

**Resolution #9**  
**Required 2/3 Majority**

**Submitted by:** Patrick Hogan, Member  
**MUCC Region:** 8  
**Passed:** September 2020 MUCC Annual Convention  
**Title:** **Diversify Funding For Michigan Natural Resources Trust Fund**

1 **WHEREAS**, The Michigan Natural Resources Trust Fund (MNRTF) has been in place since 1976. It  
2 provides grants to local governments and the Department of Natural Resources (DNR) to purchase land or  
3 rights in land for public recreation or protection of land because of its environmental importance or its  
4 scenic beauty. It also assists in the appropriate development of land for public outdoor recreation; and

5 **WHEREAS**, the sources of funds for the MNRTF are annual revenues from the development of State-  
6 owned mineral resources, largely oil and gas. The program is administered by the MNRTF Board of  
7 Trustees and the Grants Management office of the DNR; and

8 **WHEREAS**, leasing of the state-owned oil and gas rights for exploration and development offered in a  
9 public auction generates revenue in three ways:

- 10 • Lessees pay a “bonus” to acquire the lease rights;
- 11 • Lessees pay rent on acreage leased; and
- 12 • Lessees pay royalties.

13 Royalty payments are a percentage of the gross value of the oil or gas produced and are determined at the  
14 time the product is sold; and

15 **WHEREAS**, in accordance with section 35 of article IX of the state constitution of 1963, the MNRTF is  
16 established in the state treasury. The trust fund shall consist of all bonuses, rentals, delayed rentals, and  
17 royalties collected or reserved by the state under provisions of leases for the extraction of nonrenewable  
18 resources from most state-owned lands; and

19 **WHEREAS**, Michigan's natural gas production has declined over the past two decades, and in 2017  
20 Michigan's gross withdrawals of natural gas were less than one-third of the state's 1997 peak<sub>1</sub>; and

21 **WHEREAS**, the MNRTF has reached its \$500 million cap, with new revenue being directed to the State  
22 Park Endowment Fund; and

23 **WHEREAS**, the SPEF has a cap of \$800 million and is currently at roughly \$255 million in 2018; and

24 **WHEREAS**, The Michigan State Parks System is in need of substantial reinvestment to continue to  
25 respond to customers' needs and also reflect current recreational trends appropriate to a state system.

26 Maintenance and improvement were identified as priority needs by the Governor's Blue-Ribbon Panel on  
27 State Parks and Outdoor Recreation, which undertook a comprehensive review of the state park system in  
28 Michigan. The Department of Natural Resources (DNR) agrees with this assessment; and

29 **WHEREAS**, the amount of annual funding available to support basic infrastructure needs continues to be  
30 insufficient to adequately address the backlog of maintenance, repair, and improvement projects; NOW,

31 **THEREFORE, BE IT RESOLVED**, that Michigan United Conservations Clubs use the strength of its  
32 40,000 plus hunters, anglers, trappers and conservationists and over 200 affiliated local clubs around the  
33 state to support an addition to the MNRTF to include the extraction of renewable resources, or creation of  
34 renewable energy; and

35 **BE IT FURTHER RESOLVED**, that MUCC work with our state legislature to see that Bonuses for  
36 lease rights, rent on acreage, and percentage of gross values of solar and wind energy creation is  
37 deposited into the MNRTF, and ultimately the SPEF; and

38 **BE IT FURTHER RESOLVED**, that MUCC work with the legislature to see that these Bonuses for  
39 lease rights, rent on acreage, and percentage of gross values will not negatively impact the establishment  
40 of renewable energy sources.

41 [https://www.eia.gov/dnav/ng/ng\\_sum\\_lsum\\_dcu\\_SMI\\_a.htm](https://www.eia.gov/dnav/ng/ng_sum_lsum_dcu_SMI_a.htm)