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House Bill 4035 (as passed by the House)
Sponsor: Representative Scott VanSingel
House Committee: Natural Resources and Outdoor Recreation
Senate Committee: Natural Resources

Date Completed: 12-7-21

CONTENT

The bill would amend Part 21 (General Real Estate Powers) of the Natural Resources and Environmental Protection Act to do the following:

- **Specify that a tax levied on State land under the Act would be in lieu of all other taxes (as currently provided) and special assessments levied against State lands.**
- **Require, 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 the Act that had not been paid to receive priority.**
- **Specify that remaining disbursements would distribute 50% each to the county and township general funds.**

Section 2150 of the Act requires the Department of Treasury to pay into the treasury of each county in which are located tax reverted, recreation, forest, or other lands under the control and supervision of the Department of Natural Resources. That amount currently is \$4 per acre or major portion of an acre, adjusted annually by 5.0% or the inflation rate, whichever is less.

The tax levied under Section 2150 is in lieu of all other taxes levied against the State lands under any existing law. The bill specifies that taxes levied under Section 2150 would be in lieu of all other taxes *and special assessments* levied against the State lands.

Under the Act, the county treasurer of each county must immediately make a detailed statement of account between the county and each township and school district in the county, distributing the amount received by the county proportionally based on the number of acres of the lands located in each township and district. Disbursements must be allocated 50% to the county general fund and 50% to the township general fund. Under the bill, this would apply to disbursements made before December 1, 2022. For disbursements made on or after that date, distributions to county boards for special assessments for lake level controls that were levied under Part 307 of the Act that had not been paid would have to receive priority. The remaining amount would be distributed as currently prescribed, with the county and township general funds receiving 50% each.

MCL 324.2150

Legislative Analyst: Dana Adams

FISCAL IMPACT

The bill would have no fiscal impact on the State. The bill's provisions would not change what payments were owed by the State, but they would change the priority of payments if appropriations were not enough to make all payments owed. If appropriations were not enough to make all payment in lieu of taxes (PILT) payments and pay for special assessments owed, the bill would require the special assessments to be paid first. In that case, local units owed special assessments for lake level controls could receive more revenue than they otherwise would absent the bill's provisions, and all units that were owed PILT payments would receive somewhat less than they otherwise would absent the bill.

Fiscal Analyst: Ryan Bergan

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.