

HOUSE OF REPRESENTATIVES ANALYSIS

BILL #: HM 889
SPONSOR(S): Kilmer
TIED BILLS:

RELATING TO: Payment in Lieu of Taxes Program
IDEN./SIM. BILLS: SM 1818

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
(1) <u>Finance and Tax</u>	<u></u>	<u>Monroe</u>	<u>Diez-Arguelles</u>
(2) <u></u>	<u></u>	<u></u>	<u></u>
(3) <u></u>	<u></u>	<u></u>	<u></u>
(4) <u></u>	<u></u>	<u></u>	<u></u>
(5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

House Memorial 889 encourages the Congress of the United States of America to fully fund the Payment in Lieu of Taxes Program established under the Payment in Lieu of Taxes Act of 1976. This program provides payments to general purpose local governments based on the amount of certain types of federal land contained within that local government's jurisdiction. These payments are intended to partially offset the costs of providing services to the federal lands.

Payments are calculated using such factors as the number of eligible acres in the jurisdiction, or the market value of the property, with population in the jurisdiction providing a cap on the amount which may be received by the local government. Payments are then pro-rated based on the amount of money actually appropriated by the United States Congress. From 1998 to 2002 Florida counties received \$10.5 million dollars under this program. Had the payment in lieu of taxes program been fully funded during this time period, payments to Florida counties would have totaled \$20.9 million.

The Memorial does not have a fiscal impact and does not need an effective date.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0889.ft.doc
DATE: March 13, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|-----------------------------------------|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

B. EFFECT OF PROPOSED CHANGES: This is a Memorial to the United States Congress requesting that they fully fund the Payment in Lieu of Taxes Program.

Federally owned lands are immune from local taxation, including property taxes. In a jurisdiction with a large percentage of federally owned land this can become a problem because of the decrease in taxable value on the property tax roll. Moreover, even though they cannot be assessed for local taxes, federal lands still place a burden on local governments by requiring or increasing the demand for services such as public safety, environmental services, housing, social services, and transportation.

In order to partially offset these costs, in October of 1976, Congress passed Public Law 94-565, referred to as the Payment in Lieu of Taxes Act. This Act provides for payments to local governments containing certain federally owned lands. The Act defines three categories of qualifying lands:

- Federal lands in the National Forest System and National Park System, lands administered by the Bureau of Land Management, lands in federal water resources projects, dredge areas maintained by the Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the federal government. The Act specifically prohibits payments for tax-exempt lands (but not donated lands) acquired from state or local governments. (Section 6902)
- Federal lands acquired after December 30, 1970 as additions to lands in the National Park System or National Forest Wilderness Areas. (Section 6904)
- Federal lands in the Redwood National Park or lands acquired in the Lake Tahoe Basin near Lake Tahoe under the Act as of December 23, 1980. (Section 6905)

Payments are calculated differently for the first category of lands as opposed to the other two categories. In addition, the minimum payment made by the Federal government is \$100. The following chart shows the gross calculated amount due to each of the 40 Florida counties which contain eligible lands and the prorated amount actually paid to that county under this program. The chart shows that while the calculated gross amount due to Florida counties in 2002 was \$4,877,211, the prorated amount actually received by the counties was only \$2,911,378

	Calculated Gross Payment	Pro-rated Payment Received		Calculated Gross Payment	Pro-rated Payment Received		Calculated Gross Payment	Pro-rated Payment Received
Baker	\$166,209	\$99,230	Gadsden	\$123	\$0	Marion	\$405,341	\$241,996
Bay	\$378	\$226	Glades	\$509	\$304	Martin	\$438	\$261
Brevard	\$52,315	\$31,233	Gulf	\$810	\$484	Monroe	\$902,319	\$538,701
Charlotte	\$40	\$0	Hamilton	\$80	\$0	Okaloosa	\$7,790	\$4,651
Citrus	\$673	\$402	Hendry	\$30	\$0	Osceola	\$330	\$197
Collier	\$1,062,176	\$634,138	Hillsborough	\$653	\$390	Polk	\$46	\$0
Columbia	\$155,136	\$92,619	Indian River	\$117	\$0	Putnam	\$34,699	\$20,716
Dade	\$930,128	\$555,303	Jackson	\$32,787	\$19,574	St. Johns	\$398	\$238
Desoto	\$72	\$0	Lake	\$123,917	\$73,981	St. Lucie	\$362	\$216
Duval	\$22,447	\$13,401	Lee	\$2,872	\$1,715	Suwannee	\$6	\$0
Escambia	\$4,350	\$2,597	Leon	\$171,716	\$102,518	Volusia	\$32,375	\$19,328
Flagler	\$46	\$0	Levy	\$768	\$459	Wakulla	\$282,407	\$168,602
Franklin	\$37,485	\$22,379	Liberty	\$443,922	\$265,029	Walton	\$820	\$490
			Manatee	\$121	\$0			

If passed by both the House and Senate, this Memorial would be sent to the United States Congress.

C. SECTION DIRECTORY: Memorials do not contain section references. Therefore, this portion of the analysis form is inapplicable.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.
2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.
2. Expenditures: None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

D. FISCAL COMMENTS: None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not Applicable.
2. Other: None.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.