

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

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**LONG TITLE**

8 **General Description:**

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

10 **Highlighted Provisions:**

11                   This resolution:

12                   ▶ identifies \$534 million as the minimum current annual property tax equivalency for  
13 all federal lands in the state of Utah, under the lowest, fair property tax equivalency  
14 scenario, compared to the less than \$41 million that the state received for 2019;

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

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

20                   ▶ calls on Congress and the President to fund PILT payments to Utah for 2020 at the  
21 full property tax equivalency amount of \$534 million at a minimum;

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

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



28 federal land within Utah municipalities in order to stabilize fluctuating economic conditions;  
 29       ▶ calls upon local, state, and national leaders and others to come together to secure the  
 30 full and fair property tax equivalency of PILT for all western states and the nation;  
 31 and  
 32       ▶ directs that a copy of this resolution be sent to federal, state, and local officials and  
 33 others.

34 **Special Clauses:**

35       None



37 *Be it resolved by the Legislature of the state of Utah:*

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

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

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

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

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

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

58       WHEREAS, the current fluctuating economic conditions have intensified this structural

59 burden borne by Utah citizens and communities to fund education and all other government  
60 services with less than 21% taxable land;

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

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

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

69 c. \$175 million is the current property tax equivalency amount for all nontaxable  
70 federal lands subject to PILT 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 at a  
78 minimum \$534 million as the payment in lieu of taxes (PILT) for 2020 on a full property tax  
79 equivalency basis, as committed at the inception of the PILT program, calculated as follows:

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

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

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

88 BE IT FURTHER RESOLVED that the Legislature of the state of Utah calls upon the  
89 Congress of the United States and the President of the United States to coordinate

90 expeditiously and in good faith with Utah and other willing states to adopt such laws,  
91 regulations, and policies as are necessary to ensure that all future PILT payments are  
92 permanently made on a full property tax equivalency basis.

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

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

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