) and (2).
- (f) "Trust fund" means the Michigan natural resources trust fund established in section 35 of article IX of the state constitution of 1963.

Sec. 3. (1) The Michigan natural resources trust fund is established in the state treasury. 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. However, the trust fund shall not include bonuses, rentals, delayed rentals, and royalties collected or reserved by the state from the following sources:

- (a) State owned lands acquired with money appropriated from the game and fish protection fund.
 - (b) State owned lands acquired with money appropriated from the subfund account created by former section 4 of the Kammor recreational land trust fund act of 1976, Act No. 204 of the Public Acts of 1976.
 - (c) State owned lands acquired with money appropriated from related federal funds made available to the state under 16 U.S.C. 669 to 669i or 16 U.S.C. 777 to 777k.
- (2) In addition to the contents of the trust fund described in subsection (1), the trust fund shall consist of money transferred to the trust fund pursuant to section 12.
- (3) The trust fund may receive appropriations, money, or other things of value.
- (4) The state treasurer shall direct the investment of the trust fund.

Sec. 4. (1) Subject to the limitations of this act and of section 35 of article IX of the state constitution of 1963, the interest and earnings of the trust fund in any 1 state fiscal year may be expended in the following state fiscal year only for the following purposes:

- (a) 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.
- (b) The development of public recreation facilities.
- (c) The administration of the fund, including payments in lieu of taxes on state owned land purchased through the trust fund.

(2) In addition to the money described in subsection (1), 33-1/3% of the money, exclusive of interest and earnings, received by the trust fund in any fiscal year may be expended in the following state fiscal year for the purposes described in subsection (1). However, the authorization for the expenditure of money provided in this subsection shall not apply after the fiscal year in which the total amount of money in the trust fund, exclusive of interest and earnings, exceeds the limitation on the fund prescribed in section 6.

(3) An expenditure from the trust fund may be made in the form of a grant to a local unit of government, subject to the following conditions:

- (a) The grant is used for the purposes described in subsection (1) and meets the requirements of either subdivision (b) or (c).
- (b) A grant for the purposes described in subsection (1)(a) is matched by the local unit of government or public authority with at least 25% of the total cost of the project.
- (c) A grant for the purposes described in subsection (1)(b) is matched by the local unit of government with 25% or more of the total cost of the project.

(4) Not less than 25% of the total expenditures from the trust fund in any fiscal year shall be expended for acquisition of land and rights in land, and not more than 25% of the total expenditures from the trust fund in any fiscal year shall be expended for development of public recreation facilities.

(5) During the first 3 fiscal years after the effective date of this act, not less than 15% of the total expenditures from the trust fund shall be expended for development of public recreational facilities. However, at the request of the legislature or the governor, the board may suspend the requirement of this subsection in order to permit the acquisition of land or rights in land of exceptional statewide significance.

Sec. 5. (1) The money received by the trust fund as bonuses, rentals, delayed rentals, and royalties from the term mineral interest previously held by the heritage trust under former Act No. 327 of the Public Acts of 1982 shall be distributed in the following order of priority:

(a) For deposit in the Michigan economic development fund created by section 5 of Act No. 70 of the Public Acts of 1982, being section 125.1905 of the Michigan Compiled Laws, or its successor, on the first day of each calendar quarter until the date on which the Michigan economic development authority or its successor makes the final payment of principal and interest on its economic development revenue bonds (oil and gas revenues), series 1982A, dated December 1, 1982:

(i) \$3,750,000.00, through September 30, 1987. (ii) \$5,000,000.00, after September 30, 1987.

(b) For deposit in the research center fund created by section 27 of Act No. 70 of the Public Acts of 1982, being section 125.1927 of the Michigan Compiled Laws, or its successor. \$1,000,000.00 on the first day of each calendar quarter up to a total of \$25,000,000.00, less the total amount deposited in the research center fund and its successor, if any, before the effective date of this act.

