



April 25, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol Building, Room: S-230
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Hart Senate Office Building, Room: 419
Washington, DC 20515

The Honorable Paul D. Ryan
Speaker
United States House of Representatives
U.S. Capitol Building, Room: H-232
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
United States House of Representatives
U.S. Capitol Building, Room: H-204
Washington, DC 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Ryan, and Minority Leader Pelosi,

On behalf of the National Association of Counties (NACo), the only national organization representing all 3,069 counties across the United States, I write to request Congress provide urgent relief to counties with significant percentages of federal land within their jurisdictions by fully funding the Payments In Lieu of Taxes program (PILT) and reauthorizing the Secure Rural Schools program (SRS).

As you know, Congress plays a key role in guiding the management of the 640 million acres of federal public lands. Sixty-two percent of counties nationwide have federal land within their boundaries, and federal lands policies have a direct impact on the quality of life and economic wellbeing of public lands counties. Many counties have vast swaths of untaxable federal land, leaving a sizable portion of their revenues subject to the federal legislative branch.

As Congress develops appropriations legislation for FY2017, we strongly encourage you to keep the PILT and SRS programs in mind, and ensure that federal public lands counties receive the full funding they need.

Payments In Lieu of Taxes

Nearly 1,900 counties, boroughs, and parishes in 49 states rely on PILT to make up for lost property tax revenue from tax-exempt federal public lands. PILT provides an important safety net so counties can reliably provide essential services to their constituents.

In FY2016, Congress appropriated the necessary \$452 million to fully fund PILT, which counties greatly appreciated. For FY2017, the U.S. Department of the Interior requested \$480 million in mandatory funding for PILT. Unless and until Congress guarantees full funding for PILT, counties will not be able to provide public services such as emergency management, law enforcement, education, healthcare, and road maintenance to residents and federal lands visitors.

Counties therefore urge Congress to fully fund PILT for FY2017 and eliminate the annual funding uncertainty faced by PILT counties in the long-term.

Secure Rural Schools

The SRS program provides counties with significant U.S. Forest Service lands with funding to make up for the shortfall resulting from declining timber sales off federal forestlands beginning in the early 1990s. SRS was last reauthorized retroactively for FY2014 and FY2015 with final payments going to counties and schools in spring 2016. Currently, over 720 counties and 4,000 school districts in 41 states count on SRS funds to provide a quality education to nine million students.

While NACo supports better federal forest management policies, including timber harvesting on public lands to increase revenues to local governments and schools, until needed land management reform becomes law, rural counties will be left with a major revenue shortfall if SRS lapses.

Should the Congress not reauthorize SRS, county forest payments will revert to the permanently authorized 25 percent revenue sharing payments under the National Forest Revenue Act of 1908 (16 U.S.C. 500). This will negatively impact county government revenues. When SRS authorization expired in FY2014, county payments nationwide decreased by a staggering 80 percent. Another revenue cut like this will force many public lands counties and schools to lay off vital employees, including schoolteachers. Additionally, some counties receiving PILT payments may see a reduction as SRS counties would no longer be required to deduct SRS payments under the PILT formula.

NACo commits to working with Congress to ensure robust funding for county governments in FY2017 and in the years ahead. County governments are responsible for implementing a broad array of services, such as educating our nation's youth, responding to emergency calls, and maintaining public infrastructure. Counties across the nation urge you to protect vital revenue streams that ensure these public services will not be interrupted in the coming year and in the long-term.

Sincerely,



Matthew D. Chase
Executive Director
National Association of Counties



Joel Bousman
President
Western Interstate Region

cc: U.S. Senate Committee on Energy and Natural Resources
U.S. Senate Committee on Agriculture, Nutrition, and Forestry
U.S. Senate Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies
U.S. House Committee on Natural Resources
U.S. House Committee on Agriculture
U.S. House Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies
The Honorable John Cornyn, Majority Whip, U.S. Senate
The Honorable Richard Durbin, Minority Whip, U.S. Senate
The Honorable Kevin McCarthy, Majority Leader, U.S. House
The Honorable Steny Hoyer, Democratic Whip, U.S. House