



# Senate Finance Committee

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## BILL SUMMARY

**Legislation:** House Bill 1359, P.N. 1754  
**Sponsor:** Representative Toepel  
**Act Amended:** Forest Reserves Municipal Financial Relief Law  
**Topic:** Payment in lieu of taxes for tax-exempt state forest land  
**Date:** June 19, 2013

### Summary:

House Bill 1359 amends the Forest Reserves Municipal Finance Relief Law to reduce the number of leased parcels required to meet the criteria for payment-in-lieu-of-taxes relating to the Evansburg State Park. This bill reduces the required number of leased parcels from 75 to 30 or more.

The payment-in-lieu-of-taxes to the local governments or school districts from the Commonwealth is for state owned lands that the local taxing authorities cannot tax because they are considered tax exempt.

This act shall go into effect in 60 days.

### Current Law:

The Commonwealth is required to make payments in lieu of taxes as long as Commonwealth-owned forest lands are leased at 90% or more of their fair market value for residential or commercial purposes (excluding agricultural operations) and consist of 75 or more leased parcels of land.

### Background:

According to the Department of Conservation and Natural Resources (DCNR), the issue at hand is that the Bureau of State Parks is continuing the process of removing residences that have no historical value from their lands in order to move forward to a more typical state park setting. In February of 2012, this process took the number of leased parcels (related to the Evansburg State Park) below the statutory threshold of 75 for the Perkiomen Valley and Methacton school districts. According to DCNR, House Bill 1359 is needed in order for these school districts to continue receiving the state subsidy. The Evansburg State Park and the Perkiomen Valley and Methacton school districts are located in Montgomery County.