(2) If a quarterly payment is less than the amounts specified in subsection (1)(a) and (b), other payments within the fiscal year of the state shall be increased so that the total quarterly payments in the fiscal year shall equal the aggregate quarterly payments for that fiscal year as specified in subsection (1) and to the extent that funds are available. On each quarterly payment date, priority shall be given to the payments for the Michigan economic development fund or its successor. However, payments not made within the fiscal year shall not be carried forward to increase the quarterly amounts specified in subsection (1)(a) and (b) in any succeeding fiscal year.

(3) The amounts transferred pursuant to subsection (1)(a) shall be deposited in accounts as provided by the master bond resolution for the economic development revenue bonds (oil and gas revenues), series 1982A, dated December 1, 1982. However, to the extent that any portion of the amounts transferred pursuant to subsection (1)(a) is deposited in the surplus account established by the master bond resolution, that portion shall be subject to the following:

(a) During each of the state fiscal years beginning after September 30, 1985, and through the state fiscal year beginning October 1, 1992, the receipts and balance of the surplus account, up to \$5,250,000.00 annually, shall be utilized for the authorized purposes of the Michigan economic development fund created by section 5 of Act No. 70 of the Public Acts of 1982, or its successor.

(b) During each of the state fiscal years beginning after September 30, 1985, and through the state fiscal year beginning October 1, 1990, the receipts and balance of the surplus account, up to \$2,667,000.00 annually, shall be utilized by the Michigan economic development authority, or its successor, for the purposes of the research center fund created by Act No. 70 of the Public Acts of 1982, or its successor.

(c) If the maximum amounts described in subdivisions (a) and (b) are not available in any state fiscal year, the available funds shall be divided for the purposes described in subdivisions (a) and (b) in the same proportion as the maximum amounts are allocated in subdivisions (a) and (b). If the maximum amounts described in subdivisions (a) and (b) are not available in any 1 or more fiscal years, the deficiency or deficiencies shall be recaptured for utilization in any state fiscal year commencing before October 1, 1994, when the amount of the deficiencies becomes available.

(d) During each of the state fiscal years beginning after September 30, 1990, and through the state fiscal year beginning October 1, 1993, the receipts and balance of the surplus account, to the extent that they exceed the annual distributions described in subdivisions (a) and (b) and up to \$5,000,000.00 annually, or up to the sum of \$5,000,000.00 and the amount by which the amount available under this subdivision during the previous state fiscal year was less than \$5,000,000.00, whichever is greater, may be authorized by the legislature to be utilized for the purposes authorized by law for either the research center fund or its successor, or the Michigan economic development fund or its successor, or may be divided for both purposes.

(e) Any amount remaining in the surplus account after the distributions described in subdivisions (a), (b), (c), and (d) have been made shall be retained in the surplus account until the date on which the Michigan economic development authority or its successor makes the final payment of principal and interest on its economic development revenue bonds (oil and gas revenues), series 1982A, dated December 1, 1982, and then shall be deposited in the trust fund.

(4) After all of the distributions described in subsections (1) and (2) have been made for a state fiscal year, the balance of any money received as bonuses, rentals, delayed rentals, and royalties from the term mineral interest previously held by the heritage trust shall be retained by the trust fund, subject to the limitations described in section 6, and shall be available to be expended as provided in section 4.

(5) The deposits required in subsections (1)(a) and (b) and (2) shall be made by the state treasurer, at the direction of the bondholder protection board created in section 11. The bondholder protection board shall file a report with the board immediately after directing that any deposits required in subsections (1)(a) and (b) and (2) be made, stating the amounts of money deposited, the date the deposits were made, and the extent to which subsection (2) has been applied. Before January 9 of each year, the bondholder protection board shall report to the board detailing the operations of the bondholder protection board for the most recently completed state fiscal year.

Sec. 6. The amount accumulated in the trust fund shall not exceed \$200,000,000.00, exclusive of interest and earnings. Any amount of money that would be a part of the trust fund but for the limitation stated in this section shall be deposited as provided by law. However, only the balance remaining after the operation of section 5(1) and (2) shall be subject to this section.

Sec. 7. (1) The Michigan natural resources trust fund board is established within the department. The department shall offer its cooperation and aid to the board and shall provide suitable offices and equipment for the board.

(2) The board shall consist of 5 members. The members shall include the director of the department of natural resources or a member of the commission of natural resources, as determined by the commission of natural resources, and 4 residents of the state to be appointed by the governor with the advice and consent of the senate.

