

1 **CONCURRENT RESOLUTION CALLING ON CONGRESS TO**
2 **PROVIDE PERMANENT MULTIYEAR FUNDING**
3 **FOR THE PAYMENT IN LIEU OF TAXES PROGRAM**

4 2014 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Ralph Okerlund**

7 House Sponsor: Michael E. Noel

8
9 **LONG TITLE**

10 **General Description:**

11 This concurrent resolution of the Legislature and the Governor calls on the United
12 States Congress to provide permanent multiyear funding for the federal Payment in
13 Lieu of Taxes (PILT) program in future years.

14 **Highlighted Provisions:**

15 This resolution:

- 16 ▶ recognizes the unprecedented failure of Congress to fund the federal Payment in
17 Lieu of Taxes (PILT) program in its Consolidated Appropriations Act, 2014;
- 18 ▶ recognizes the serious financial hardship Utah counties face if they do not receive
19 timely annual PILT payments;
- 20 ▶ recognizes the vital need of Utah counties to have PILT funding certainty while
21 engaging in their annual county budget processes; and
- 22 ▶ calls on Congress to establish reliable year-to-year funding authorization for PILT
23 so counties may have certainty in their annual budget processes.

24 **Special Clauses:**

25 None

26
27 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

28 WHEREAS, the federal Payment in Lieu of Taxes (PILT) program was established in
29 1976 to offset costs incurred by counties for services provided to the federal government and to

30 the users of public land;

31 WHEREAS, according to State Tax Commission data and a report prepared by the Utah
32 Automated Geographic Reference Center (AGRC), the percentages of federal land in each
33 county that the county cannot tax – consisting of land managed by the Bureau of Land
34 Management (BLM), the United States Forest Service, the National Park Service, and the
35 United States Fish and Wildlife Service – are as follows:

- 36 Beaver 77.2% - County still provides services on this land
- 37 Box Elder 28.79% - County still provides services on this land
- 38 Cache 38.13% - County still provides services on this land
- 39 Carbon 47.51% - County still provides services on this land
- 40 Daggett 80.50% - County still provides services on this land
- 41 Davis 9.63% - County still provides services on this land
- 42 Duchesne 44.77% - County still provides services on this land
- 43 Emery 79.66% - County still provides services on this land
- 44 Garfield 94.25% - County still provides services on this land
- 45 Grand 74.67% - County still provides services on this land
- 46 Iron 57.73% - County still provides services on this land
- 47 Juab 72.30% - County still provides services on this land
- 48 Kane 86.18% - County still provides services on this land
- 49 Millard 77.20% - County still provides services on this land
- 50 Morgan 4.42% - County still provides services on this land
- 51 Piute 73.95% - County still provides services on this land
- 52 Rich 32.21% - County still provides services on this land
- 53 Salt Lake 19.32% - County still provides services on this land
- 54 San Juan 66.48% - County still provides services on this land
- 55 Sanpete 51.40% - County still provides services on this land
- 56 Sevier 77.15% - County still provides services on this land
- 57 Summit 43.78% - County still provides services on this land

58 Tooele 44.32% - County still provides services on this land

59 Uintah 58.94% - County still provides services on this land

60 Utah 43.07% - County still provides services on this land

61 Wasatch 56.13% - County still provides services on this land

62 Washington 83.21% - County still provides services on this land

63 Wayne 98.26% - County still provides services on this land

64 Weber 14.23% - County still provides services on this land;

65 WHEREAS, according to the average of estimates from the National Association of
66 Counties, in 2013, PILT funding was about \$0.66 per acre of federal land to which PILT
67 applies;

68 WHEREAS, \$0.66 per acre is far below the amount those lands would return through
69 value-based taxation if those lands and their facilities were subject to county taxation;

70 WHEREAS, annual PILT payments to Utah counties, which exceeded \$35.3 million in
71 2013, have become an important component of county budgets and help Utah counties provide
72 necessary basic services on federal lands, ranging from search and rescue to law enforcement
73 activities;

74 WHEREAS, removal of this annual \$35.3 million funding stream for 2014 will prove
75 detrimental to many counties in Utah that have conducted their budgeting under the assumption
76 that they would receive at least that same amount for 2014;

77 WHEREAS, in April 2013, the United States Department of the Interior made an
78 annual budget request to Congress for approximately \$410 million nationwide for PILT;

79 WHEREAS, a deficit neutral placeholder for the Department of the Interior's PILT
80 request was set to be included in the Consolidated Appropriations Act, 2014;

81 WHEREAS, actual PILT funding, however, was not included in the final version of the
82 bill that Congress passed January 16, 2014, and the President signed on January 17, 2014;

