



Utah State Legislature

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October 30, 2018

Gregory H. Hughes, Chair
Wayne L. Niederhauser, Vice-Chair
Legislative Management Committee
350 North State Street
Salt Lake City, Utah 84114

Subject: Commission on Federalism procurement for federal land valuation model

Dear Speaker Hughes and President Niederhauser,

This past session, the Legislature passed H.B. 357, Evaluating Tax Revenue Foregone from Federally Controlled Lands, and HCR 19, Concurrent Resolution Regarding the Impact of Federal Lands on the State Education System. H.B. 357 was co-sponsored by every member of the House, and both bills passed unanimously in each house. These two pieces of legislation relate to the Legislature's concern about the failure of the federal government to make adequate payments in lieu of taxes on land in the state that is controlled by the federal government.

The Commission on Federalism is working to address that concern. An important part of the effort to receive adequate payments in lieu of taxes from the federal government is quantifying the amount of property tax revenue that federally controlled land would generate if it were not controlled by the federal government. Determining the amount of foregone tax revenue is dependent on having a reliable valuation of the federal land assuming the land is not federally controlled.

To that end, the Commission proposes to issue a request for proposals ("RFP") to hire a consultant to develop and maintain a computer-based model to allow real-time calculations of land values based on varying factors. That information would then be used to calculate property tax revenue that the state's political subdivisions are losing because the land is controlled by the federal government. The proposed RFP anticipates using already appropriated funds available to the Commission to require the consultant to demonstrate a prototype of the model for federal land in Washington County and then, if successful and if additional funding is made available, expand the model to value federal land in all counties in the state.

Under applicable law, Legislative Management Committee approval is required for the Commission to issue an RFP and hire a consultant. Legislative Management Committee approval is also required for the Commission's evaluation committee to conduct interviews with or attend presentations by those who have submitted proposals for the consultant contract, if the evaluation committee chooses to conduct interviews or attend presentations.

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The Commission on Federalism met on October 15, 2018 and approved the issuance of an RFP, subject to Legislative Management Committee approval.

This letter is to request Legislative Management Committee approval for these steps in the procurement process. Specifically, we are asking the Legislative Management Committee:

- to approve the Commission on Federalism's issuance of an RFP for a consultant, as explained above; the Commission's receipt of evaluation information on proposals submitted in response to the RFP; and the Commission's determination of a contract award to a consultant pursuant to the RFP;
- to authorize the Commission to allow a vendor to correct an immaterial error in a proposal or to require a vendor to clarify information in a proposal, if a correction or clarification becomes necessary;
- to authorize the Commission's evaluation committee to conduct interviews with or attend presentations by those who have submitted proposals for the consultant contract; and
- to assign the Office of Legislative Research and General Counsel to finalize an RFP and to direct the Commission or its chairs to give final approval of the RFP and to make a final decision regarding the award of a contract.

If you have any questions regarding this letter, please feel free to contact either of us.

Sincerely,



Lincoln Fillmore
Senate Chair
Commission on Federalism



Ken Ivory
House Chair
Commission on Federalism

CH