(3) The terms of the appointive members shall be 4 years, except that of those first appointed. 1 shall be appointed for 1 year, 1 shall be appointed for 2 years, 1 shall be appointed for 3 years, and 1 shall be appointed for 4 years.

(4) The appointive members may be removed by the governor for inefficiency, neglect of duty, or malfeasance in office.

(5) Vacancies on the board shall be filled for the unexpired term in the same manner as the original appointments.

(6) The board may incur expenses necessary to carry out its powers and duties under this act and shall compensate its members for actual expenses incurred in carrying out their official duties.

Sec. 8. (1) The board shall elect a chairperson and establish its administrative procedures. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. The board shall meet not less than bimonthly and shall record its proceedings. A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(2) Before January 16 of each year, the board shall report to the governor and to the legislature detailing the operations of the board for the preceding 1-year period. The board shall also make special reports as requested by the governor or the legislature.

Sec. 9. (1) The board shall determine which lands and rights in land within the state should be acquired and which public recreation facilities should be developed with money from the trust fund and shall submit to the legislature in January of each year a list of those lands and rights in land and those public recreation facilities that the board has determined should be acquired or developed with trust fund money, compiled in order of priority.

(2) This list shall be accompanied by estimates of total costs for the proposed acquisitions and developments.

(3) The board shall supply with each list a statement of the guidelines used in listing and assigning the priority of these

proposed acquisitions and developments.

(4) The legislature shall approve by law the lands and rights in land and the public recreation facilities to be acquired or developed each year with money from the trust fund.

Sec. 10. (1) Beginning on the effective date of this act, the board shall adopt as its own any decision made by the state recreational land acquisition trust fund board of trustees under the Kammer recreational land trust fund act of 1976, former Act No. 204 of the Public Acts of 1976, and shall administer to completion any project pending under that act.

(2) Appropriations made pursuant to former Act No. 204 of the Public Acts of 1976 shall remain valid after the effective date of this act and may be expended until the projects approved through the appropriations are complete. Any funds appropriated pursuant to former Act No. 204 of the Public Acts of 1976 but unexpended after completion of the projects funded under that act shall be deposited in the trust fund and may be appropriated as natural resources trust funds.

(3) Funds available for appropriation under former Act No. 204 of the Public Acts of 1976 as of October 1, 1985, but not appropriated as of that date, may be appropriated by the legislature under the terms and conditions of that act. Any funds appropriated as provided in this subsection but unexpended after completion of the projects for which the money was appropriated shall be deposited in the trust fund and may be appropriated as natural resources trust funds.

(4) The interest and earnings on money appropriated pursuant to former Act No. 204 of the Public Acts of 1976 or subsection (3) but not expended shall be deposited in the trust fund.

Sec. 11. (1) The Michigan natural resources trust bondholders protection board is created within the department of treasury. The bondholder protection board shall exercise its powers, duties, and functions independently of the state treasurer. However, all budgeting, procurement, and related management functions shall be performed under his or her direction and supervision.

(2) The bondholder protection board shall consist of the state treasurer, the chairperson of the Michigan economic development authority or its successor, and the director of the department of natural resources. The bondholder protection board shall elect a chairperson and establish its administrative procedures.

(3) The bondholder protection board shall carry out the duties described in section 5.

(4) The bondholder protection board may incur expenses necessary to carry out its powers and duties under this act and shall compensate its members for actual expenses incurred in carrying out their official duties.

(5) The business which the bondholder protection board may perform shall be conducted at meetings of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. The bondholder protection board shall meet not less than quarterly and shall record its proceedings. A writing prepared, owned, used, in the possession of, or retained by the bondholder protection board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

Sec. 12. On the effective date of this act, the state treasurer shall do the following:

(a) Transfer to the game and fish protection fund any money in the subfund account created by former section 4 of the Kammer recreational land trust fund act of 1976, Act No. 204 of the Public Acts of 1976.

(b) Transfer to the trust fund any money remaining in the state recreational land acquisition trust fund created in the Kammer recreational land trust fund act of 1976, former Act No. 204 of the Public Acts of 1976, after the transfer required by subdivision (a) is accomplished.