83 WHEREAS, it is unprecedented that Congress has failed to include PILT funding in its
84 major consolidated appropriations legislation;

85 WHEREAS, Congress did appropriate \$740.9 million in the Consolidated

86 Appropriations Act, 2014, for wildland fire management activities, more than tripling BLM's
87 initial fire management budget request of \$201.3 million;

88 WHEREAS, this funding amount represented approximately 77% of the \$956.9 million
89 that Congress appropriated for BLM's fiscal year 2014 basic operating budget;

90 WHEREAS, it appears that the Department of the Interior's initial 2014 funding request
91 of \$410 million for PILT and other funds was absorbed, without explanation, into the
92 department's final appropriation for wildland fire management, increasing that account by \$539
93 million, from the \$201.3 million requested, to \$740.9 million;

94 WHEREAS, the Department of the Interior's wildland fire management budget would
95 not be so large if the department would manage its lands responsibly for multiple use and
96 sustained yield, as the state of Utah and counties in Utah have continually urged, and as the
97 Federal Land Policy and Management Act of 1976 directs;

98 WHEREAS, counties in Utah are required to provide law enforcement, search and
99 rescue, emergency medical services, road building and maintenance, and other community
100 services on, or associated with, tax-exempt federal public lands;

101 WHEREAS, failure to provide a revenue source for PILT places a large, unsustainable
102 burden squarely on the backs of county taxpayers and critically impacts the budget process and
103 solvency of some public land counties;

104 WHEREAS, the United States House of Representatives on January 30, 2014, and the
105 United States Senate on February 4, 2014, passed H.R. 2642, the Federal Agriculture Reform
106 and Risk Management Act of 2013, known as the Farm Bill or the Agricultural Act of 2014;

107 WHEREAS, the Farm Bill provides for a one-year extension of PILT funding for
108 federal fiscal year 2014;

109 WHEREAS, had the Farm Bill not included a one-year PILT funding provision, there
110 would not have been significant fiscal year 2014 authorizing bills with bipartisan support
111 remaining in Congress to carry the 2014 PILT to full funding;

112 WHEREAS, Congress, including members of Utah's delegation, should prudently and
113 practically give serious consideration to preventing future recurrences of the PILT funding

114 crisis that the counties of Utah had to face this year, with all of the uncertainty that
115 accompanied this crisis;

116 WHEREAS, the counties of Utah need and deserve long-term stability in PILT funding
117 in a timely manner year to year, so that counties may establish their own annual operating
118 budgets with timeliness and certainty;

119 WHEREAS, PILT is the program by which the federal government pays a portion of
120 the value of vital municipal services that counties provide to the federal government in its role
121 as a major land owner in the state;

122 WHEREAS, PILT funding should not be perennially tied to a farm bill but should have
123 priority stand-alone treatment as a major appropriation, a cost properly borne by the federal
124 government as an untaxed major landowner in the West for county municipal services
125 provided; and

126 WHEREAS, Congress should legislate and authorize full PILT funding in multiyear
127 blocks to give counties in Utah stability and predictability when setting their upcoming
128 calendar year operating budgets:

129 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
130 Governor concurring therein:

131 1. recognizes the unprecedented failure of Congress to fund Payment in Lieu of Taxes
132 payments (PILT) in the Consolidated Appropriations Act, 2014, and the uncertainty that
133 prevailed for counties until 2014 PILT was finally provided in the 2014 Farm Bill;

134 2. recognizes the serious financial hardship many counties in Utah would have faced if
135 they had not received fiscal year 2014 PILT payments by June of 2014;

136 3. recognizes the vital need of Utah counties to have timely PILT funding certainty
137 while engaged in their annual county budget processes;

138 4. calls on Congress and members of Utah's congressional delegation to give serious
139 consideration to preventing future recurrences of the PILT funding crisis that the counties of
140 Utah had to face this year, with all of the uncertainty that accompanied this crisis;

141 5. calls on Congress to provide long-term stability in PILT funding in a timely manner

142 year to year so that counties may establish their own annual operating budgets with timeliness
143 and certainty;

144 6. calls on Congress to not perennially tie PILT funding to a farm bill but give PILT
145 priority stand-alone treatment as a major appropriation, a cost properly borne by the federal
146 government as an untaxed major landowner in the West for county municipal services
147 provided; and

148 7. calls on Congress to establish reliable multiyear funding authorization for PILT so
149 that counties may have certainty in their annual budget processes.

150 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of
151 the United States, the Majority Leader of the United States Senate, the Speaker of the United
152 States House of Representatives, and the members of Utah's congressional delegation.