

1 **CONCURRENT RESOLUTION ON FEDERAL GOVERNMENT**

2 **PAYMENTS IN LIEU OF TAXES**

3 2020 SIXTH SPECIAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Keven J. Stratton**

6 Senate Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution addresses federal government payments in lieu of taxes.

11 **Highlighted Provisions:**

12 This resolution:

- 13 ▶ identifies \$534 million as the minimum current annual property tax equivalency for
- 14 all federal lands in the state of Utah, under the lowest, fair property tax equivalency
- 15 scenario, compared to the less than \$41 million that the state received for 2019;
- 16 ▶ addresses the history of federal government payments in lieu of taxes (PILT),
- 17 expresses appreciation for all PILT money paid to the state, but addresses the
- 18 inadequacy of those payments;
- 19 ▶ refers to new technology that enables a more accurate determination of the property
- 20 tax equivalency value of all federal lands in the state;
- 21 ▶ calls on Congress and the President to fund PILT payments to Utah for 2020 at the
- 22 full property tax equivalency amount of \$534 million at a minimum;
- 23 ▶ calls upon federal officials to coordinate expeditiously with Utah and other willing
- 24 states to ensure that future PILT payments are permanently made on a full property
- 25 tax equivalency basis;
- 26 ▶ calls on federal officials to collaborate with Utah's congressional delegation and
- 27 state and local officials to allow greater state management and local control of the



28 federal land within Utah municipalities in order to stabilize fluctuating economic
29 conditions;

30 ▶ calls upon local, state, and national leaders and others to come together to secure the
31 full and fair property tax equivalency of PILT for all western states and the nation;
32 and

33 ▶ directs that a copy of this resolution be sent to federal, state, and local officials and
34 others.

35 **Special Clauses:**

36 None



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

39 WHEREAS, \$534 million is the current annual property tax equivalency for all federal
40 lands in the state of Utah, under the lowest, fair property tax equivalency scenario, compared to
41 the less than \$41 million that the state received for 2019;

42 WHEREAS, technology now exists to more accurately determine the property tax
43 equivalency value of all federal lands in the state;

44 WHEREAS, when the federal government changed its public lands policy in 1976 from
45 one of disposal to one of retention, Congress agreed to make payments in lieu of taxes (PILT)
46 "to make up for the presence of nontaxable land" (Congressional Research Service) on a "tax
47 equivalency" (USDA) basis;

48 WHEREAS, tax equivalency means the amount "that would have been received by
49 these jurisdictions if the federal lands were privately owned" (Government Accountability
50 Office);

51 WHEREAS, the federal commitment to pay the property tax equivalency for PILT is
52 vital for Utah's children and communities and is particularly important during periods of
53 fluctuating economic conditions;

54 WHEREAS, Utah appreciates every dollar of PILT money received, yet the harsh
55 reality is that current PILT is less than 8% of the lowest, fair property tax equivalency value,
56 resulting in exponentially compounding depressive impacts on funding for education and
57 essential government services, including first responder services, the construction of roads,
58 schools, and other infrastructure, and search and rescue services;

59 WHEREAS, the current fluctuating economic conditions have intensified this structural
60 burden borne by Utah citizens and communities to fund education and all other government
61 services with less than 21% taxable land;

62 WHEREAS, the minimum current annual amount required to satisfy the property tax
63 equivalency commitment for PILT to Utah's citizens, communities, and schoolchildren is \$534
64 million, calculated as follows:

65 a. \$131 million is the current property tax equivalency amount for the 217,000 acres of
66 nontaxable U.S. Forest Service (USFS) and Bureau of Land Management (BLM) land entirely
67 within Utah municipal limits;

68 b. \$228 million is the current property tax equivalency amount for the 441,000 acres of
69 nontaxable USFS and BLM land within one mile of Utah municipal limits; and

70 c. \$175 million is the current property tax equivalency amount for all nontaxable
71 federal lands subject to PILT beyond one mile of Utah municipal limits; and

72 WHEREAS, by unanimous vote, the Utah Legislature, with the Governor concurring,
73 charged the Utah Federalism Commission with overseeing the development of a federal land
74 valuation model, together with the review and analysis of applicable studies and materials
75 pertaining to the property tax equivalency of PILT, which together led to the findings and
76 conclusions set forth in this resolution:

77 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
78 Governor concurring therein, calls upon the Congress of the United States and the President of
79 the United States to pay at a minimum \$534 million as the payment in lieu of taxes for 2020 on
80 a full property tax equivalency basis, as committed at the inception of the PILT program,
81 calculated as follows:

82 a. with respect to the more than 217,000 acres of nontaxable federally managed lands
83 located inside of Utah municipal boundaries, the property tax equivalency amount of \$131
84 million;

85 b. with respect to the more than 441,000 acres of nontaxable federally managed lands
86 that are within one mile of Utah municipal boundaries, the property tax equivalency amount of
87 \$228 million; and

88 c. with respect to the balance of the nearly 33 million acres of nontaxable federally
89 managed lands in the state of Utah, the property tax equivalency amount of \$175 million.

90 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
91 concurring therein, calls upon the Congress of the United States and the President of the United
92 States to coordinate expeditiously and in good faith with Utah and other willing states to adopt
93 such laws, regulations, and policies as are necessary to ensure that all future PILT payments are
94 permanently made on a full property tax equivalency basis.

95 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
96 concurring therein, calls upon the Congress of the United States, the President of the United
97 States, and the relevant federal administrative agencies, in light of the current fluctuating
98 economic conditions Utah faces, to collaborate in a timely and good faith manner with Utah's
99 congressional delegation and with state and local leaders to allow greater state management
100 and local control of the 217,000 acres of federal land within Utah municipal limits, which
101 amount to a small fraction of the 33 million acres of nontaxable federally managed lands within
102 the state of Utah, for the purpose of stabilizing fluctuating economic conditions.

103 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
104 concurring therein, calls upon all people of good will and local, state, and national leaders to
105 come together to secure the full and fair property tax equivalency of PILT for our children and
106 our communities throughout all western states and the entire nation.

107 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of
108 the United States, the Vice President of the United States, the Majority Leader and Minority
109 Leader of the United States Senate, the Speaker and Minority Leader of the United States
110 House of Representatives, each member of the Utah congressional delegation, the Governors,
111 the Senate Presidents, and Speakers of the House of every state with more than 20% federally
112 controlled lands, the county governing council and executive of every county within those
113 states, and the National Association of Counties and the Western Governors Association.