

Legislative Analysis



LAKE LEVEL ASSESSMENT FEE REIMBURSEMENT

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House Bill 4035 as introduced

Sponsor: Rep. Scott VanSingel

Committee: Natural Resources and Outdoor Recreation

Complete to 3-9-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4035 would amend the Natural Resources and Environmental Protection Act (NREPA) to modify provisions concerning payments in lieu of taxes.

Under NREPA, the Department of Treasury pays into the treasury of each county where tax-reverted, recreation, forest, or other lands under the control and supervision of the Department of Natural Resources are located a tax in an amount specified in the act. The act provides that the tax levied is in lieu of all other taxes levied against the state lands under any existing law.

The amount received by the county is currently distributed proportionally based on the number of acres of the lands located in each township and school district, with 50% distributed to the county general fund and 50% to the township general fund.

The bill would amend the distributions so that, for disbursements made on or after December 1, 2022, distributions to county boards for special assessments for lake level controls that were levied under Part 307 (Inland Lake Levels) of NREPA but have not been paid would receive priority. The remaining amount of the disbursement would be distributed with 50% to the county general fund and 50% to the township general fund.

MCL 324.2150

BACKGROUND:

According to the DNR's website, Payments in Lieu of Taxes (PILT) are payments to local units of government from the State of Michigan in lieu of property taxes for the land owned by the state and administered by the DNR. The payments are made by the Department of Treasury, and only on those public lands administered by the DNR.¹

FISCAL IMPACT:

House Bill 4035 is unlikely to affect costs or revenues for the Department of Natural Resources. The bill would not directly affect costs or revenues for local governments but would provide them with the opportunity to receive special assessment reimbursements from the state under certain conditions and prioritize disbursements for lake level assessments in the future.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

¹ https://www.michigan.gov/dnr/0,4570,7-350-79136_79262_80437---,00.html