(c) Transfer to the trust fund any money or other assets in the heritage trust fund created in the heritage trust fund act of 1992, former Act No. 327 of the Public Acts of 1992.

(d) Transfer from the general fund to the trust fund an amount of money equal to all the money received by the general fund

between the date on which section 35 of article IX became part of the state constitution of 1963 and the effective date of this act from 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 money from bonuses, rentals, delayed rentals, and royalties excluded from the trust fund under section 3(1).

Sec. 13. (1) On the effective date of this act, the department of natural resources shall transfer any writing or document prepared, owned, used, in the possession of, or retained by the state recreational land acquisition trust fund board of trustees under former Act No. 204 of the Public Acts of 1976 to the Michigan natural resources trust fund board.

(2) On the effective date of this act, the department of treasury shall transfer any writing or document prepared, owned, used, in the possession of, or retained by the heritage trust fund board of trustees under former Act No. 327 of the Public Acts of 1982 shall be transferred to the Michigan natural resources trust fund board or the bondholder protection board, as appropriate to the function of each board.

Sec. 14. The state pledges and agrees with the holders of bonds and notes issued pursuant to law and outstanding in anticipation of the distributions made under this act or the heritage trust act of 1982, former Act No. 327 of the Public Acts of 1982, which distributions have been pledged to the repayment of bonds or notes, that the state shall not limit or alter the distributions as are provided in this act or the heritage trust act of 1982, former Act No. 327 of the Public Acts of 1982, and shall not impair the rights and remedies of the holders until the bonds or notes, together with the interest on the bonds or notes and interest on any unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of those holders, are fully met and discharged, and, to that end, a beneficial interest herein is granted to the issuer of the bonds or notes. The issuer of any bonds or notes is authorized to include this pledge and agreement of the state in an agreement with the holders of the bonds or notes.

Sec. 15. The following acts and parts of acts are repealed:

- (a) Act No. 327 of the Public Acts of 1982, being sections 318.421 to 318.434 of the Michigan Compiled Laws.
- (b) Act No. 204 of the Public Acts of 1976, being sections 318.401 to 318.413 of the Michigan Compiled Laws.

Sec. 16. This act shall take effect October 1, 1985.

This act is ordered to take immediate effect.

APPENDIX B

Requirements for Proposal Consideration

There are prescribed requirements which must be followed by all proposal sponsors before a project will be considered for NRTF assistance.

- 1) Proposed local government fund recipients must have a recreation plan no more than five years old, which must be approved by the DNR.
- 2) All local government proposals submitted for grant consideration must be documented in the applicant's recreation plan. Documentation requires that the proposal be supported as a need of the community, and that the project be included in a capital improvement schedule in the plan.
- 3) Sponsors should be aware that if their proposals are funded, they must comply with all state regulations regarding barrier-free access in all construction.
- 4) Local proposal sponsors must provide assurance that if awarded a NRTF grant, the proposal will be undertaken. A copy of an officially adopted budget, including the local share of the proposal, or a resolution from the governing body stating that the proposal will be undertaken if a grant is awarded, must be submitted with the proposal.
- 5) Proposed fund recipients must make their recreation facilities available on a non-discriminatory basis.
- 6) Sponsors must not have an unfinished NRTF proposal over three years old.
- 7) Expected project completion date must be within 2 years (one year for acquisition) of expected beginning date.
- 8) Regional Planning Agency review is required to ensure public participation. Local and state applicants are required to send a copy of their transmittal letters to the Regional Planning Agency along with their proposals to the DNR by the April 1st deadline.
- 9) On development proposals, all sponsors must have adequate control of the property proposed for development. Fee title is preferred, but leases of a minimum of 20 years may be acceptable.

