
PAYMENTS IN LIEU OF TAXES
FLY-IN
September 9-11, 2025 • Washington, D.C.
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From Public Lands to Local Budgets: How Federal Revenue Sharing Flows from the Federal Government to States to Counties

Hon. Greg Miles,
Duchesne County, Utah

Hon. Jennifer O'Hearon,
Rio Blanco County, Colo.

Hon. Derrick DeGroot,
Klamath County, Ore.

Hon. Paul Anderes,
Union County, Ore.

Oil & Gas Mineral Leases Revenue Sharing

Duchesne County, Utah

Rio Blanco County, Colo.

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Oil & Gas Mineral Leases Revenue Sharing Duchesne County, Utah: An Overview

Duchesne County, Utah: Population ≈19,596

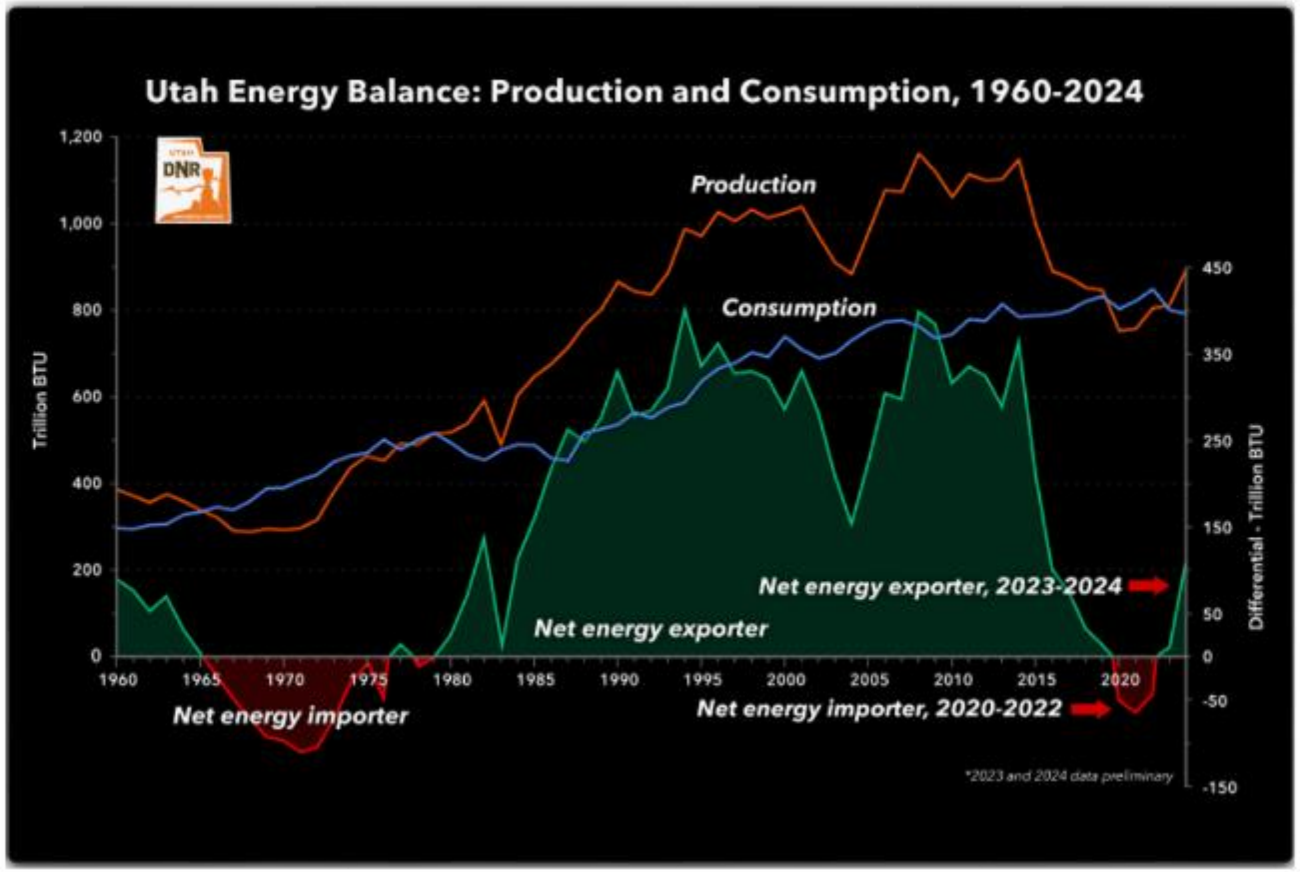
- **Economy:**
  - Public Lands Related Industry: Uintah Basin Oil & Gas
  - 19.1% of civilian employment in educational services and health care and social assistance
  - 14.6% of civilian employment in agriculture, forestry, fishing and hunting and mining
- **Land Ownership: 3,236 square miles, ≈44.8% federally managed**
  - ≈10.06% BLM
  - ≈20.28% USFS
  - ≈13.82 Wilderness
  - ≈19.73% Tribal
  - ≈27.86% Private
  - ≈8.06% State
- **Annual County Budget: $39M**
  - Expenditures:
    - 23% ($9M) to Roads
      - 472 Miles of paved roads in County
      - 347 Miles heavily impacted by industry (73%)
  - Revenues:
    - Sales tax- $4.5M (11.5%)
    - Property tax- $8M (20.5%)
    - Severance tax- $1.6M-Revitalization Fund (State received $89M)
  - Mineral lease- 100% goes to Special Service Districts

Duchesne County, Utah:

- **FY 2025 PILT: $2,580,892 6902**
  - A-side county, population ceiling limited
  - 896,759 entitlement acres
  - $2.88 per acre
- **FY 2023 SRS: $786.9K**
  - Title I and III: $723,916
  - Average Payment Per Acre $1.0
- **FY 2024 1908 Payment: $79,099**
  - Average Payment Per Acre $0.11
  - **89.1% decline from FY 2023 to FY 2024**

Utah's Energy Economy:

- 63% of Utah's land is managed by the federal government
- Energy use per capita in Utah is less than in almost two-thirds of the states
- From 1980 to 2019, Utah enjoyed the status of being a net energy exporter, meaning Utah produced/generated more energy than needed and could export the excess energy to surrounding states.
- Utah has 1% of the nation's proved crude oil reserves
- 5 oil refineries, with a production capacity of 209,000 barrels per day
- 3 of the 100 largest U.S. natural gas fields



Source: Utah Geological Survey

Utah's Mineral Lease Revenue Sharing Mechanics

- **Lease (Bonus) Payment**
  - $1.50 annual rent per acre for the first 5 years, $2 annual rent per acre thereafter
  - 100% goes State of Utah
    - *% allocated to Community Impact Fund*
- **Royalty**
  - 12.5% of production value in royalties
  - ≈6.25% goes to State
  - 40% of State portion allocated to County Special Service Districts

Utah's Mineral Leasing Act Royalties:

- Prior to deposit into the Mineral Lease Account Utah School and Institutional Trust Lands Administration (SITLA) receives up to 8% for administrative costs, and the remaining 92% is divided according to formula
- 30% of Federal mineral lease bonus payments are deposited in the Mineral Bonus Account
  - UDOT receives 40% of Mineral Lease Account deposits to distribute to counties and special service districts
- 30% of mineral lease bonus payments from previous fiscal year are deposited into the Utah Wildfire Fund
- Legislature must annually appropriate 40% to the Division of Finances to counties and special service districts
- FY 2024 Mineral Lease Fund Revenues: $83,206,742

MINERAL LEASE FUNDS ALLOCATION

per Utah Code Annotated 59-21-1 and 59-21-2

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Mineral Bonus Payment (Interest Bearing Loans)

30 %
UCA 59-21-2 (1)(e)

Mineral Lease Bonus Account Discretionary Fund

70%
UCA 59-21-2(1)

Mineral Lease Account (Grants & Loans)

- State Board Of Education — 2.25% UCA 59-21-2(2)(e)
- Utah Geological Survey — 2.25% UCA 59-21-2(2)(f)
- USU Water Research Lab — 2.25% UCA 59-21-2(2)(g)
- County's Special Districts — 40% UCA 59-21-2(2)(h)(i)
- DWS Special Districts — 5% UCA 59-21-2(2)(i)(i)
- PILT — $0.52/Acre UCA 59-21-2(2)(j)(i)

Permanent Community Impact Fund — 32.5% plus Remaining Balance UCA 59-21-2(2)(d) and (k)

