

## SPECIAL REVENUE FUNDS – CONSERVATION, ENVIRONMENT, AND RECREATION RELATED

### GAME AND FISH PROTECTION FUND

Established in 1921, this fund operates under MCL Sections 324.43546, 324.43553, 324.43556, and 324.43557 and is financed principally by the sale of hunting and fishing licenses. The license fees are set by statute and their purpose is to support the conservation program for preservation and control of fish and wildlife. The fund also receives funding from the Game and Fish Protection Trust Fund. The fund provides financial support for statewide hunting and fishing programs, including resource management, research, enforcement of hunting and fishing laws, and acquisition of lands to be used for hunting and fishing purposes.

### MICHIGAN STATE WATERWAYS FUND

Established in 1947, this fund operates under MCL Sections 324.78105, 324.78110, 324.78111, and 324.78115. The fund receives portions of watercraft registration fees and gasoline taxes, some of which are collected by other State agencies and transferred to this fund. The fund provides for improvement of lake harbors and inland waterways; construction, operation, and maintenance of recreational boating facilities; property acquisition; and administration.

In fiscal year 2003, P.A. 746 of 2002, Section 1602 required the transfer of \$7.8 million from this fund to the General Fund. Section 1602(3) states that "It is the intent of the legislature that in the future the General Fund reimburse the State Waterways Fund." No receivable is recorded in this fund for this commitment because there is no repayment schedule and the repayment is considered long-term and budgetary in nature.

### MARINE SAFETY FUND

Established in 1967, this fund operates under MCL Sections 324.44511, 324.44518, 324.80115, 324.80118, and 324.80119. The fund is financed principally by 49% of watercraft registration fees imposed by this law. The fund provides for water safety education programs, law enforcement, and regulation of watercraft on the waters of this State.

### GAME AND FISH PROTECTION TRUST FUND

This fund was established in 1986 and operates under MCL Sections 324.43702 – 324.43704, to restrict certain assets for the purpose of generating interest and earnings for transfer to the Game and Fish Protection Fund. In addition, the Legislature may appropriate up to \$6 million annually for use by the Game and Fish Protection Fund. Mineral royalties from lands acquired by the Game and Fish Protection Fund; direct sale proceeds; and other revenues, which, by statute, are retained for permanent investment, provide additional investment funding.

### STATE PARK IMPROVEMENT FUND

Established in 1960, this fund operates under MCL Section 324.74108. The fund is primarily financed by State park use and concession fees and motor vehicle permit fees necessary for entry by motor vehicles into designated State parks. These fees are the primary funding source for the operation, maintenance, debt service, and improvements of the State Park system. Revenues of this fund are pledged as necessary for repayment of State Park Gross Revenue Bonds.

### COMBINED RECREATION BOND FUND - LOCAL PROJECTS

Established in 1988, this fund operates under MCL Sections 324.19606 - 324.19612, 324.19615, 324.71303, and 324.71506 - 324.71508. The residual balances in this fund reflect proceeds and investment earnings remaining from two bond packages: \$70 million of general obligation bonds approved by voters in November 1988, as part of a \$140 million bond package for financing state and local public recreation projects, and \$50 million of general obligation bonds approved by voters in November of 1998, as part of a \$675 million bond package known as the "Clean Michigan Initiative." Proceeds from the 1988 bond package provide grants and loans to local units of government in the amounts of \$65 million for local recreation projects and \$5 million to discourage development of open space and underdeveloped lands. Proceeds from the 1998 bond package also provided grants to local units of government for local recreation projects pursuant to MCL Section 324.71602.

#### COMBINED ENVIRONMENTAL PROTECTION BOND FUND

This fund, which is administered by the Department of Environmental Quality (DEQ), was established by MCL Section 324.19506 to account for the proceeds of \$660 million of Environmental Protection general obligation bonds approved by Michigan voters in November 1988. The statute specifies that the proceeds of these bonds be available to clean up sites of toxic and other environmental contamination, for solid waste projects, to capitalize the State Water Pollution Control Loan Fund, and to fund Michigan's participation in a regional Great Lakes Protection Fund.

Michigan Compiled Laws Sections 324.95101 – 324.95108 expanded this fund to account for the proceeds of \$570 million of Clean Michigan Initiative general obligation bonds approved by Michigan voters in November 1998. The statute directs that bond proceeds be used for environmental response activities at facilities, waterfront improvements, remediation of contaminated lake and river sediments, nonpoint source pollution prevention and control projects or wellhead protection projects, water quality monitoring and water resources protection, pollution control activities, and pollution prevention programs.

Michigan Compiled Laws Sections 324.5201 – 324.5304 and 324.19701 – 324.19708, expanded this fund to account for the proceeds of \$1 billion of Great Lakes Water Quality general obligation bonds approved by Michigan voters in November 2002. The law directs that bond proceeds be used to finance sewage treatment works projects, storm water projects, and nonpoint source projects that improve the quality of the waters of the State. This fund records the bond proceeds and the administrative costs of DEQ. All programmatic loan and grant payments are reported in the financial statements of the Michigan Municipal Bond Authority, a discretely presented component unit.

#### MICHIGAN NONGAME FISH AND WILDLIFE FUND

Established in 1983, the fund currently operates under MCL Sections 324.43902 - 324.43907. Fund revenues are used to finance research and management of nongame fish and wildlife, designated endangered species, and designated plant species of this State. The fund may receive transfers from other funds, donations, investment income, and revenue from specialty license plate sales.

#### FOREST DEVELOPMENT FUND

This fund was established in 1993, along with the Michigan Forest Finance Authority, and operates under MCL Sections 324.50507 – 324.50508. The Authority is authorized to acquire standing timber, timber cutting rights, and the State's interest in contracts granting cutting rights on State tax reverted lands and on other lands in the State forest system. Revenues are derived from the sale of forest products, and are pledged to provide debt service on any bonds or notes that might be issued by the Authority. Revenues not used for debt service are major funding sources for the Forest, Mineral, and Fire Management Division and are used for forest management operations and practices. The Authority may, but thus far has not, issued bonds.

#### BOTTLE DEPOSITS FUND

Michigan Compiled Laws Section 445.573c created the Bottle Deposits Fund to provide for the disposition of unredeemed bottle deposits. The Department of Treasury and the Department of Environmental Quality jointly administer the fund. The law mandates that an annual distribution of the funds be made as follows: 25% returned to the dealers and 75% to fund several sub-funds.

The 75% distribution to the Department of Environmental Quality is initially deposited into the Cleanup and Redevelopment Trust Sub-Fund (CRTF), and if not further distributed, remains there until the principal amount reaches \$200 million. Of funds received annually by the CRTF, 80% is allocated to the Cleanup and Redevelopment Sub-Fund (CRF) and 10% to the Community Pollution Prevention Sub-Fund (CPPF).

Michigan Compiled Laws Section 324.20108 moved the former Environmental Response Fund (ERF) to a sub-fund of the CRF. The law mandates that proceeds of all cost recovery actions taken and settlements entered into pursuant to the ERF (excluding natural resource damages) by the department or the Attorney General, or both, shall be credited to the ERF.