

1 **CONCURRENT RESOLUTION REGARDING THE IMPACT OF**
2 **FEDERAL LANDS ON THE STATE EDUCATION SYSTEM**

3 2018 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Ken Ivory**

6 Senate Sponsor: Jim Dabakis

8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution of the Legislature and the Governor urges the President of
11 the United States, the United States Congress, and Utah's congressional delegation to
12 propose and secure the passage of legislation that requires PILT payments to be a fair
13 and steady source of revenue that would otherwise be generated but for the federal
14 control of Utah lands.

15 **Highlighted Provisions:**

16 This resolution:

17 ▶ urges the President of the United States, the United States Congress, and Utah's
18 congressional delegation to propose and secure the passage of legislation that
19 requires PILT payments to be equivalent to the tax revenue the state, subdivisions,
20 and school districts would otherwise be able to generate but for the federal control
21 of Utah lands;

22 ▶ urges the President and Congress to timely and faithfully pay PILT payments; and
23 ▶ urges the President and Congress to refrain from holding PILT payments hostage to
24 secure legislative votes.

25 **Special Clauses:**

26 None



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

29 WHEREAS, the power to tax is the fuel of self-governance;

30 WHEREAS, the right and authority of state and local governments to promote the
31 highest value and use of land is fundamental to funding education and other essential
32 government services;

33 WHEREAS, the federal government still controls more than 66% of all land in the state
34 of Utah, which is not subject to state or local taxes;

35 WHEREAS, under the Federal Land Policy and Management Act (FLPMA) of 1976,
36 federal land policy changed from one of disposal, where it would enter the state tax rolls, to
37 permanent federal retention as untaxable public land;

38 WHEREAS, this policy change deprives Utah of the right and ability to tax more than
39 66% of all land within our state;

40 WHEREAS, recognizing the substantial burden this policy change imposed on the
41 ability of state and local governments to fund education and other essential government
42 services, Congress established the Payment In Lieu of Taxes, or PILT, program to compensate
43 for the tax revenue denied;

44 WHEREAS, the definition of "in lieu" means a substitute of equal value and
45 importance, something that is just as good as what was given up;

46 WHEREAS, by any objective measure, federal PILT payments to Utah are not "just as
47 good as" the tax revenue the state, subdivisions, and school districts would otherwise generate
48 but for federal control of Utah lands;

49 WHEREAS, in actuality, PILT amounts are little more than Pennies In Lieu of Taxes;

50 WHEREAS, this reflects a tax break to the federal government on the backs of Utah's
51 children and communities to the tune of several billion dollars each year;

52 WHEREAS, without regard to the long-standing debate over whether or not the federal
53 government should ever relinquish control of Utah lands, so long as the federal government
54 does withhold lands from being subject to tax, the federal government should pay the full
55 amount in lieu of tax revenue denied our taxing entities;

56 WHEREAS, Utah contributes the highest percentage of income tax revenue of any state
57 to public and higher education, we remain the lowest in per-pupil spending by more than \$2.5
58 billion a year, and our state, subdivisions, and school districts struggle to provide other

59 essential government services and proper payment of PILT will help this imbalance;

60 WHEREAS, over more than the past decade, Congress has been erratic in the amount
61 and timeliness of PILT payments to Utah counties;

62 WHEREAS, in 2014, for example, Congress did not authorize PILT payments until
63 more than halfway into the fiscal year for our state and subdivisions, placing essential
64 government services in jeopardy; and

65 WHEREAS, several Utah counties that have only a small percentage of taxable land are
66 facing the exodus of families with young children due to diminishing education funding and
67 depleting employment opportunities:

68 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
69 Governor concurring therein, in solemn awareness of our duty to the rising generation, urge the
70 President of the United States and the United States Congress in the most strenuous terms to
71 establish and codify, in coordination with the state, an objective standard for calculating the
72 value of PILT payments, which are equivalent to the tax revenue the state, subdivisions, and
73 school districts would otherwise be able to generate.

74 BE IT FURTHER RESOLVED that the Legislature and the Governor urge the
75 President and Congress, on behalf of our children and communities, to timely and faithfully
76 pay PILT payments to the state and subdivisions, as mandatory and nondiscretionary payments.

77 BE IT FURTHER RESOLVED that the Legislature and the Governor urge the
78 President and Congress to treat PILT payments to fund education for our children and essential
79 services for our communities and refrain evermore from withholding PILT payments.

80 BE IT FURTHER RESOLVED that the Legislature and the Governor urge members of
81 Utah's congressional delegation to propose and secure the passage of legislation that requires
82 PILT payments to be a fair and steady source of revenue the state, subdivisions, and school
83 districts would otherwise be able to generate but for the federal control.

84 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of
85 the United States, the Majority Leader of the United States Senate, the Speaker of the United
86 States House of Representatives, each member of Utah's congressional delegation, governors
87 and state legislative leaders of western states, and organizations that serve state governors and
88 legislatures.

**Legislative Review Note
Office of Legislative Research and General Counsel**