

Legislative Analysis



AUTHORIZE PRORATION OF PAYMENTS IN LIEU OF TAXES TO LOCAL ASSESSING UNITS

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House Bill 5645

Sponsor: Rep. Fred Durhal, Jr.

Committee: Appropriations

Complete to 12-09-09

A SUMMARY OF HOUSE BILL 5645 AS INTRODUCED 12-3-09

The bill would amend the Natural Resources and Environmental Protection Act, 1994 PA 451, which authorizes, in part, payments in lieu of taxes to counties and other local units of government for tax reverted, recreation, or forest lands. Moreover, the act authorizes payments to counties containing commercial forestlands.

Section 2150: The bill would authorize proration of payments to counties and local governments in a manner such that the distribution is in the same proportion that the required payment to the local assessing district is to the total of all required payments.

Section 2154: The bill would remove language stating that partial payments do not satisfy payments obligated by the state. This would allow the department to make prorated payments in order to satisfy all payments obligated by the state.

Section 51106: The bill would authorize proration of payments to counties for commercial forestlands within each county in a manner such that the distribution is in the same proportion that the required payment to the local assessing district is to the total of all required payments.

FISCAL IMPACT:

The FY 2009-10 General Government budget reduced general fund appropriations for commercial forest reserve, purchased lands, and swamp and tax reverted lands. General fund reductions were as follows:

- Commercial Forest Reserve: \$319,500 GF/GP (12.0% reduction)
- Purchased Lands: \$164,000 GF/GP (7.8% reduction)
- Swamp and tax reverted: \$849,200 (12.0% reduction)

This bill would authorize the Department of Treasury to make prorated payments to the local assessing units, which would satisfy payments obligated by the state.

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