Cities

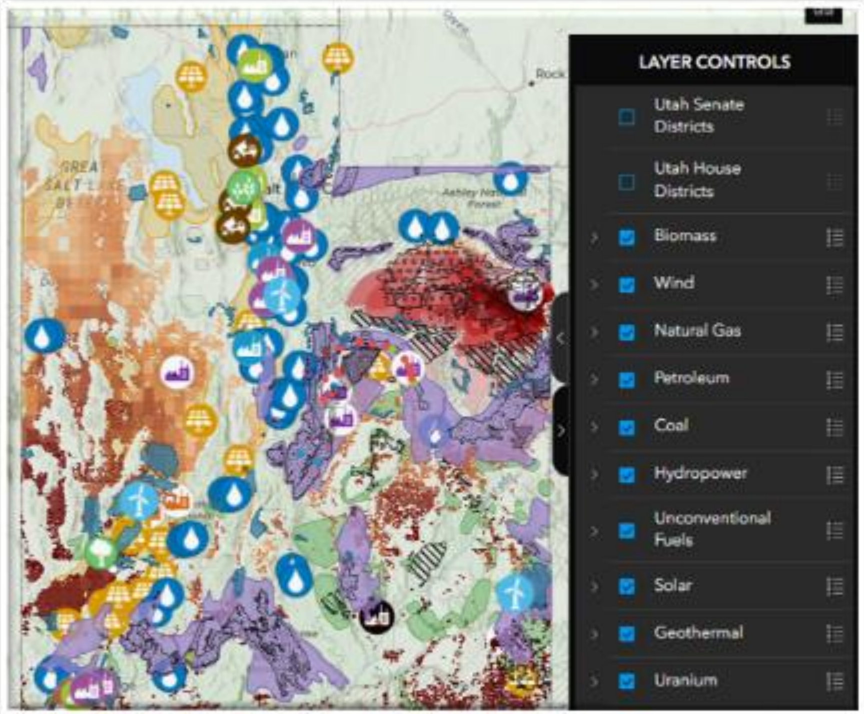
Towns

Counties

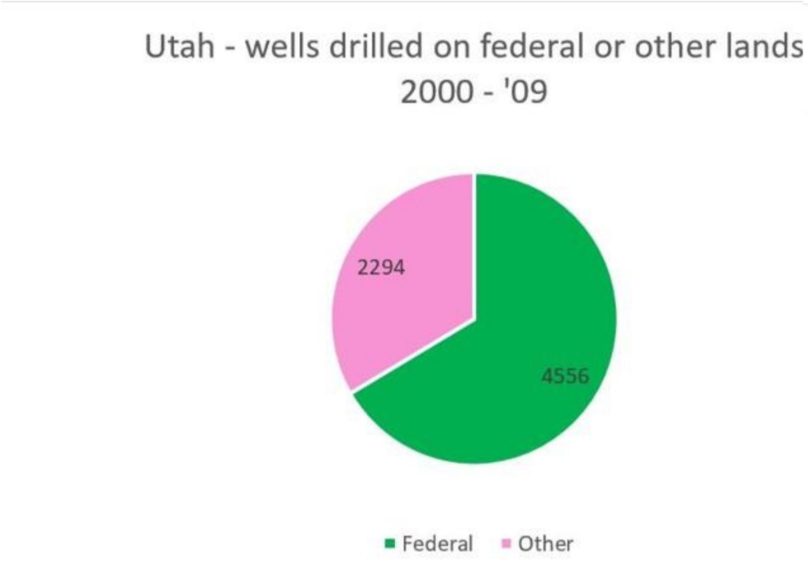
Other Political Subdivisions

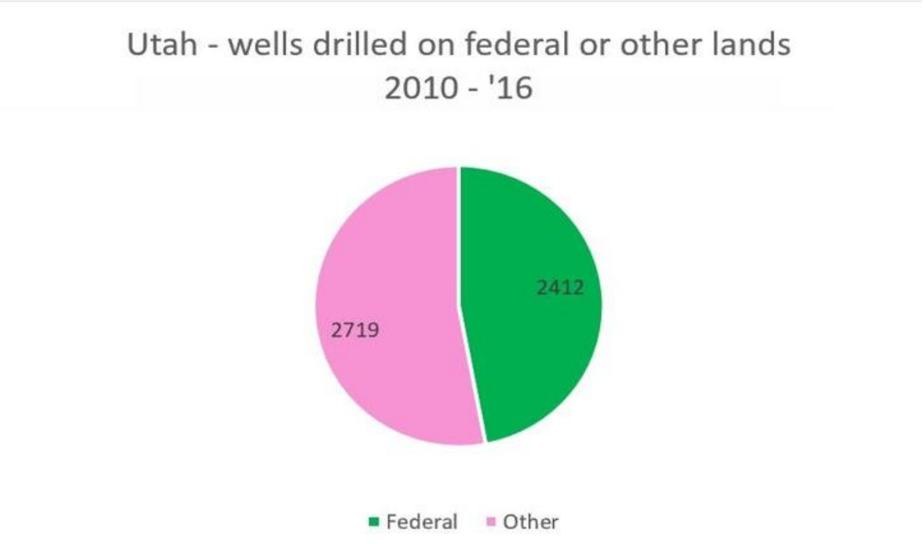
Statutory Allocation

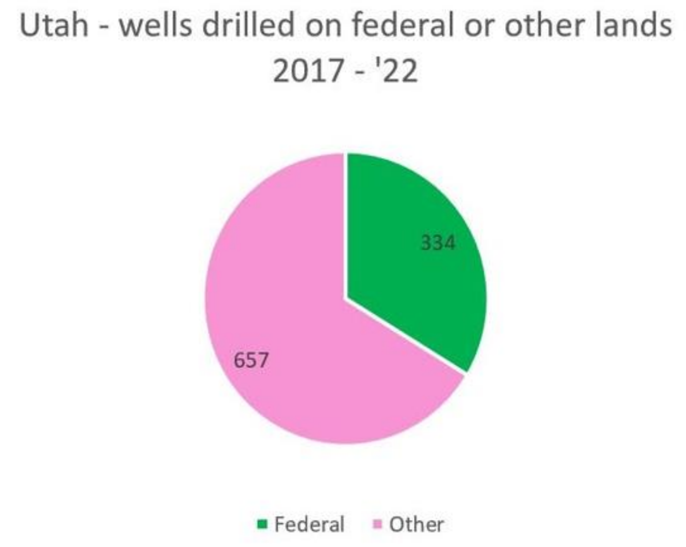
Municipality Distribution



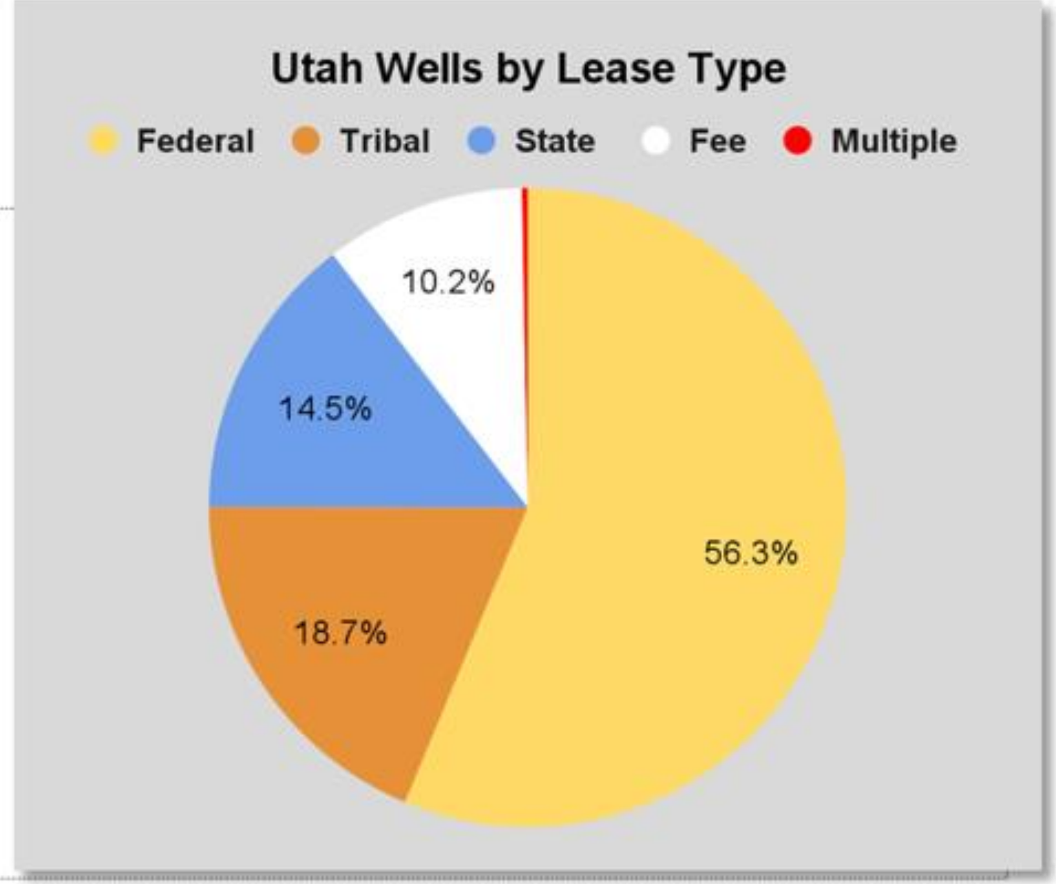
Utah – Wells Drilled on Federal or Other Lands

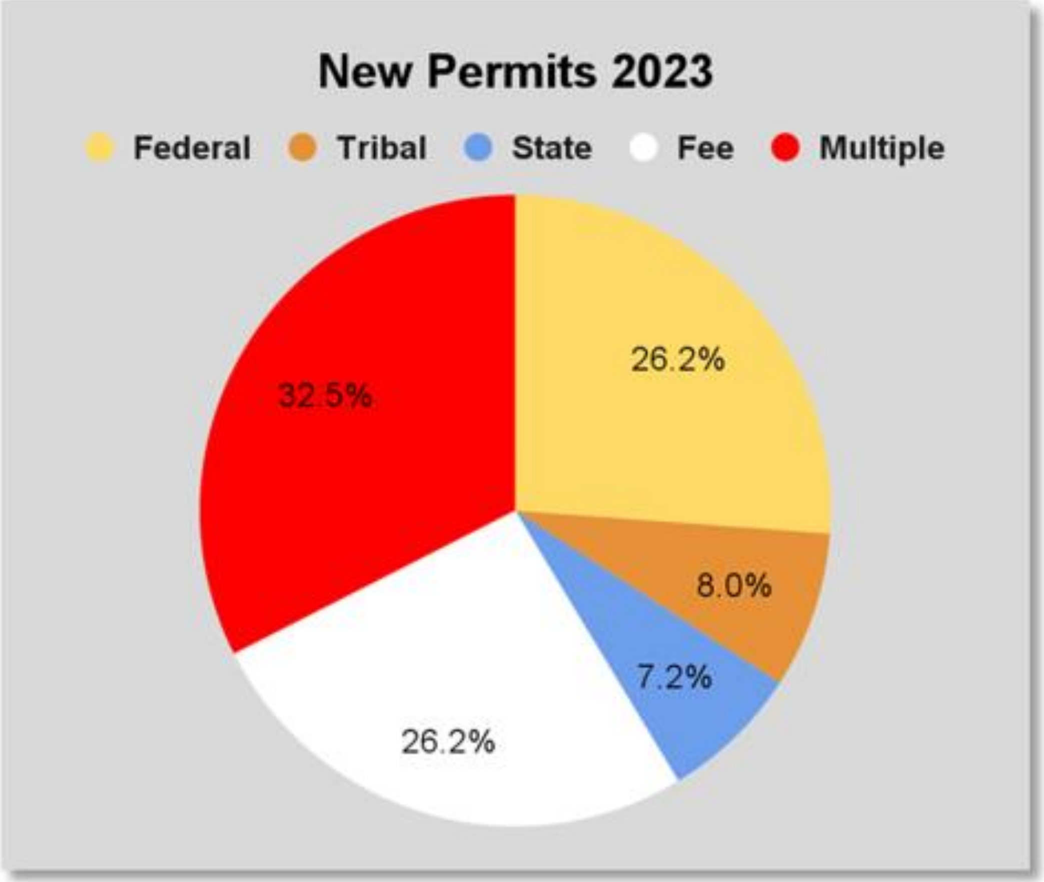






Wells by Lease Type

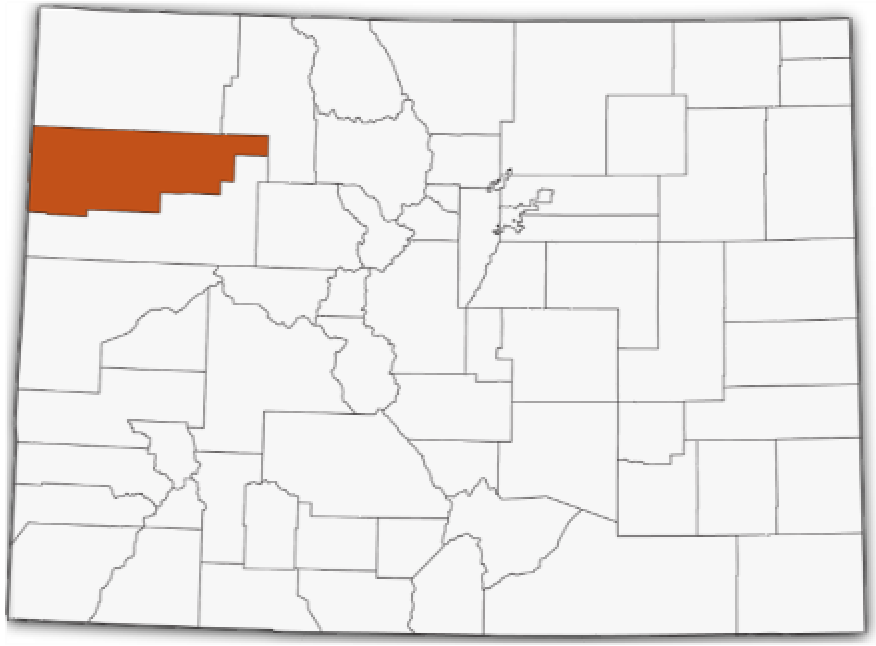




Oil & Gas Mineral Leases Revenue Sharing Rio Blanco County, Colorado: An Overview

Rio Blanco County, Colorado: Population ≈6,600

- **Economy:**
  - Public Lands Related Industry: Piceance Basin Oil & Gas
    - A vibrant extraction economy (natural gas, coal, etc.) that has declined over time due to increased regulations and political pressure to cease operations
  - 21.1% of civilian employment in educational services and health care and social assistance
  - 12.2% of civilian employment in agriculture, forestry, fishing and hunting and mining
- **Land Ownership:** 3221 square miles, ≈73.4% federally managed
  - ≈56.0% BLM
  - ≈17.4% USFS
  - ≈2.1% State
  - ≈24.5% Private

