

HOUSE RESEARCH

Bill Summary

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Overview

This bill would require a onetime payment to be made to counties equal to 30 times the property taxes assessed on land purchased with funds from the outdoor heritage fund in the previous fiscal year. Lands eligible for the onetime payment would not be eligible for payments in-lieu of taxes (PILT).

Section

- 1** **Definitions.** Defines “land acquisition costs” for purposes of section 97A.056, which governs the outdoor heritage fund and the Lessard-Sams Outdoor Heritage Council, to include various costs, including the new onetime payments required under the next section of the bill.
- 2** **Outdoor heritage trust fund account; trust fund payments.** Paragraph (a) establishes an outdoor heritage trust fund account to be invested by the State Board of Investment (SBI). Paragraph (b) states that land acquired with money from the outdoor heritage fund is eligible for a onetime payment (at least 20 percent of the state payment for the land must be from the outdoor heritage fund to be considered “acquired” by the fund for these purposes). The onetime payment is equal to 30 times the property taxes assessed in the year prior to the year the land was acquired. Provides an alternative valuation method if the land was previously privately owned and tax-exempt. Requires the commissioner of revenue to make the payments to eligible counties each year along with other county payments due October 31. Requires counties to submit information necessary for determining the payments to the commissioner of revenue by September 1 of each year.

Section

Paragraph (c) appropriates the amount necessary to make the payments to the counties from the new outdoor heritage trust fund account to the commissioner of revenue.

Paragraphs (d), (e), and (f) require a county board receiving a onetime payment under this section to either deposit the money in a trust fund or enter into an agreement with the SBI to invest the money on behalf of the county. The county will make annual payments to all taxing jurisdictions by December 15th to reimburse them for the lost tax revenue as follows:

- in the first year of receiving a state payment, the county will withdraw the amount needed to make all taxing jurisdictions whole in terms of tax collections – either by paying the remaining taxes owed on the property for that year, or, if the property was already off the tax rolls, paying the amount of tax paid in the previous year;
- in subsequent years the county will withdraw an amount equal to the tax imposed on comparable, adjacent privately owned land; up to a maximum of 5.5 percent of the amount in the fund. The money is distributed to each taxing jurisdiction based on its share of the total tax rate in the area.

Paragraph (g) states that lands receiving a trust fund payment under this section are not eligible for PILT.

- 3 Natural resources land payments in lieu; purpose.** Excludes lands purchased with money from the outdoor heritage fund on or after July 1, 2015, from the purpose statement for the existing PILT program.
- 4 Outdoor heritage lands.** Excludes lands purchased with money appropriated from the outdoor heritage fund on or after July 1, 2015, from the definitions of natural resources land used for purposes of PILT.
- 5 Appropriation.** Appropriates an unspecified amount of money from the outdoor heritage fund to be deposited in the new outdoor heritage trust fund account established in this bill.