

**State Tax Commission Tip of the Month**  
**Month of November**  
**Topic: DNR/PILT Millage Rates and Payments**



Dear STaCy,

I am an assessor of record for several rural townships which have a number of Payment in Lieu of Tax (PILT) parcels owned by the Department of Natural Resources (DNR). I am preparing to send my PILT bill to the Department of Treasury and have found that the millage rates levied for the 2004 year exceed the millage rates levied for the current year. Several of my colleagues believe that local units can continue to levy the 2004 rate even if the current rate is lower but I am unsure of this. Can you please clear up this dilemma so I can properly bill Treasury for the townships DNR/PILT properties?

Yours Truly,  
Proficious I.L. Tundredge

Dear Mr. Tundredge:

Proper handling of DNR/PILT property can sometimes be challenging. I am happy to assist you in gaining a better understanding and offer clarification to you and your colleagues.

Public Act 513 of 2004, Section 2153(6)(c) states that assessments can not include “Any millage in excess of the rate levied in 2004.” When the Department of Treasury receives a PILT bill from a local unit, the Finance & Accounting Division (FAD) reviews the statement and verifies the proper millage rate to be utilized. The proper millage rate that is utilized by the FAD to calculate the local unit PILT payment is the lesser of the 2004 rate and the current year rate. A local unit is not able to levy a higher millage rate for the PILT parcels than what is actually levied by the local unit if the rate for the current year is less than the 2004 millage rate.

Also keep in mind that special assessments, special improvements and administrative fees cannot be included on PILT bills. One bill per local unit, inclusive of all PILT parcels, should be submitted at the same time as the winter taxes are levied, usually the beginning of December to Michigan Department of Treasury, PILT Program, PO Box 30722, Lansing, MI 48909. Questions regarding PILT billings or payment may be emailed to [TreasuryPILT@michigan.gov](mailto:TreasuryPILT@michigan.gov).

Sincerely,  
STaCy