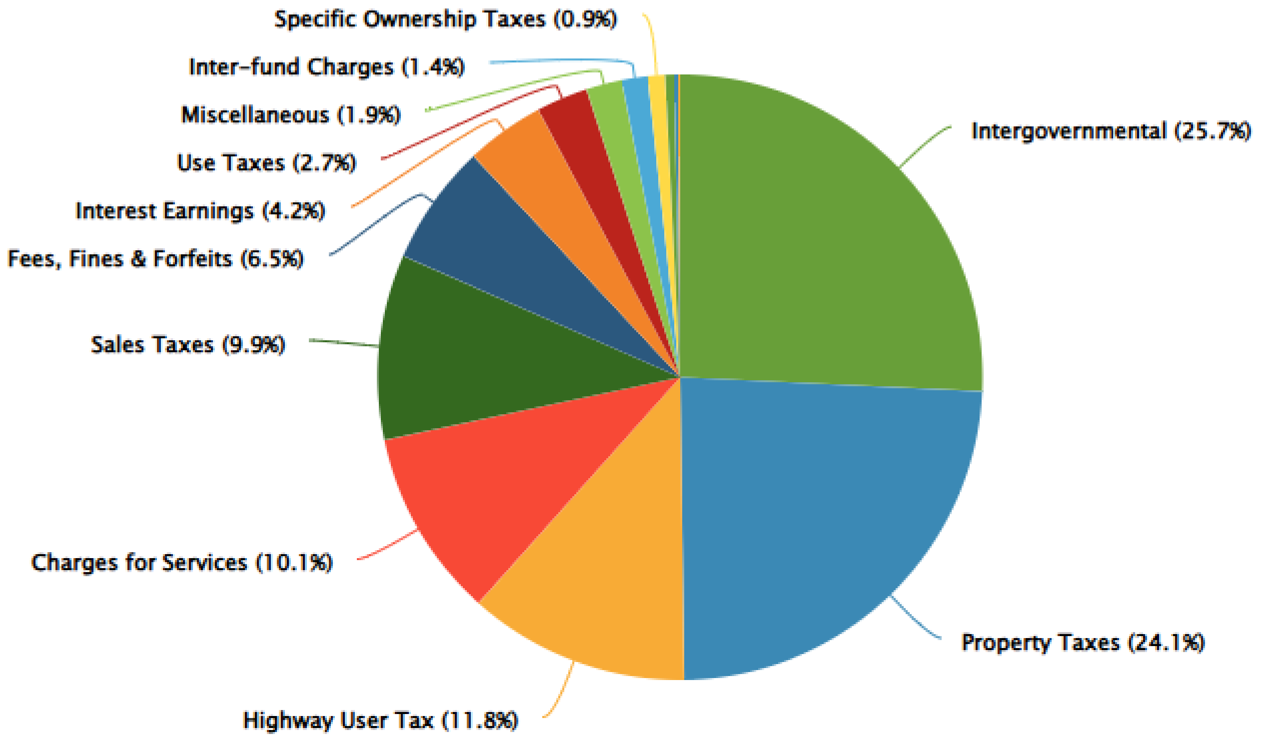


Annual County Budget: $48,588,419
- Revenues: $30,916,441
- Expenditures: $37,844,946

Rio Blanco County, Colorado:

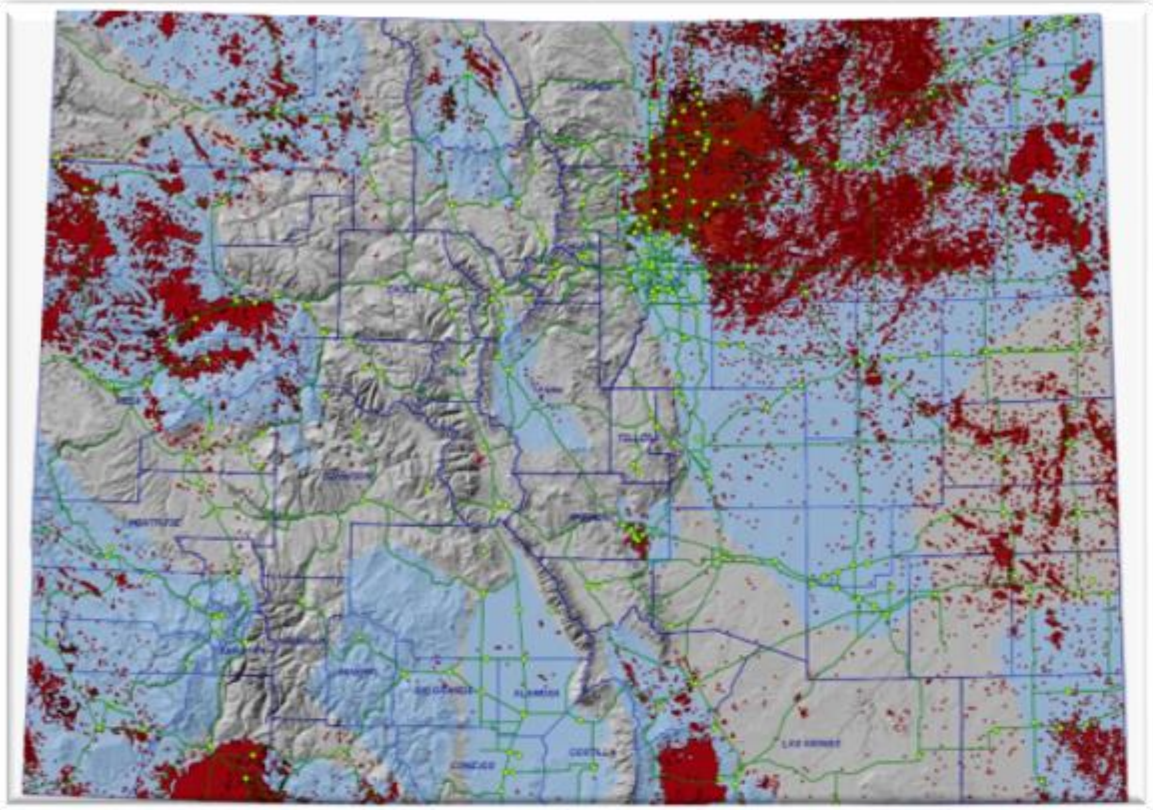
- **FY 2025 PILT: $748,746**
  - B-side county, population ceiling limited
  - 1,498,405 entitlement acres
  - $0.50 per acre
- **FY 2023 SRS: $0.00**
- **FY 2023 1908 Payment: $432,347**
  - Average Payment Per Acre $1.20
- **FY 2024 1908 Payment: $468,535**
  - Average Payment Per Acre $1.31

Projected 2025 Revenues by Source



Colorado's Energy Economy:

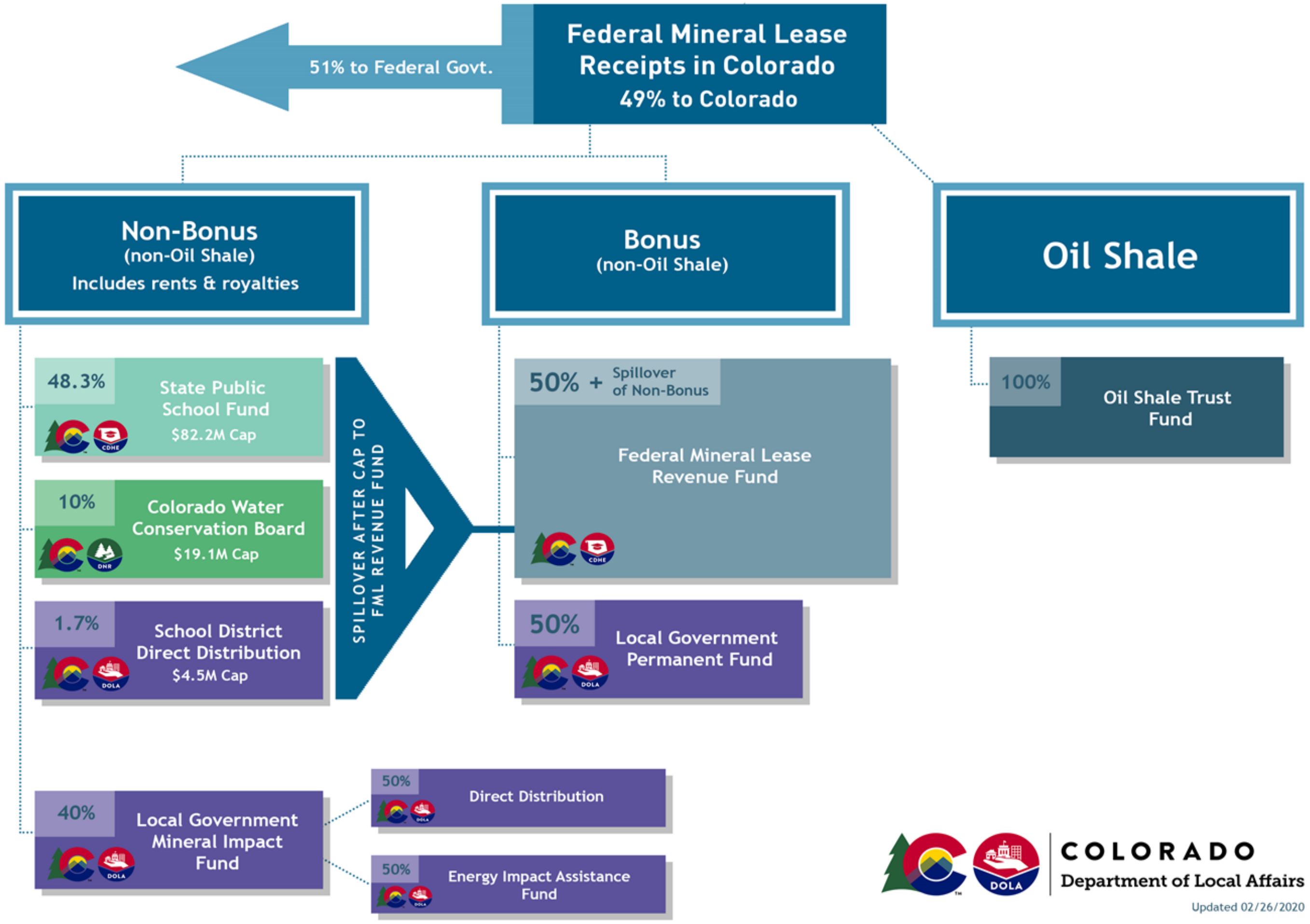
- Nearly 30% of Colorado's land is managed by the Federal Government
- Colorado is the fourth-largest oil-producing state and accounts for about 4% of U.S. total crude oil output.
- Colorado has the eighth-largest natural gas reserves of any state, accounting for about 3% of the U.S. total
  - *Home to all or part of 12 of the nation's 100 largest natural gas fields*
- In 2021, Oil and Gas sector supported over 300,000 jobs, comprising 7.7% of Colorado's total employment.
  - *Contributing $48 billion to the state's economy*
- 2 oil refineries: capacity of 103,000 barrels of crude oil per day
- In 2022, the sector generated $768M in direct support for local services, including police, fire, cities and counties
- Colorado ranks among the top 10 states in total energy production, and its per capita total energy consumption is lower than two-thirds of the states.