APPENDIX C

MICHIGAN NATURAL RESOURCES TRUST FUND LAND ACQUISITION CRITERIA

PROPOSAL NAME AND # _____

Check every factor that is true in each category unless otherwise noted:

<u>CRITERIA CATEGORY</u>	<u>Possible Point Value</u>
1. IN OR NEAR URBAN AREA:	
The site is within one hour's driving time from the center of a major city in a Michigan SMSA	<u>5</u>
The site is within one-half hour's driving time from the center of a major city in a Michigan SMSA	<u>2</u>
The site is in an urbanized area of a SMSA or in an area exhibiting characteristics of an urbanized area	<u>3</u>
2. WATER FRONTAGE OF FLOODPLAIN:	
The site will provide access to a floodplain and/or inland lake, river, stream or other small water body of consequence	<u>3</u>
Use of the floodplain or water body is a significant element of the plan for this site	<u>7</u>
3. RARE AREA OR RESOURCE:	
The features of the area or resources: (<u>CHECK ONLY ONE</u>)	
have a low level of occurrence throughout the region	<u>5</u>
have a low level of occurrence throughout the state	<u>7</u>
are rare for the state	<u>10</u>
4. FRAGILE AREA OR RESOURCE:	

- The proposal is to acquire a fragile area or resources 7
- Losing this fragile area or resource would have significant impact beyond the site 3
5. SCENIC AREA OR RESOURCE:
- The proposal will provide access to outstanding and aesthetic panoramic views or will provide access to picturesque natural features 2
- The scenic qualities are of regional significance and interest 3
- The scenic qualities are of statewide significance 5
6. PROTECTION FOR ENDANGERED AND THREATENED SPECIES
- The proposal is to protect essential habitat for endangered and threatened species and such use by the public is not likely to create threats to the essential habitat for endangered and threatened species 0-10
7. INNOVATIVE RECREATION OPPORTUNITY
- The proposal offers potential for demonstrating innovative ideas in recreation or natural resource management 3
- The innovative ideas have potential broad, longterm benefits to society 7
8. EDUCATIONAL RECREATION OPPORTUNITY
- As a significant element of their proposal, the interested agency has demonstrated capability and a definite commitment to offer educational experiences which will develop awareness of nature and/or the importance of recreation or natural resource management 3
- AND these educational experiences are a primary, active element of the overall use plan 7
9. ACCESS TO AND USE OF GREAT LAKES

The proposal will provide access to Great Lakes or connecting waters	<u>7</u>
Use of the Great Lakes or connecting waters is a significant element of the plan for this site	<u>8</u>
10. PIGEON RIVER COUNTRY STATE FOREST	
The proposal involves acquisition of land or capital improvements in the Pigeon River Country State Forest	<u>10</u>
11. FISH AND WILDLIFE RELATED OPPORTUNITIES	
The proposal will provide quality hunting, fishing, or other fish and wildlife recreation opportunities	<u>5</u>
The hunting, fishing or other fish and wildlife recreation opportunities are a primary element of the overall use plan	<u>5</u>
12. LOSS OF THE RESOURCE	
There is imminent threat of public loss of this opportunity	<u>4</u>
The resource is under imminent threat of alteration or destruction	<u>4</u>
This resource, if lost, is irretrievable	<u>4</u>
13. RECREATION USE POTENTIAL	
The proposal will provide multi-activity recreation opportunities	<u>5</u>
The proposal will provide year-round recreation opportunities	<u>5</u>
14. AVAILABILITY OF SIMILAR FACILITIES	
Recreation opportunities afforded by this proposal:	
fulfill a documented need of the target population	<u>7</u>
are not readily available to the target population	<u>3</u>

15. RECREATION SUITABILITY OF THE SITE

This site is suitable for the intended used
and offers capacity for full public use

10

16. EXISTING PUBLIC OWNERSHIP

The proposed site is within the designated
boundaries of existing public ownership or is
a link in an existing continuous belt of
public ownership

2

The proposal site is contiguous to existing
public ownership

2

The proposal will significantly enhance the
recreation value of the existing public
ownership

6

17. PERCENTAGE OF TRUST FUNDS

The proposal is for the Michigan Land Trust
Fund to provide the following percentage of
acquisition costs: (CHECK ONLY ONE)

75% or less	<u>0</u>
70% or less	<u>1</u>
65% or less	<u>2</u>
60% or less	<u>3</u>
55% or less	<u>4</u>
50% or less	<u>5</u>
45% or less	<u>6</u>
40% or less	<u>7</u>
35% or less	<u>8</u>
30% or less	<u>9</u>
25% or less	<u>10</u>

