

HCS HB 655 -- FEDERAL PAYMENTS IN LIEU OF TAXES

SPONSOR: Love

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Local Government by a vote of 9 to 1. Voted "Do Pass with HCS" by the Select Committee on State and Local Governments by a vote of 7 to 0.

Currently, some counties receive an annual payment under the federal Payments in Lieu of Taxes Program to offset losses in property taxes due to non-taxable federal lands within their boundaries. This bill requires specified counties to distribute a portion of the payment to certain cities if the federal land originally was within the city's boundaries. The distribution must be determined by multiplying the payments in lieu of taxes payment per acre by the number of acres taken from the city and multiplying this product by a number equal to the average of the assessed valuation percentages for residential and commercial property divided by the assessed valuation percentage for agricultural property. These provisions would currently only affect the City of Deepwater in Henry County and the cities of Osceola and Roscoe in St. Clair County.

PROPONENTS: Supporters say that this is a more fair distribution of the funds for the affected cities.

Testifying for the bill was Representative Love.

OPPONENTS: There was no opposition voiced to the committee.