Colorado Oil and Gas Wells

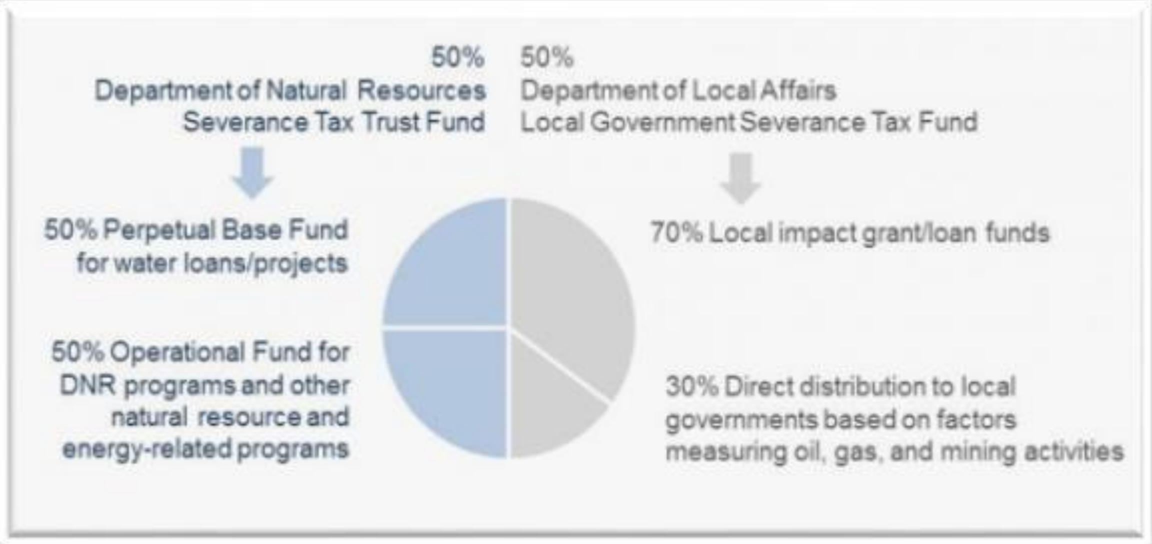
Colorado's Mineral Lease Revenue Sharing Mechanics

- **Lease (Bonus) Payment**
  - $1.50 annual rent per acre for the first 5 years, $2 annual rent per acre thereafter
  - 49% goes State of Colorado
    - *50% Federal Mineral Lease Revenue Fund for Higher Education*
    - *50% allocated to Local Government Mineral Impact Fund, Managed by Colo., Department of Local Affairs (DOLA)*
      - 50% of this amount is allocated through discretionary grants
      - 50% is allocated through formulaic direct distribution to counties.
- **Royalty**
  - 12.5% of production value in royalties
  - ≈6.25% goes to State, minus administration fees
  - 40% of State portion allocated to Local Government Mineral Impact Fund, Managed by DOLA
    - *50% Direct Distribution*
    - *50% Discretionary Grants*



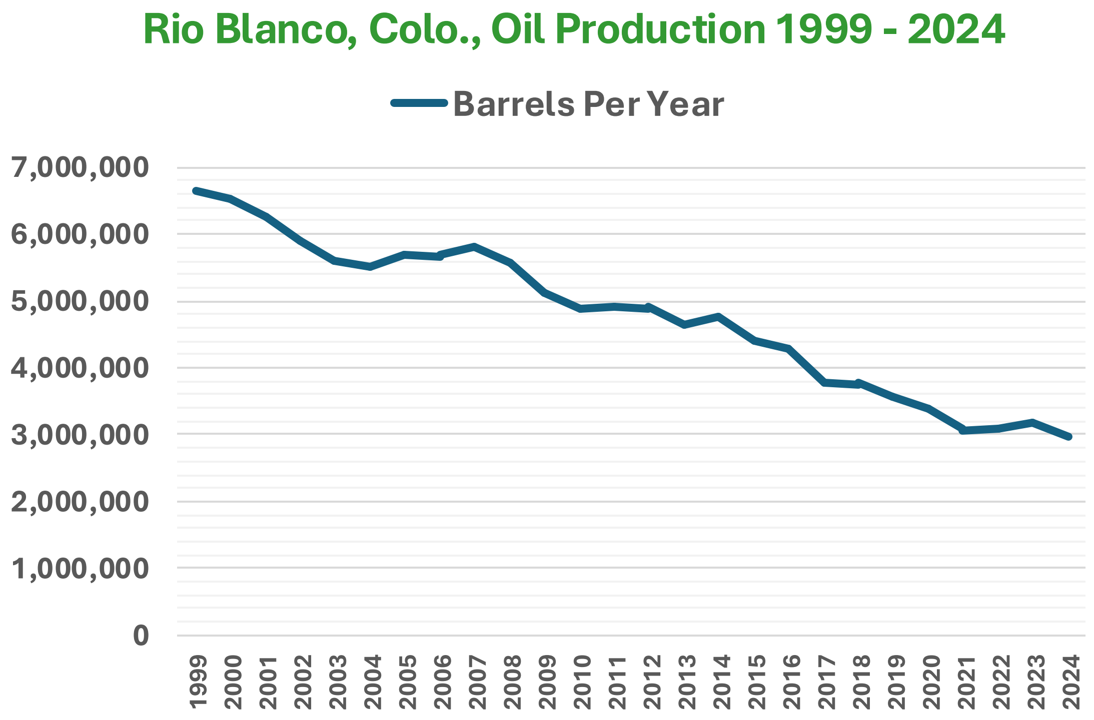
Colorado State Severance Tax:

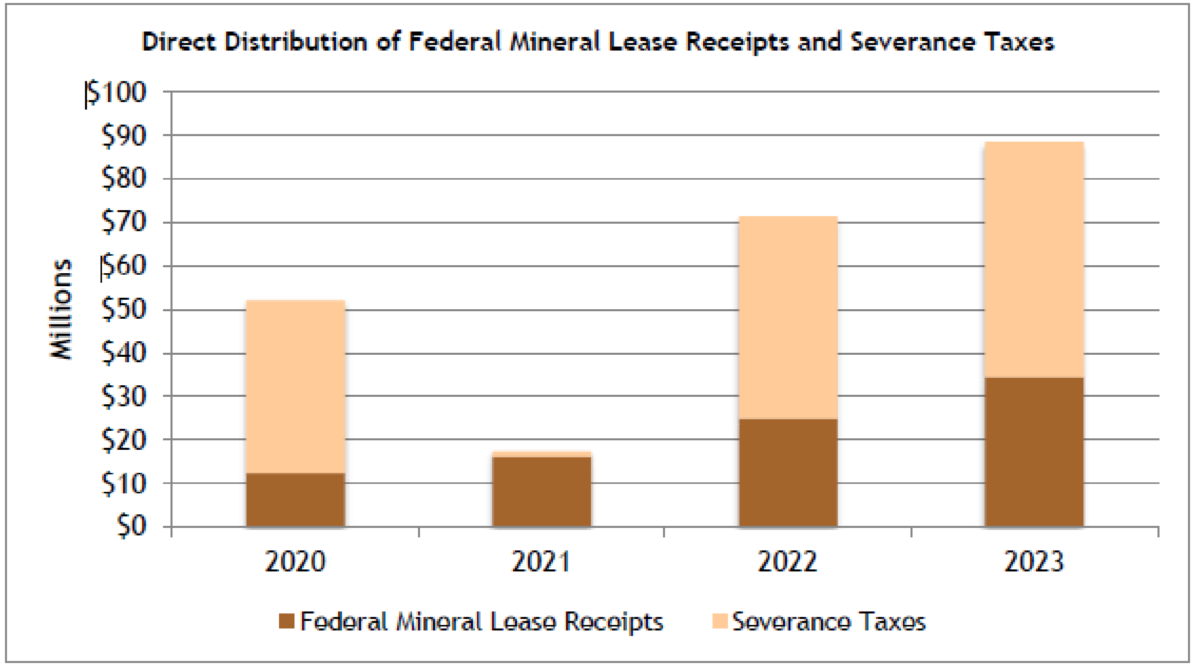
- **Oil & Gas:**
    - Gross Income Rates:
        - *Under $25,000 at 2%*
        - *$25,000 to $99,999 at 3%*
        - *$100,000 to $299,999 at 4%*
        - *Over $300,000 at 5%*
    - Severance taxes in Colorado continue to be swept by the legislature to support other programs and goals



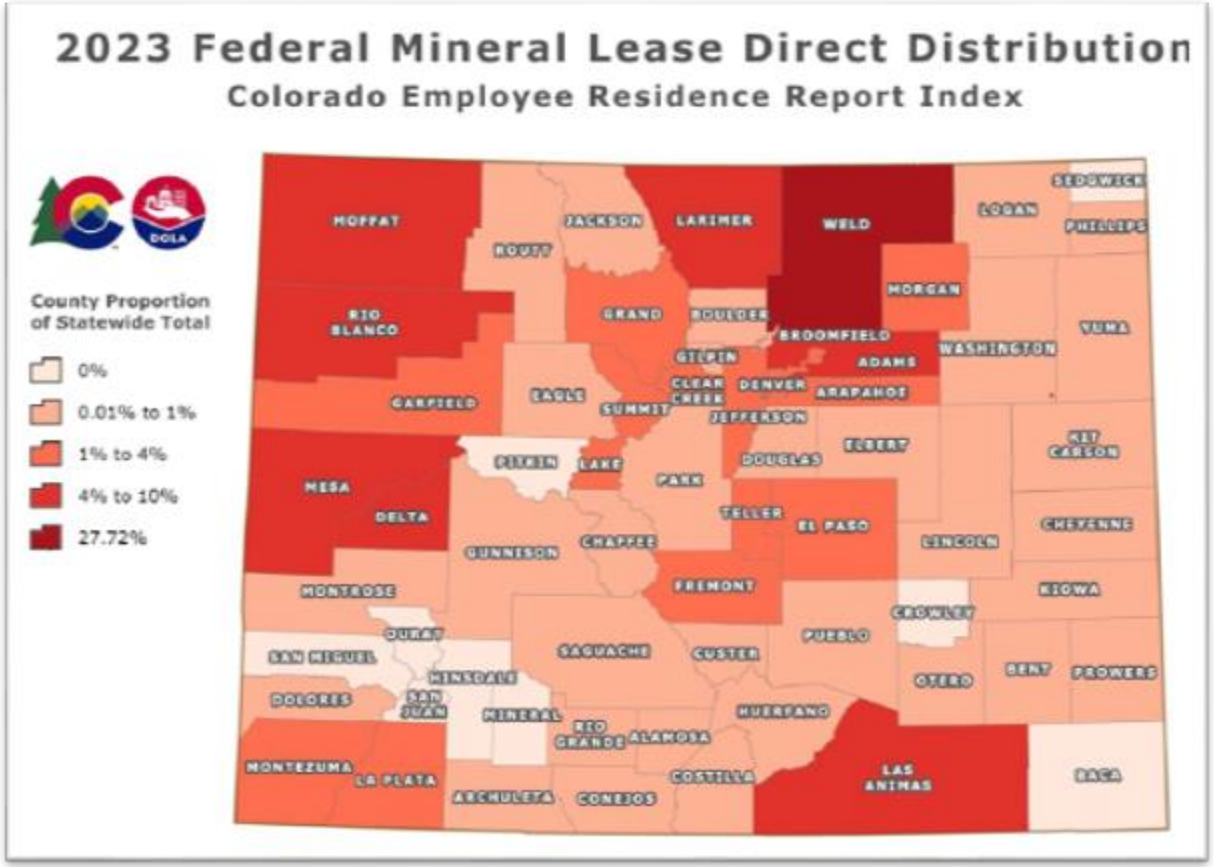
Impact of Regulatory Delays on Production

- MOU between BLM, Colorado Energy & Carbon Management Commission (ECMC) and the State of Colorado
    - ECMC regulatory policies often supersede federal regulatory policies, impacting federal management decisions around production in turn reducing county revenue sharing
    - MOU creates permitting delays jeopardizing operator's ability to make investments
    - Permitting delays reduce production capacity
    - Decline of production in Rio Blanco County





Rio Blanco FY 2023 Federal Mineral Lease Distribution: $2,469,232



Timber Revenue Sharing

Union County, Ore.
Klamath County, Ore.