APPENDIX B

ACT 362

NRTF ACQUISITION OF WATER FRONTAGE BY COUNTY AND REGION

REGION	COUNTY	ACRES	FRONTAGE
I	-	-	-
II	Issabella	154	5,280.00 Chippewa River
	Kalkaska	222	2,640.00 Skegemog Lake
			1,129.00 Torch River
III	Allegan	291	2,390.00 Lake Michigan
TOTAL		667	11,439.00

ACT 19

I	Baraga	275.00	11250.00 Lake Superior
II	Crawford,Iosco, Kalkaska,Oscoda & Wexford	17649.30	34320.00 AuSable River
	Grand Traverse	3.70	242880.00 Manistee River
	Kalkaska	189.30	895.00 Grand Traverse
	Roscommon	5.00	4320.00 Torch River
			476.00 Houghton Lake
III	Allegan	79.80	970.00 Lake Michigan
	Berrien	120.00	3200.00 St. Joseph River
	Eaton	89.26	4000.00 Grand River
	Jackson & Washtenaw	27.35	2000.00 Little Pleasant
	Lapeer	869.94	12244.00 Flint River
	Ottawa	4.5	244.00 Lake Macatawa
TOTAL		19308.65	316555.00

I	-	-	-
II	Bay	308	1300.00 Saginaw Bay
	G.Traverse	3	363.00 G.Traverse Bay
	Iosco	1	132.00 Tawas Bay
	Manistee	97	2200.00 Lake Michigan
III	Allegan	34	415.00 Lake Michigan
	Allegan	8	726.00 Lake Michigan
	Allegan	38	1699.00 Kalamazoo River

			Rossmore Creek
	Huron	3	210.00 Lake Huron
	Jackson	290	2600.00 Green Lake
	Lapeer	231	5400.00 Flint River
	Lapeer	140	7900.00 Flint River
	Livingston	78	3000.00 Indian&Patterson
	Macomb	56	2500.00 Clinton River
	Macomb	21	1945.00 Salt River Mars
	Muskegon	120	5150.00 Cedar Creek
	St. Clair	95	7200.00 Middle Channel
	St. Joseph	5	1600.00 St.Joseph River
	Washtenaw	27	2500.00 Fleming Creek
	Wayne	6	176.00 Detroit River

TOTAL		1,560	47016.00
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ACT223

I	Baraga		1,850 Lake Superior
	Marquette	421.17	6,000 Big Huron River

II	Antrim&Kalkaska	216.45	5300.00 Torch River and Skegemog Lake
	Charlevoix	1.00	120.00 Lake Michigan
	Lake	30.00	1,850.00 Pere Marquette
	Leelanau	63.00	1,320.00 Lake Michigan
	Otsego	465.00	1,980.00 Pigeon River
	Otsego	6,440.00	57,869.00 Sturgeon River
			9,715.00 Club Stream
			11,299.00 Pickerel Creek
	Presque Isle	19.91	1,238.00 Lake Huron

III	Allegan	96.44	5,200.00 Kalamazoo River
	Allegan	1 lot	50.00 Lake Michigan
	Allegan	173.88	5,000.00
	Clinton	110.20	2,800.00 Mud Lake
	Eaton	5.00	550.00 Grand River
	Ionia	37.00	1,350.00
	Kent	27.00	1,900.00 Rogue River
	Kent	3.42	630.00 Rogue River
	Kent	14.60	1,100.00
	Kent	2.97	525.00 Rogue River
	Kent	141.04	4,400.00 Rogue River
	Livingston	284.04	1,320.00 Stream and

			1,320.00 Deep Gravel Pit
	Maconb	5.51	107,738.00 Clinton River
	Maconb	7.02	887.00 Salt River
	Maconb&Oakland	5.76	1,320.00 Clinton River
	Muskegon	70.5	1,500.00 Maple River
	Oakland	21.1	800.00 Pickerel Lake
	Tuscola	36.6	2,900.00 Saginaw Bay
	Washtenaw	92.28	2,000.00 Green Lake
	Wayne	12.5	500.00 Detroit river

