

1 **JOINT RESOLUTION ON FEDERAL GOVERNMENT**

2 **PAYMENTS IN LIEU OF TAXES**

3 2020 SIXTH SPECIAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Ralph Okerlund**

6 House Sponsor: Keven J. Stratton

8 **LONG TITLE**

9 **General Description:**

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

11 **Highlighted Provisions:**

12 This resolution:

13 ▶ states that the \$41 million that the state received in 2019 in PILT money from the
14 federal government is less than 8% of the minimum current annual property tax
15 equivalency for all federal lands in the state of Utah, under the lowest, fair property

16 tax equivalency scenario;

17 ▶ addresses the history of federal government payments in lieu of taxes (PILT),
18 expresses appreciation for all PILT money paid to the state, but addresses the
19 inadequacy of those payments;

20 ▶ refers to new technology that enables a more accurate determination of the property
21 tax equivalency value of all federal lands in the state;

22 ▶ calls on Congress and the President to fund PILT payments to Utah at the full
23 property tax equivalency amount;

24 ▶ calls upon federal officials to coordinate expeditiously with Utah and other willing
25 states to ensure that future PILT payments are permanently made on a full property
26 tax equivalency basis;

27 ▶ calls on federal officials to collaborate with Utah's congressional delegation and
28 state and local officials to allow greater state management and local control of the

29 federal land within Utah municipalities in order to stabilize fluctuating economic 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:*

39 WHEREAS, the \$41 million that the state received in 2019 as PILT money from the
40 federal government is less than 8% of the current annual property tax equivalency for all
41 federal lands in the state of Utah, under the lowest, fair property tax equivalency scenario;

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 should
64 reflect the following realities:

65 a. 217,000 acres of nontaxable U.S. Forest Service (USFS) and Bureau of Land
66 Management (BLM) land are located entirely within Utah municipal limits;

67 b. 441,000 acres of nontaxable USFS and BLM land are located within one mile of
68 Utah municipal limits; and

69 c. the remainder of the approximately 33 million acres of federal land within the state
70 are located beyond one mile of Utah municipal limits; and

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

76 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah calls
77 upon the Congress of the United States and the President of the United States to pay the
78 payment in lieu of taxes (PILT) on a full property tax equivalency basis, as committed at the
79 inception of the PILT program, based on the following realities:

80 a. more than 217,000 acres of nontaxable federally managed lands are located inside of
81 Utah municipal boundaries;

82 b. more than 441,000 acres of nontaxable federally managed lands are located within

83 one mile of Utah municipal boundaries; and

84 c. the remainder of the nearly 33 million acres of nontaxable federally managed lands
85 in the state of Utah are located beyond one mile of Utah municipal boundaries.

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

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

99 BE IT FURTHER RESOLVED that the Legislature of the state of Utah calls upon all
100 people of good will and local, state, and national leaders to come together to secure the full and
101 fair property tax equivalency of PILT for our children and our communities throughout all
102 western states and the entire nation.

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