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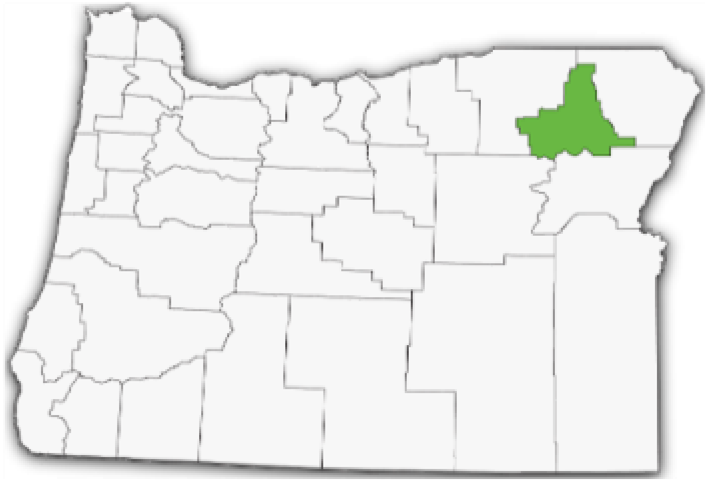
Timber Revenue Sharing in Union County, Oregon: An Overview of Eastern Oregon

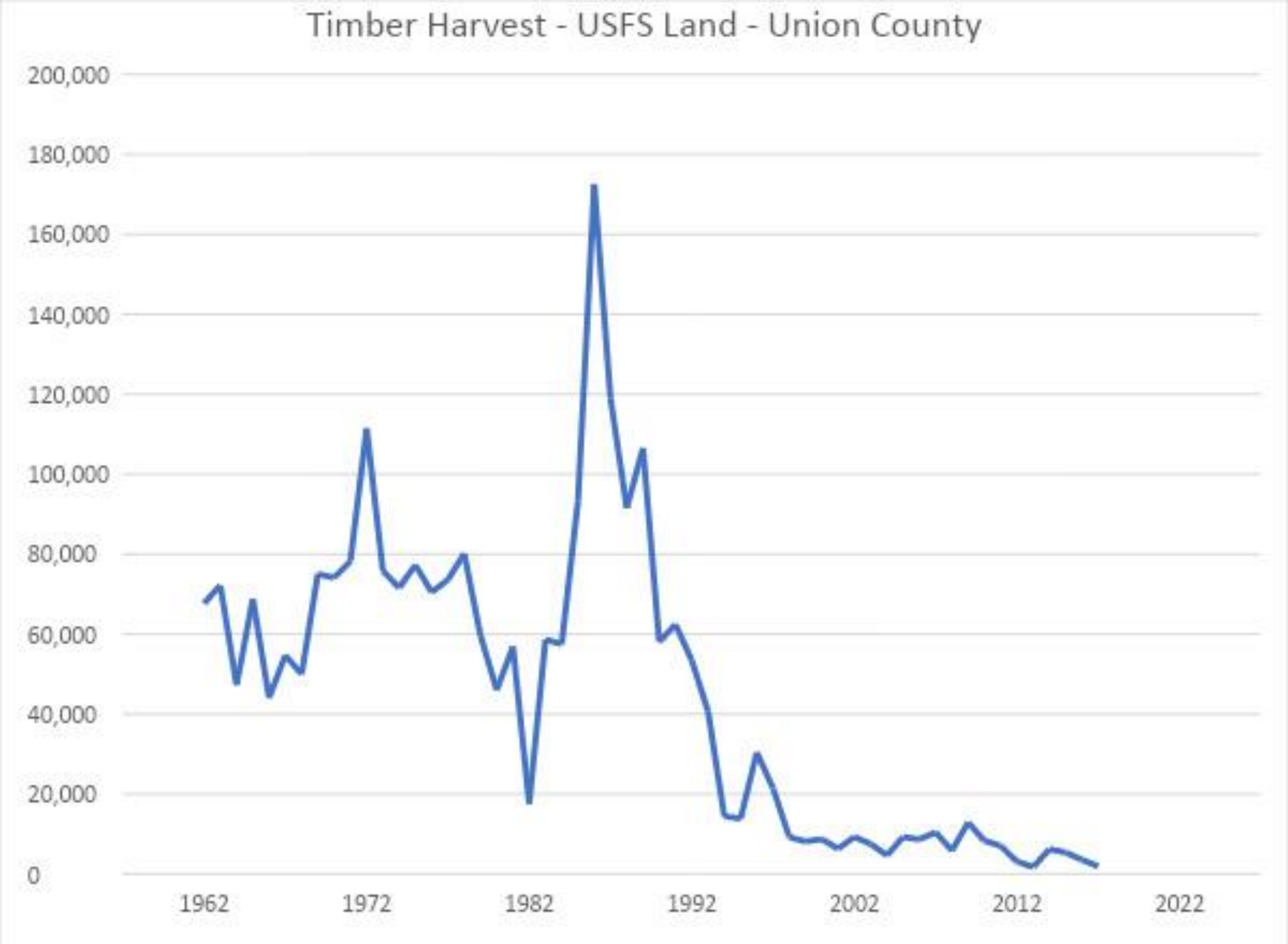
Union County, Oregon: Population ≈26,000



- **Economy:**
  - Public Lands Related Industry: Forestry & Ranching
  - Unemployment 4.7%
  - Poverty Level 15%
  - 43% under *ALICE Asset Limited, Income Constrained, Employed

- **Land Ownership: 2,037 square miles, ≈49% federally managed**
  - ≈0.5% BLM
  - ≈47.3% USFS
  - ≈0.9% State
  - ≈0.1% Tribal
  - ≈51.2% Private

- **Annual County Budget: $70,000,000 All Funds**
  - $17,749,000 General Fund
  - Revenues:
    - Property Tax (40%) $7,099,600
      - 2.9668 per $1,000 assessed value
      - Assessment is limited to 3% per year by ballot initiative
    - No sales tax in Oregon


Timber Harvest - USFS Land - Union County
200,000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
1962
1972
1982
1992
2002
2012
2022

PAYMENTS IN LIEU OF TAXES

Union County, Oregon:

- **FY 2025 PILT: $1,579,842**
  - A side county
    - *624,214 entitlement acres*
    - *$2.53 per acre*
  - 8.4% of Union County General Fund
  - General fund dollars go towards county salaries, law enforcement & emergency services, schools and planning activities

FY 2025 PILT

6902 Calculation								
Population Limit:	26,000	(pop)	x	$118.49	=	$	3,080,740
Alternative A1							
Population Ceiling Limit						$	3,080,740
Deduction for Prior Year Payments						$	578,974
Alternative A1 Amount						**$**	**2,501,766**
Alternative A2							
Price Per Acre Calculation	624,214	(acres)	x	$ 3.46	=	$	2,159,780
Deduction for Prior Year Payments						$	578,974
Alternative A2 Amount						$	1,580,806
Lower of Alt A1 or Alt A2						$	1,580,806
Alternative B1							
Population Ceiling Limit (no deductions)						$	3,080,740
Alternative B2							
Price Per Acre Calculation	624,214	(acres)	x	$ 0.50	=	$	312,107
Lower of Alt B1 or Alt B2						**$**	**312,107**
Higher of Alt A or Alt B						**$**	**1,580,806**
Current Adjustments (Utah)							
6902 Calculation Result (less Adj)						$	1,580,806
6904/05 Calculation							
Total Payment Before Admin						**$**	**1,580,806**
Admin Factor							0.999390092
Payment Before PY Adjustments						$	1,579,842
Prior Year Adjustments							
Total Payment						**$**	**1,579,842**

- Historic Timber Production in Union County and Overview of Timber Economy

- Overview of Eastern Oregon Timber Economy, Past and Present

- Eastern Oregon Milling Capacity
  - Mill Closures
    - *In the past 40 years we have gone from 69 mills to 5*
    - *Two have closed in the last 6 months*

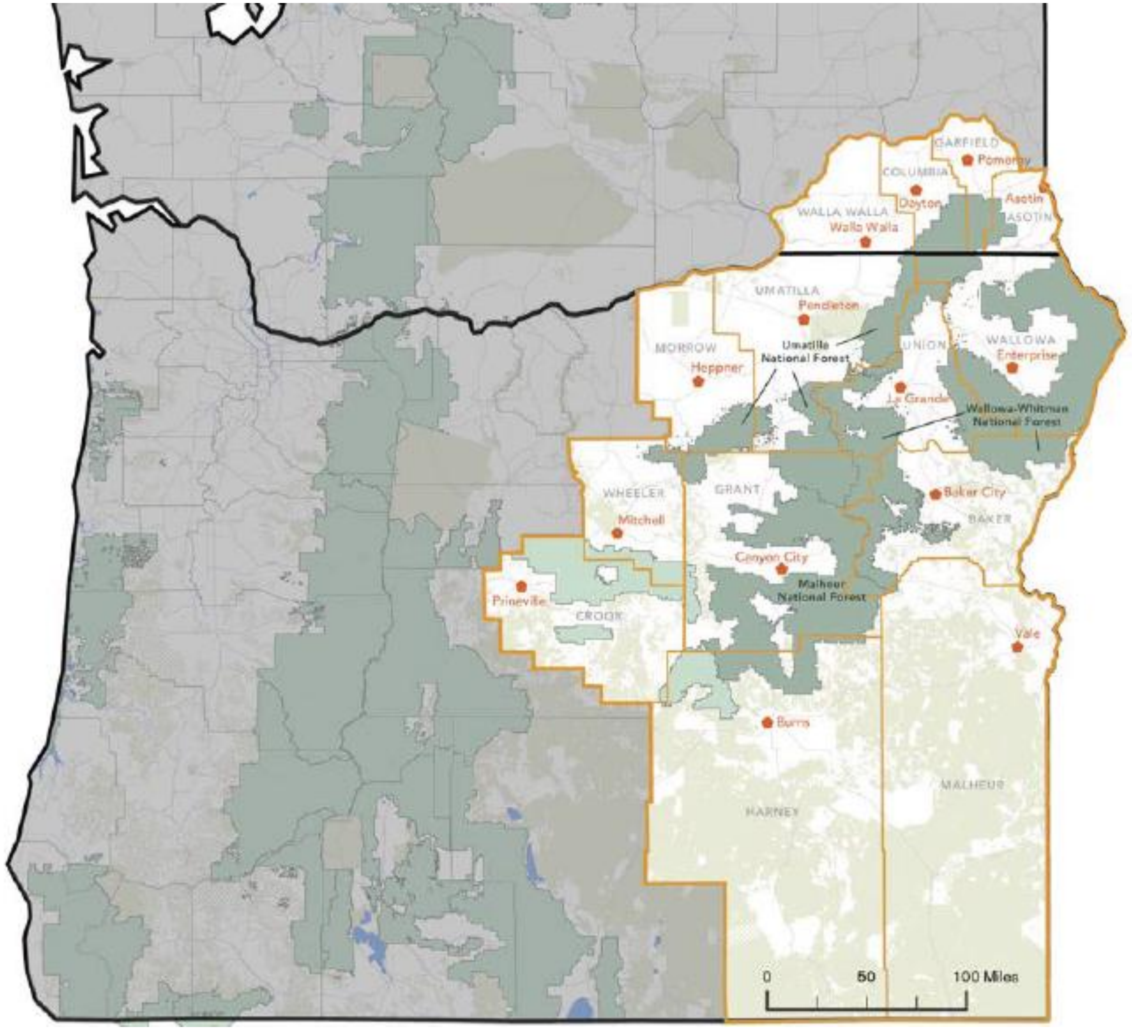
Shutting down the Pilot Rock sawmill

Published 6:00 am Friday, July 18, 2025

By BERIT THORSON | East Oregonian

Blues Intergovernmental Council BLC Socioeconomic Report

- Ten counties in Oregon and Washington, the Blue Mountain Region
- Population density of 11.03 people per square mile 47th out of 50 states; only Montana, Wyoming and Alaska have a lower population density.
    - Median household income is $49,853.50 – which would rank 48th of all states; exceeding that of Mississippi and West Virginia



