

Senator Ralph Okerlund proposes the following substitute bill:

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

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ralph Okerlund**

House Sponsor: Michael E. Noel

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This resolution:

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

**Special Clauses:**

None



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

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

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

- Beaver 77.2% - County still provides services on this land
- Box Elder 28.79% - County still provides services on this land
- Cache 38.13% - County still provides services on this land
- Carbon 47.51% - County still provides services on this land
- Daggett 80.50% - County still provides services on this land
- Davis 9.63% - County still provides services on this land
- Duchesne 44.77% - County still provides services on this land
- Emery 79.66% - County still provides services on this land
- Garfield 94.25% - County still provides services on this land
- Grand 74.67% - County still provides services on this land
- Iron 57.73% - County still provides services on this land
- Juab 72.30% - County still provides services on this land
- Kane 86.18% - County still provides services on this land
- Millard 77.20% - County still provides services on this land
- Morgan 4.42% - County still provides services on this land
- Piute 73.95% - County still provides services on this land
- Rich 32.21% - County still provides services on this land
- Salt Lake 19.32% - County still provides services on this land
- San Juan 66.48% - County still provides services on this land
- Sanpete 51.40% - County still provides services on this land
- 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, H.R. 2642, passed 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 born 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.