TOTAL		8,835.39	243,531.00
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ACT 201

I	Menominee	0.74	116.00 Green Bay
II	Alpena	161.61	4,800.00 Lake Huron
	Alpena	537.00	7,920.00 Thunder Bay
	Alpena	15.70	518.00 Lake Huron
	Antrim	155.00	2,200.00 Jordan River
	Crawford,Oscoda, Kalkaska,Wexford, & Missaukee	2,442.58	76,701.20 Manistee River
	Emmet	850.00	7,700.00 Lake Michigan
	Leelanau	86.00	2,700.00 Lake Michigan
	Wexford	20.10	750.00 Lake Mitchell
			460.00

III	Allegan	843.00	44,668.80 Kalamazoo River
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Genesee	46.75
Ingham	50.00
Ionia	343.00
Ionia	48.00
Jackson&Washtenaw	112.37
Lapeer	135.78
Monroe	6,161.00
Muskegon	41.32
Oakland	30.00
Oakland	15.00
St. Clair	200.00

1,300.00	Looking Glass L
3,000.00	Saubee Lake
1,300.00	Holloway Reserv
4,650.00	Red Cedar River
5,280.00	Grand River
1500.00	Spencer Creek
2,000.00	Little Pleasant
2,640.00	Davison Lake
1,320.00	Lake Erie
1,000.00	Lost Lake
400.00	Bass Lake
900.00	Crotched Lake
7,500.00	Black River

St. Clair	166.96
St. Clair	240.00
Washtenaw	28.76
Washtenaw	21.44

8,800.00	Black River
2,800.00	Black River
1,320.00	Island Lake
1,350.00	Huron River

TOTAL	12,939.51
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199,349.00

ACT 429

I	Delta	20
	Mackinac	5.81
	Menominee	0.7

2,580.00	Lake Michigan
1,600.00	Lake Huron
320.00	Green Bay

II	Antrim	93.6
	Berrien	3.4
	Crawford	2.2
	Crawford	9.19
	Crawford	6
	Crawford	2.04
	Emmet	18
	Grand Traverse	48
	Newaygo	56.2
	Newaygo	93.4
	Newaygo	274.1
	Presque Isle	269.6
	Roscommon	2.66

1,200.00	Jordan River
755.00	St. Joseph River
257.00	AuSable River
800.00	
327.00	AuSable River
400.00	Manistee River
159.50	Lake Michigan
100.00	Fife Lake
4,180.00	Muskegon River
5,940.00	Muskegon River
10,195.00	Muskegon River
660.00	Trout River
174.00	Houghton Lake

Allegan	37.94	1,700.00 Kalamazoo River
Berrien	3.4	755.00 St. Joseph River
Berrien	490.5	4,015.00 Lake Michigan
Cass	0.16	30.00 Long Lake
Cass	14.6	47.90 Diamond Lake
Clinton	16	1,720.00 Maple River
Ionia	62.34	1,980.00 Grand River
Kalamazoo	2.2	650.00 Morrow Pond
Livingston	259.1	5,800.00 Trout Lake
Montcalm	20	400.00 Dickerson Creek
Montcalm	170	2,000.00 Fish Creek
Muskegon	28.01	1,500.00 Muskegon River
Ottawa	163	5,280.00 Grand River

Ottawa	1	90.00 Lake Macatama
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TOTAL	2241.23	57,815.40
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ACT 105
(most of these are pending approval)

I	-	-	-
II	Alcona	12.78	400.00 Hubbard Lake
	Alcona	15.00	530.00 Hubbard Lake &
			1,700.00 W. Branch River
	Newaygo	140.90	7,160.00 Muskegon River
	Newaygo	102.58	1,320.00 Muskegon River
	Newaygo	274.10	10,195.00 Muskegon River
	Presque Isle	9.41	1,500.00 Harbor

III	Berrien	259.77	3,380.00 Lake Michigan
	Gratiot	72.00	3,960.00 Pine River

TOTAL	886.54	30,145.00
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GRAND TOTAL	46,438.67	905,850.40
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MICHIGAN STATE UNIVERSITY LIBRARIES



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