



PROVIDE FULL MANDATORY FUNDING FOR THE PAYMENT IN LIEU OF TAXES (PILT) PROGRAM

ACTION NEEDED: Urge members of your Congressional delegation to support mandatory full funding for the Payment in Lieu of Taxes (PILT) program. Unless Congress acts, counties will receive their last fully funded PILT disbursement in FY2015. Without mandatory full funding, PILT will remain a discretionary program (subject to the annual appropriations process) and could fall back to pre-2008 funding levels, which would devastate local government service delivery in areas with significant federal land ownership.

BACKGROUND: The PILT program was created in 1976 to offset costs incurred by counties for services provided to federal employees and families, the public and to the users of public lands. These include education, solid waste disposal, law enforcement, search and rescue, health care, environmental compliance, fire fighting, parks and recreation and other important community services.

Annual PILT funding levels remained static for many years. For nearly two decades, counties watched the value of their PILT receipts drop due to inflation. In 1995, NACO was successful in securing a legislative fix for the PILT formula, (P.L. 103-397), which adjusted annual authorization levels for inflation.

For FY2015, PILT was extended with \$70 million in appropriations provided by the FY2015 National Defense Authorization Act and \$372 million in appropriations provided by the FY2015 Consolidated and Further Continuing Appropriations Act (P.L. 113-235). Together the two bills provided full discretionary funding of \$442 million for PILT in FY2015. In FY2014, PILT was extended through the farm bill (P.L. 113-79) as a fully funded, mandatory entitlement program at \$425 million. Mandatory funding for FY2013 was achieved through the Moving Ahead for Progress in the 21st Century Act (MAP-21)(P.L. 112-141) and provided \$399 million in PILT funding. Previously, the enactment of the Emergency Economic Stabilization Act (P.L. 110-343) provided full funding for PILT from FY2008 through FY2012. From 1995 to 2007, PILT remained an appropriated program, and as a result was underfunded year after year.

QUICK FACTS

- **The U.S. Department of the Interior makes PILT payments to over 1,850 counties in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands**
- **As federal land is not taxable by local governments, PILT provides payments to counties to offset losses in property tax revenues**
- **62 percent of counties have federal lands within their boundaries**

KEY TALKING POINTS:

- The PILT program provides payments to counties and other local governments to offset losses in tax revenues due to the presence of substantial acreage of federal land in their jurisdictions.

- Without future mandatory funding, PILT will remain a discretionary program subject to the annual appropriations process. Counties require a public commitment from the administration and Members of Congress to support long-term predictable funding at its full authorized levels for FY2016 and beyond.
- As local governments are unable to tax the property values or products derived from federal lands, PILT payments are necessary to support essential government services (mandated by law) such as education, first responders, transportation infrastructure, law enforcement and healthcare in over 1,850 counties in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.
- While the Senate and House continue to discuss legislative solutions for funding the PILT program, NACO will continue to urge leadership in both houses and on both sides of the aisle to act in a spirit of bicameral and bipartisan cooperation to work together to pass a final legislative solution.

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