

Lessard-Sams Outdoor Heritage Council

Agenda Item Memo

DATE: October 7, 2014

SUBJECT: Payment in Lieu of Taxes

PRESENTER: David Hartwell

Background:

97A.061 Payment in Lieu of Taxes (PILT) requires the commissioner of natural resources to compensate local units of government for lost property tax income on lands acquired by the state for natural resource purposes. It is estimated that after 25 years of OHF land acquisition, the total annual PILT general fund liability added by the OHF will be \$2 million.

Over the last six years, there has been discussion of whether the Outdoor Heritage Funds could be used, rather than the general fund, to pay PILT obligations. Scenarios have been explored to make one-time payments to accounts the interest on which would pay for local government expenses.

Suggested Procedure:

Issue is up for discussion.