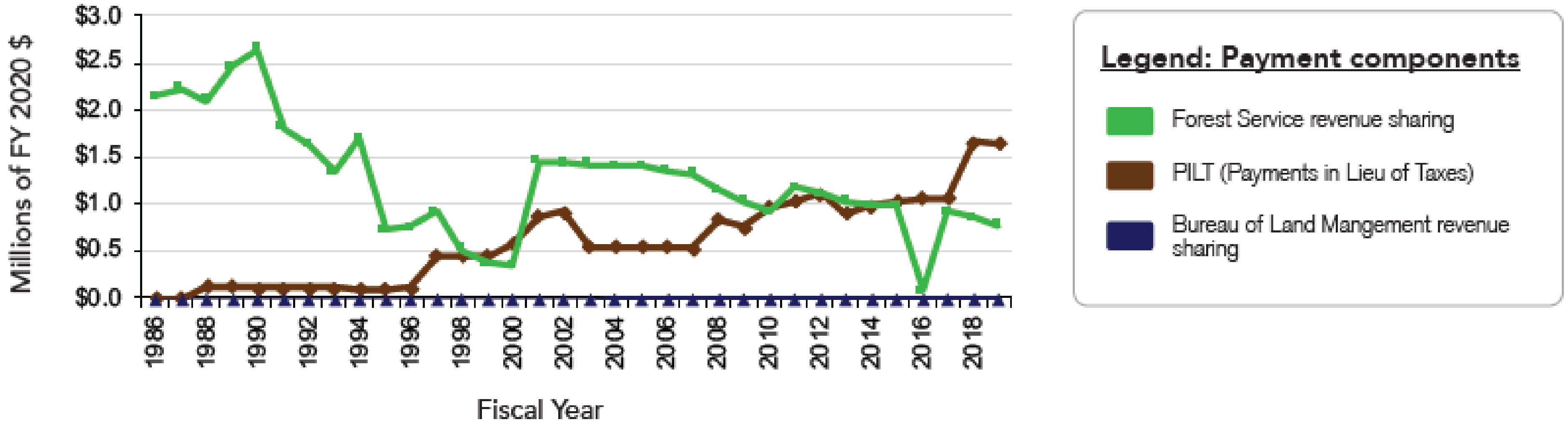
2005 SRS Payments	
Union County	Oregon Total
$943,980.04	$146.953,630.54
2023 SRS Payments	
Union County	Oregon Total
$865,929.42	$50,607,516.11
2024 Actual Receipts	
Union County	Oregon Total
$144,358.67	$8,380,921.41

Forest Receipts:

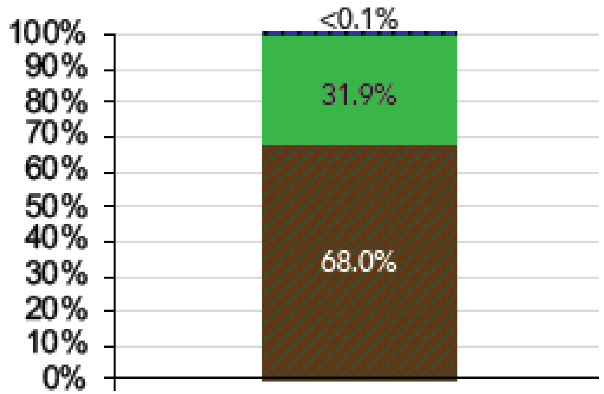
- $144,358.67 for FY2024 -2025
  - Funds are used for road by Public Works
- Automatic because SRS not reauthorized
- 83.3% Decline between FY 2023 and FY 2024

FEDERAL LAND PAYMENTS:

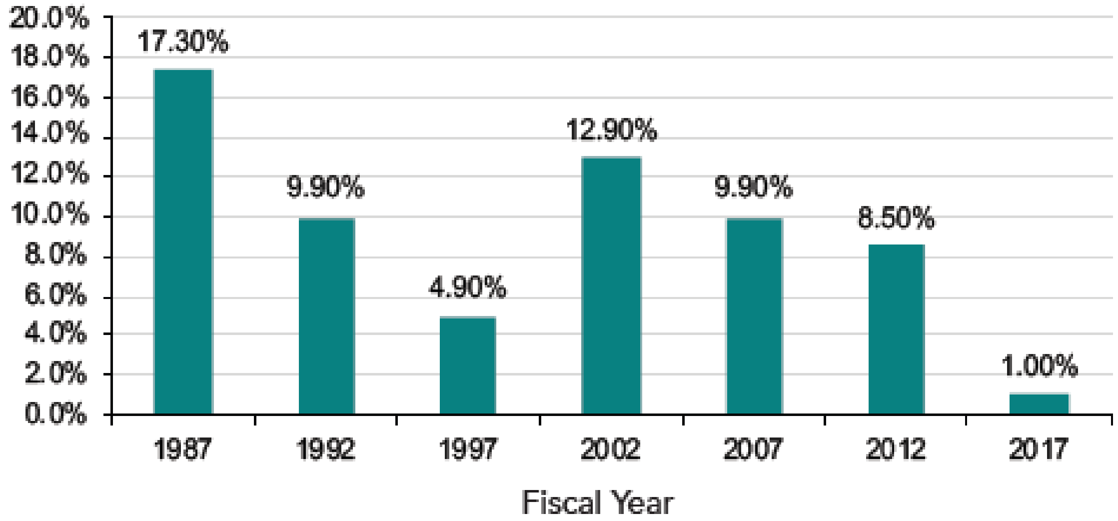
Components of federal land payments per FY, 1986–2019



Components of federal land payments, FY 2019



Federal land payments as % of total general government revenue during select years



Revenue Sharing

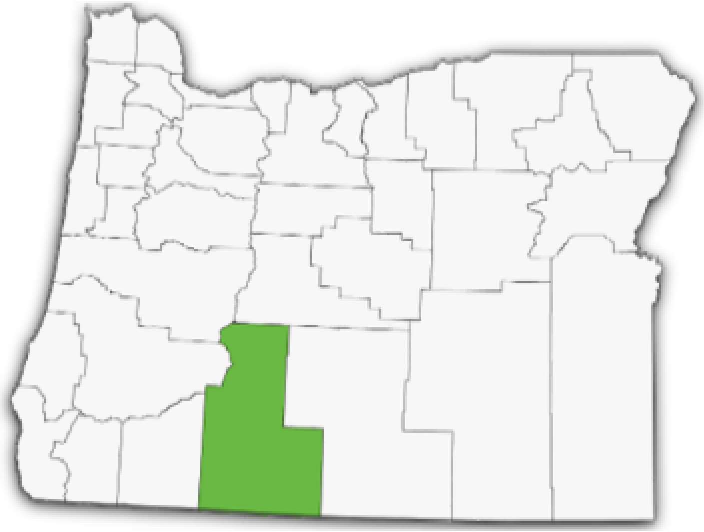
- 25% 1908
- GNA 0%
- Stewardship Contracting 0%

Eastern Oregon Timber Outlook: Challenges and Opportunities

- There are a number of companies that have upfitted to work on federal restoration (aquatic, fuels, forest health) contracts
- Northeast Oregon is fire business centric
- **Impact to Eastern Oregon Counties:**
    - Reliant on federal contracts for restoration
    - Administrative burden meeting contract requirements
    - Fire contracting is call when needed (feast or famine)

Timber Revenue Sharing in Klamath County, Ore.
An Overview of Western Oregon

Klamath County, Oregon: Population ≈69,413



- **Economy:**
  - Public Lands Related Industry: Forestry
  - 29.5% of civilian employment in educational services and health care and social assistance
  - 12.6% of civilian employment in retail trade

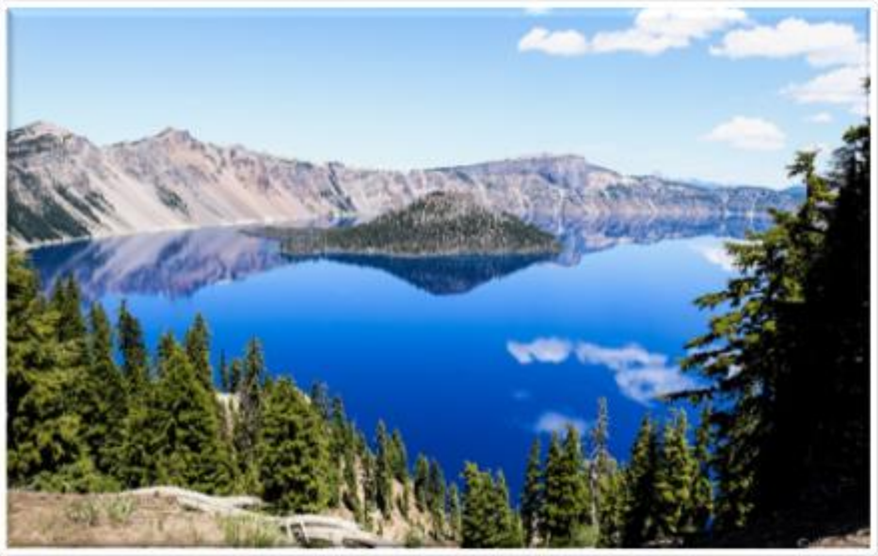
- **Land Ownership: 5950 square miles, ≈58.1% federally managed**
  - ≈6.2% BLM
  - ≈45.6% USFS
  - ≈4.3% NPS
  - ≈2.0% U.S. FWS
  - ≈1.6% State
  - ≈40.2% Private

- **Annual County Budget: $147,976,048**
  - Public Safety: $35,151,913
  - Search and Rescue: $416,428.00
  - Revenues:
    - Property Tax: $11,800,000
    - State of Oregon: $711,000

PAYMENTS IN LIEU OF TAXES

Klamath County, Oregon:

- **FY 2025 PILT: $1,115,636**
  - B side county
    - *2,232,634 entitlement acres*
    - *$0.50 per acre*



