

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1202

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Subject: Modifies Payment in lieu of tax (PILT) payments

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Overview

Increases the per acre PILT payments for other natural resources land administered by either a county or the Department of Natural Resources (DNR) from \$1.50 per acre to \$2 per acre. Provides an additional \$300,000 annually for calendar years 2015 to 2025 to pay unpaid property taxes on state owned land in conservation areas. Also modifies the in lieu of tax payments made by the Red River Watershed Management Board.

Section

- 1 **Types of land; payments.** Increases the per acre PILT payments for other natural resources land administered by either a county or the Department of Natural Resources (DNR) from \$1.50 per acre to \$2 per acre. Provides an additional \$300,000 annually for calendar years 2015 to 2025 to pay counties for unpaid property taxes on state owned land in conservation areas. When the state acquired the tax-forfeited land it never reimbursed local governments for the unpaid taxes. Effective for aids payable in 2015 and thereafter.
- 2 **Red River Watershed Management Board; payment in lieu of taxes.** In 2001 a special law passed requiring the watershed board to compensate counties and townships for lost revenue when the board acquired land for a flood damage reduction project. The payment was set at twenty times the lesser of (1) the actual tax owed; or \$4.00 per acre. The \$4.00 per acre is increased to \$5.133 per acre. Current law allows payments to be made in one payment or in equal payments over a period up to twenty years. Effective for aids payable in 2015 and thereafter.