

Legislative Analysis



SPECIAL ASSESSMENT FEES

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House Bill 5889 (reported from committee as substitute H-1)

Sponsor: Rep. Scott VanSingel

Committee: Natural Resources

Complete to 6-7-18

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

SUMMARY:

House Bill 5889 would amend Part 21 (General Real Estate Powers), Subpart 14 (Payment In Lieu of Taxes), of the Natural Resources and Environmental Protection Act (NREPA) to require the Department of Natural Resources (DNR) to pay for certain special assessments on certain property owned by the state and controlled by the department.

Currently, a county board can determine by resolution that the whole or a part of the cost of a project to establish and maintain a normal level for an inland lake is covered by special assessments against certain properties that benefit from the project.

The bill would make it clear that *all* of the following properties that benefit from the project are subject to a fee:

- Privately owned parcels of land.
- Political subdivisions of this state.
- State-owned lands under the jurisdiction and control of the department.

The bill would add that if any of the above-listed lands subject to a special assessment are tax reverted, recreation, forest, or other lands under the control and supervision of the DNR as described in Section 2150 of NREPA and money is appropriated for purposes of paying the special assessments, then the DNR would be required to pay the county board for the special assessments with the appropriated money.

The bill would take effect 90 days after enactment.

MCL 324.30711

FISCAL IMPACT:

House Bill 5889 would not affect costs or revenues directly for the Department of Natural Resources. Rather, the bill would require the DNR to pay local units of government for special assessments related to inland lake levels if money has been appropriated for this purpose. There is no appropriation for this purpose in the DNR's FY 2017-18 budget. However, the FY 2018-19 version of the DNR budget (Senate Bill 862 (S-1) CR-2) includes an earmark of \$35,000 from the department's annual Finance and Operations appropriation (\$16.8 million). The DNR paid approximately \$12,300 for this purpose in FY 2016-17; these payments were the result of legal settlements between the department and local governments. The bill would provide for lake level assessment payments to be

made by the department to local units of government without the necessity of legal action, provided funding has been appropriated.

POSITIONS:

The Department of Natural Resources indicated support for the bill. (5-23-18)

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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.