FY 2025 PILT

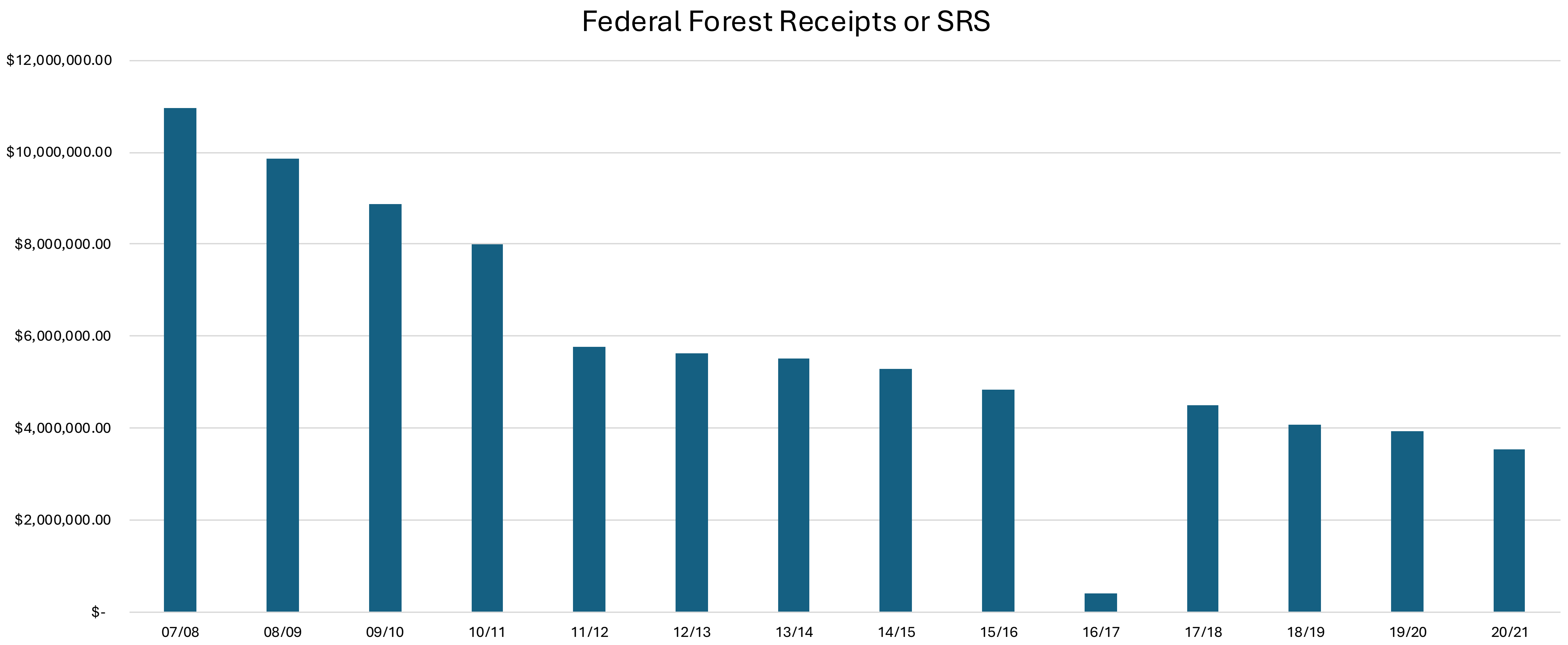
6902 Calculation						
Population Limit:	50,000	(pop)	x	$93.09	=	$ 4,654,500
Alternative A1						
Population Ceiling Limit						$ 4,654,500
Deduction for Prior Year Payments						$ 4,907,173
Alternative A1 Amount						$ -
Alternative A2						
Price Per Acre Calculation	2,232,634	(acres)	x	$ 3.46	=	$ 7,724,914
Deduction for Prior Year Payments						
Alternative A2 Amount						$ 7,724,914
Lower of Alt A1 or Alt A2						$ -
Alternative B1						
Population Ceiling Limit (no deductions)						$ 4,654,500
Alternative B2						
Price Per Acre Calculation	2,232,634	(acres)	x	$ 0.50	=	$ 1,116,317
Lower of Alt B1 or Alt B2						**$ 1,116,317**
Higher of Alt A or Alt B						**$ 1,116,317**
Current Adjustments (Utah)						
6902 Calculation Result (less Adj)						$ 1,116,317
6904/05 Calculation						
Total Payment Before Admin						**$ 1,116,317**
Admin Factor						0.999390092
Payment Before PY Adjustments						$ 1,115,636
Prior Year Adjustments						
Total Payment						**$ 1,115,636**

PAYMENTS IN LIEU OF TAXES FLY-IN

September 9-11, 2025
Washington, D.C.

National Center for Public Lands Counties

National Association of Counties NACo



Klamath County 2025

2005 SRS Payments	
Klamath County	Oregon Total
$14,306,278.78	$146.953,630.54
2023 SRS Payments	
Klamath County	Oregon Total
$6,757,675.09	$50,607,516.11
2024 Actual Receipts	
Klamath County	Oregon Total
$418,835.80	$8,380,921.41

1908 Act 25% Payments and SRS Payments Comparison

1908 Act 25% Road Payment Estimate (75%)	SRS Title I Roads & Schools Payment Estimate	Difference 1908 ACT 25% - SRS
$314,127.00	$4,401,670.00	($4,087,544.00)

- 1908 Act 25% payments are calculated as a rolling average of 25% of the gross grazing fees and timber sales receipts over the past seven years. SRS payments are set by Congress and are consistently projected to be higher than 1908 Act 25% payments.

- Oregon's total SRS payment across all three titles and for schools and roads are estimated at $55.5 million while Oregon's total 1908 Act 25% payment for roads and schools was estimated at 8.3 million for county fiscal year 2025.

- This constitutes a $47.2 million loss for Oregon counties

Timeline of O&C Railroad lands and related legislation from 1862 to 2000

1862: The Pacific Railroad Act is signed, starting construction of the transcontinental railroad (Council Bluffs, IA to Sacramento, CA).

1864: The Act is expanded for a northern route (St. Paul, MN to Seattle, WA).

1869: Congress grants 3.8 million acres to the O&C Railroad for a link from Portland to Ashland, OR, with strict resale terms: max 160 acres, $2.50/acre, only to settlers.

1887: The rail line is completed; Southern Pacific acquires O&C and halts remaining land sales.

1906: The government sues Southern Pacific for violating grant terms.

1915: Supreme Court rules for the government but asks Congress to legislate on compensation and future of the lands.

1916: Congress passes the Chamberlain-Ferris Act, revesting lands to the federal government and compensating the railroad; attempts to sell land and timber fail.

1925-1926: Counties form the Association of O&C Counties and pass the Stanfield Act, securing federal payments due to inability to tax the lands.

1879 Oregon Map, Land Boundaries—in red—That Wagon and Rail companies Could Potentially Receive as Grants for Construction

Source: Bureau of Land Management Oregon and Washington, Oregon Road Grant Map, 1879, photograph, uploaded December 3, 2014, accessed February 14, 2025, https://www.flickr.com/photos/blmoregon/15753539759/in/album-72157628841757125.

PAYMENTS IN LIEU OF TAXES FLY-IN

Timeline of O&C Railroad lands and related legislation from 1862 to 2000

1937: The federal government retains O&C lands, promises counties 75% of timber revenue; management shifts toward sustained yield for timber.

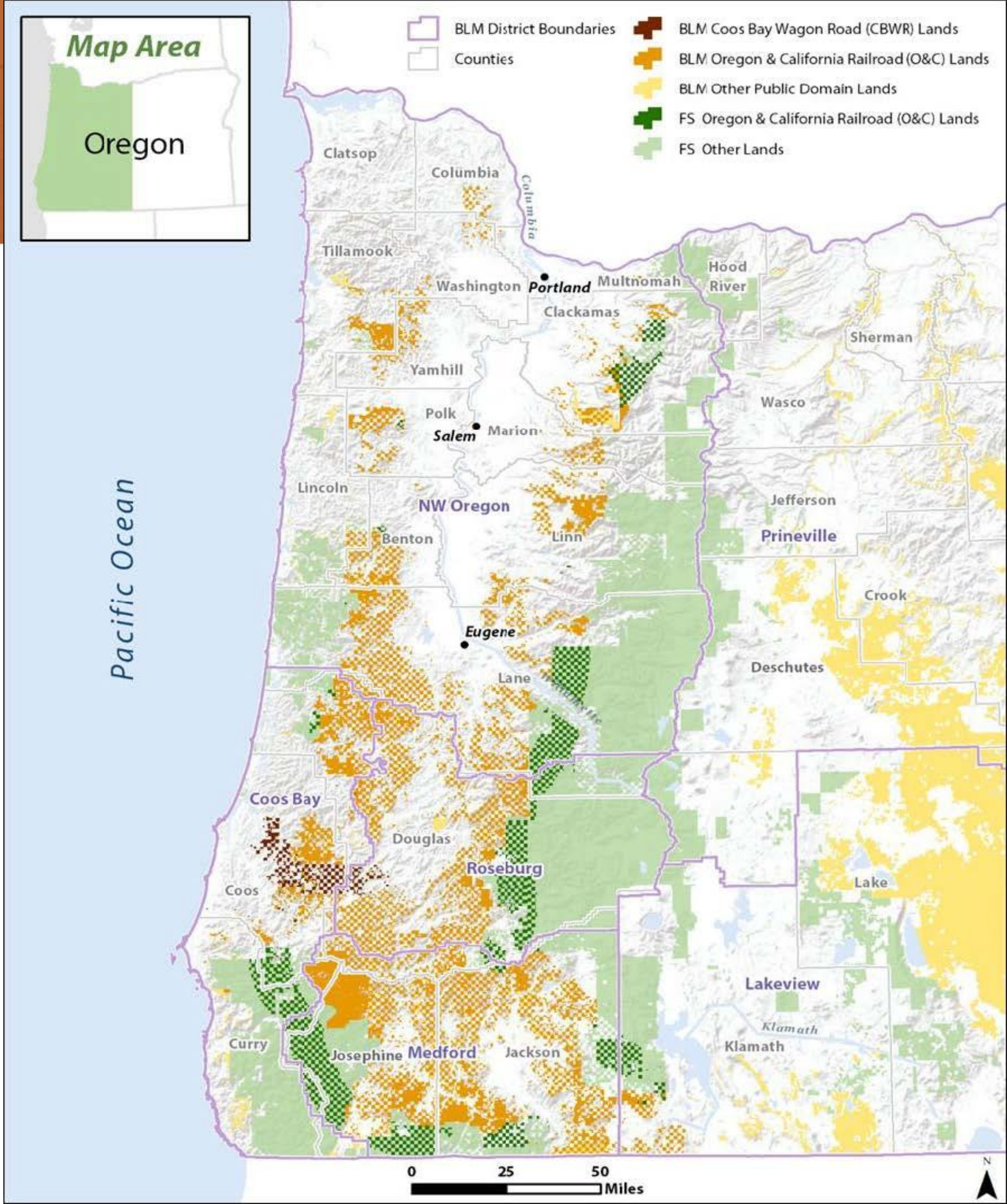
1941-1946: WWII spikes timber demand; BLM is formed, strengthening county-federal cooperation on land management.

1952-1953: Counties' debt to the federal government is paid; a "plowback fund" is established to support land management using timber revenue.

1976: Federal Land Policy and Management Act (FLPMA) affirms O&C lands' focus on timber production, exempting them from "multiple use" standards.

