

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 environment and natural resources trust 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** **Applicability.** States that the definition of “trust fund” applicable to chapter 116P, which deals with the environment and natural resources trust fund, does not apply to the onetime payment provision established in this bill.
- 2** **Land acquisition costs.** Defines “land acquisition costs” for purposes of chapter 116P to include various costs, including the new onetime payments required under the next section of the bill.
- 3** **Environment and natural resources trust fund payment account.**
 - Subd. 1. Account created.** Establishes an environment and natural resources trust fund payment account to be invested by the State Board of Investment (SBI).
 - Subd. 2. Trust fund payment; appropriation.** States that land acquired with money from the environment and natural resources trust fund is eligible for a onetime payment (at least 20 percent of the state payment for the land must be from the environment and natural resources trust fund to be considered “acquired” by the fund for these purposes). The onetime payment is equal to 30 times the property taxes

Section

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. Appropriates the amount necessary to make the payments to the counties from the new environment and natural resources trust fund payment account to the commissioner of revenue.

Subd. 3. County requirements. Requires 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.

Subd. 4. Ineligible for other payments. States that lands receiving a trust fund payment under this section are not eligible for PILT.

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