

**CONCURRENT RESOLUTION CALLING ON CONGRESS TO
FULLY FUND THE PAYMENTS IN LIEU OF TAXES
PROGRAM**

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: _____

LONG TITLE

General Description:

This concurrent resolution of the Legislature and the Governor calls on the United States Congress to fully fund the federal Payments in Lieu of Taxes (PILT) program for fiscal year 2014 and to authorize continued responsible multiyear full funding of PILT in future years.

Highlighted Provisions:

This resolution:

- ▶ recognizes the unprecedented failure of Congress to fund the federal Payments in Lieu of Taxes (PILT) program in its 2014 Consolidated Appropriations Act;
- ▶ recognizes the serious financial hardship Utah counties face if they do not receive fiscal year 2014 PILT payments by June 2014;
- ▶ recognizes the vital need of Utah counties to have PILT funding certainty while engaging in their annual county budget processes;
- ▶ calls on Congress and members of Utah's congressional delegation to give serious consideration to those current pending legislative vehicles, including the pending Agricultural Act of 2014, which are best calculated to successfully carry PILT to full 2014 funding at the earliest opportunity; and
- ▶ calls on Congress to establish reliable year-to-year funding authorization for PILT



28 so counties may have certainty in their annual budget processes.

29 **Special Clauses:**

30 None

31

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

33 WHEREAS, the federal Payments in Lieu of Taxes (PILT) program was established in
34 1976 to offset costs incurred by counties for services provided to the federal government and to
35 the users of public land;

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

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

59 San Juan 66.48% - County still provides services on this land
60 Sanpete 51.40% - County still provides services on this land
61 Sevier 77.15% - County still provides services on this land
62 Summit 43.78% - County still provides services on this land
63 Tooele 44.32% - County still provides services on this land
64 Uintah 58.94% - County still provides services on this land
65 Utah 43.07% - County still provides services on this land
66 Wasatch 56.13% - County still provides services on this land
67 Washington 83.21% - County still provides services on this land
68 Wayne 98.26% - County still provides services on this land
69 Weber 14.23% - County still provides services on this land;

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

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

75 WHEREAS, annual PILT payments to Utah counties, which exceeded \$35.3 million in
76 2013, have become an important component of county budgets and help Utah counties provide
77 necessary basic services on federal lands, ranging from search and rescue to law enforcement
78 activities;

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

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

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

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

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

90 WHEREAS, Congress did appropriate \$740.9 million in the 2014 Consolidated
91 Appropriations Act for wildland fire management activities, more than tripling BLM's initial
92 fire management budget request of \$201.3 million;

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

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

99 WHEREAS, the Department of the Interior's wildland fire management budget would
100 not be so large if the department would manage its lands responsibly for multiple use and
101 sustained yield, as the state of Utah and counties in Utah have continually urged, and as the
102 1976 Federal Land Policy and Management Act directs;

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

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

109 WHEREAS, a bipartisan effort is currently being developed in Congress to include
110 PILT funding in the pending Agricultural Act of 2014, H.R. 2642, the Federal Agriculture
111 Reform and Risk Management Act of 2013;

112 WHEREAS, besides this pending legislation, there does not appear to be significant
113 fiscal year 2014 authorizing bills with bipartisan support remaining in Congress to carry the
114 2014 PILT to full funding;

115 WHEREAS, Congress, including members of Utah's delegation, should prudently and
116 practically give serious consideration to the major authorizing bills in Congress, including the
117 pending Agricultural Act of 2014, that are calculated to most likely carry PILT forward to full
118 funding for fiscal year 2014, in order to protect counties in Utah from economic and fiscal
119 harm; and

120 WHEREAS, Congress should legislate and authorize full PILT funding in multiyear

121 blocks to give counties in Utah stability and predictability when setting their upcoming
122 calendar year operating budgets:

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

125 1. recognizes the unprecedented failure of Congress to fund Payments in Lieu of Taxes
126 payments (PILT) in the 2014 Consolidated Appropriations Act;

127 2. recognizes the serious financial hardship many counties in Utah face if they do not
128 receive fiscal year 2014 PILT payments by June of 2014;

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

131 4. calls on Congress and members of Utah's congressional delegation to give serious
132 consideration to those current pending legislative vehicles, including the pending Agricultural
133 Act of 2014, which are best calculated to successfully carry PILT to full 2014 funding at the
134 earliest opportunity; and

135 5. calls on Congress to establish reliable multiyear funding authorization for PILT so
136 that counties may have certainty in their annual budget processes.

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

Legislative Review Note
as of 1-28-14 1:05 PM

Office of Legislative Research and General Counsel