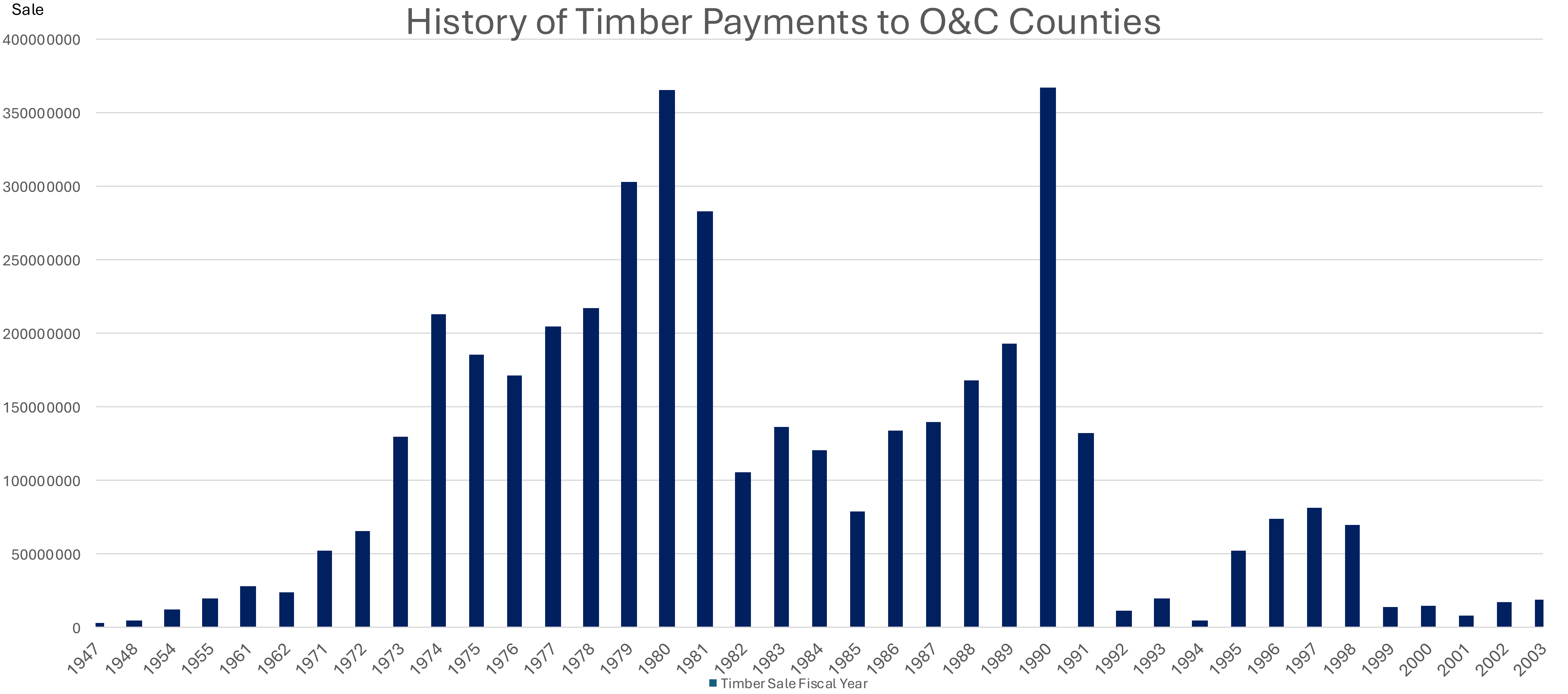
1982: "Plowback fund" is dissolved; timber revenue redirected from counties to the federal treasury.

1973 & 2000: Legislative shifts establish and extend county safety net payments, decoupling O&C land management from direct county revenue impacts



O&C Counties				Non O&C Counties		
	PERMANENT PROPERTY TAX RATE AUTHORITY	PERCENT STATE/FEDERAL OWNERSHIP			PERMANENT PROPERTY TAX RATE AUTHORITY	PERCENT STATE/FEDERAL OWNERSHIP
JOSEPHINE	0.5867	62.4		DESCHUTES	1.2783	78.9
CURRY	0.5996	67		HOOD RIVER	1.4171	71.8
COOS	1.0799	61.2		WALLOWA	2.5366	57.6
DOUGLAS	1.1124	50.5		MALHEUR	2.5823	75.6
LINN	1.2736	39.2		UMATILLA	2.8487	17.7
LANE	1.2793	55.4		UNION	2.8515	48.1
COLUMBIA	1.3956	7.2		JEFFERSON	3.5662	18.8
TILLAMOOK	1.4986	64.2		BAKER	3.7286	52.3
CLATSOP	1.5338	11.9		LAKE	3.7619	78.0
POLK	1.7160	11.3		GILLIAM	3.8450	3.7
KLAMATH	1.7326	55.8		GRANT	3.8450	60.7
JACKSON	2.0099	46.9		CROOK	3.8702	51.2
BENTON	2.2052	20.4		MORROW	4.1347	14.7
WASHINGTON	2.2484	13.5		WASCO	4.2523	14.8
YAMHILL	2.5775	15.4		MULTNOMAH	4.3434	28.8
LINCOLN	2.8202	36.3		HARNEY	4.5016	77.6
CLACKAMAS	2.9766	45.2		WHEELER	8.5266	23.6
MARION	3.0252	33.5		SHERMAN	8.7141	9.6

History of Timber Payments to O&C Counties



O&C Secure Rural Schools Payments for FY2002	
Klamath County	Oregon Total
$2,372,330.98	$102,266,461.22

Secure Rural Schools Payments for FY2023	
Klamath County	Oregon Total
$756,650.62	$23,075.187.24

*unrestricted funds

Western Oregon Timber Outlook: Challenges and Opportunities

- **Industry Capacity:**
  - Excess Milling Capacity and Infrastructure: Significant infrastructure exists to support large-scale production
- **Available Today:**
  - AFRC offers 1 billion board feet of annual milling capacity
- **Current Challenge:**
  - Limited log supply is forcing mill closures despite available capacity

Payment in Lieu of Taxes (PILT) Overview

Payments In Lieu of Taxes (PILT) Overview

Agenda

- Overview
  - Purpose and Eligibility
  - Payments and Key Legislation
- Background
- PILT Program Timeline
- Payment Calculation
  - Overview
  - Details
- Current Program Status
- PILT Contact Information

Overview:
Purpose and Eligibility

Purpose:

Payments in Lieu of Taxes (PILT) are federal payments which help local governments offset losses in property taxes due to the existence of nontaxable federal lands within their boundaries. The original law is Public Law 94–565, dated October 20, 1976. This law was rewritten and amended by Public Law 97–258 on September 13,1982, and codified at Chapter 69, Title 31 of the United States Code. The law recognizes the financial impact of the inability of local governments to collect property taxes on federally owned land.

Eligibility:

PILT program eligibility is reserved for local governments (mostly rural counties) that contain nontaxable federal lands and provide vital services for those lands, such as public safety, housing, social services, and transportation. Those jurisdictions provide significant support for national parks, wildlife refuges, and recreation areas throughout the year. PILT payments help local governments carry out such vital services as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations.

Overview:
Payments and Key Legislation

Payments:

- Payments are generally made by June 30th of each year to coincide with local governments' fiscal year. The Department is statutorily required to make payments prior to September 30th, the end of the federal fiscal year.
- Since PILT payments began in 1977, the Department has distributed more than $12.6 billion to 49 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands.
- On June 24, 2025, the Department distributed a total of $644.8 million in PILT funding to more than 1,900 local governments.

Key Legislation:

- 31 U.S.C. Chapter 69
- Public Law 94-565 (October 20, 1976)
- Public Law 97-258 (September 13, 1982)

Background

- PILT payments are made for tax-exempt federal lands administered by Interior’s bureaus, including the Bureau of Land Management, Bureau of Reclamation, National Park Service, and U.S. Fish and Wildlife Service.

- In addition, PILT payments cover federal lands administered by the U.S. Forest Service, U.S. Army Corps of Engineers, and Utah Reclamation Mitigation and Conservation Commission. Payments are calculated based on the number of acres of federal land within each county or jurisdiction, and the population of that area.

- PILT payments represent the Federal Government’s way of being a good neighbor. Locally, the payments help communities pay for emergency response and public safety, public schools, housing, social services, and roads and transportation.

- The program is administered by the Office of Budget in the Office of the Secretary, Department of the Interior. The Department’s responsibilities are to administer the program, calculate the payments according to the formulas established by law, and distribute the funds to local governments.

PILT Program Timeline

Data Collection: **November – March**

To collect current acreage and prior year payment data, the following requests are sent:

- Acreage requests are sent to Interior's Bureaus as well as the U.S. Army Corps of Engineers, the U.S. Forest Service, and the Utah Reclamation Mitigation and Conservation.
- Prior year payment request notifications are sent to the Governors of each State as well as the working level contacts in each respective State office.
- PILT staff incorporate updated Consumer Price Index and population data, as required by statute.

Data Validation and Follow Up: **February – April**

- As inputs are received from data requests noted above, the data is validated, and discrepancies resolved.
- PILT staff reviews payment calculations, conducts detailed variance analysis, and prepares a Certification Memo.

Payment Calculation, Certification, and Issuance: **May – June**

- Payments to units of local government are calculated and certified.
- Payments are typically issued to local governments by/before June 30th.
- Payment notifications to local governments, members of Congress, and Governors are sent on the payment date.

Payment Reconciliation, Audit Review, and Estimates: **July –October**

- Post payment reconciliation for any returned payments, process EFT waivers, and coordination with new PILT payees.
- Finalize and submit annual audit documentation.

Payment Calculation Overview

The PILT Act (31 U.S.C. Chapter 69) details the formula used to compute annual PILT payments. Individual payments to local governments can vary from year to year because of changes in the four key variables described in the Act:

- acreage data, which are updated annually by the federal agency administering the land;
- prior-year federal revenue-sharing payment deductions reported annually by the Governor of each State;
- inflationary adjustments using the Consumer Price Index, and
- population data, which are updated using information from the U.S. Census Bureau.

The Act defines three categories of entitlement lands:

- **Section 6902:** Federal lands in the National Forest System and the National Park System, lands administered by the Bureau of Land Management, lands in federal water resource projects, dredge areas maintained by the U.S. Army Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the Federal Government.
- **Section 6904:** Federal lands acquired after December 30, 1970, as additions to lands in the National Park System or National Forest Wilderness Areas.
- **Section 6905:** Federal lands in Redwood National Park or lands acquired in the Lake Tahoe Basin near Lake Tahoe under the Act of December 23, 1980.

Once the calculation is determined, payments are adjusted to allow for $400,000 in necessary program administration expenses. Funding for the program is limited to the amount provided in the annual appropriation. In years in which the appropriation provides less than full funding, payments are proportionally prorated to the amount of available funding. Reductions in PILT payments due to funding limitations are not carried forward into future years.

Section 6902: Payment Calculation Details

Section 6902:
The Department computes payments authorized under Section 6902 of the Act using the greater of the following two alternatives:

(A) $3.46 (in 2025 dollars) times the number of acres of qualified federal land in the unit of local government (as defined previously), reduced by the amount of funds received by the locality in the prior fiscal year under certain other federal land revenue-sharing programs, such as the Secure Rural Schools program or the mineral leasing program.

-or-

(A) $0.50 (in 2025 dollars) times the number of acres of qualified federal land in the unit of local government, with no deduction for prior-year payments.

Both alternatives are subject to a population ceiling limitation computed by multiplying the county population times a corresponding dollar value (adjusted annually for inflation) contained in the Act.

Section 6904/05: Payment Calculation Details

- Sections 6904 and 6905 payments are computed by taking one percent of the fair market value of land acquired for additions to the National Forest Wilderness Areas or the National Park System and comparing the result with the amount of property taxes paid on the land in the year prior to federal acquisition. The PILT payment is the lesser of the two.

- Section 6904 payments are made annually for a period of 5 years. The first payment begins in the federal fiscal year following the fiscal year in which the land was acquired by the Federal Government unless otherwise mandated by law.

- Section 6905 payments are also made annually but continue until 5 percent of the fair market value is fully paid. The first payment begins in the federal fiscal year following the fiscal year in which the land was acquired by the Federal Government unless otherwise mandated by law; however, the yearly payment may not exceed the lesser of one percent of the fair market value or the property taxes that were assessed before federal acquisition.

Current Program Status

Pending the passage of a full year appropriation or extension of funding through a Continuing Resolution, the Department will initiate the FY 2026 PILT program in October 2025.

- This starts with collecting prior-year revenue sharing data.

PILT Contact Information

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Questions and Answers


PAYMENTS IN LIEU OF TAXES
FLY-IN
September 9-11, 2025 • Washington, D.C.
National Center for Public Lands Counties
NATIONAL ASSOCIATION of COUNTIES NACo