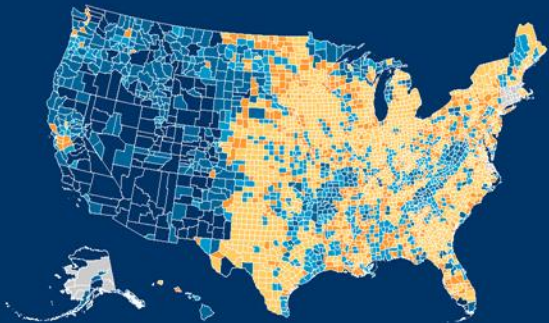
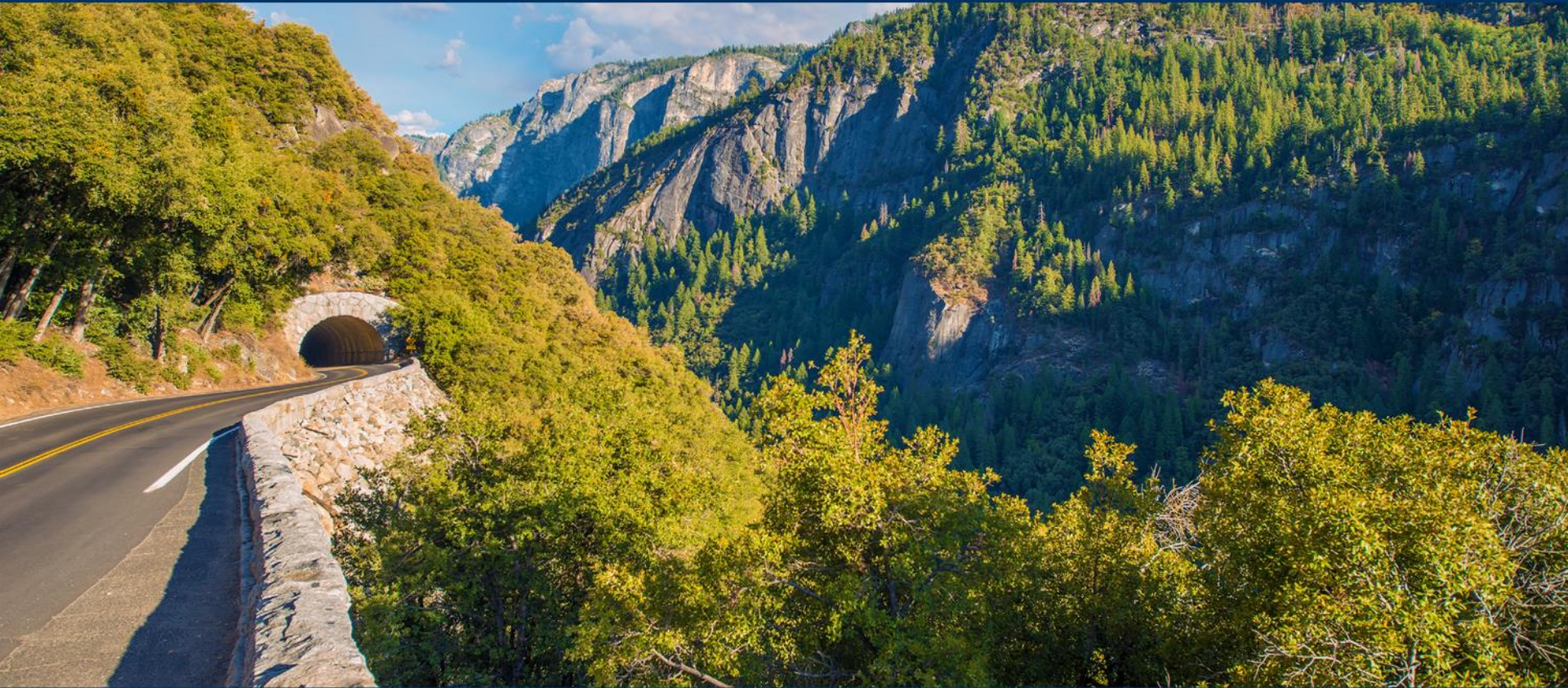


THE PAYMENTS IN LIEU OF TAXES (PILT) PROGRAM



www.naco.org | February 2020

About NACo



- ***The National Association of Counties (NACo) assists America's counties in pursuing excellence in public service***

by advancing sound public policies, promoting county solutions and innovations, fostering intergovernmental and public-private collaboration, and providing value-added services to save counties and taxpayers money



- Founded in 1935, ***NACo provides the elected and appointed leaders from the nation's 3,069 counties with the knowledge, skills and tools*** necessary to provide fiscally-responsible, quality-driven, and results-oriented policies and services for healthy, vibrant, safe and resilient counties

Why Counties Matter



\$554.4 BILLION + 3.6 MILLION = 308 MILLION

\$554.4 billion total
expenditures annually

3.6 million county
employees

Service to almost
308 million
county residents

Presentation Overview



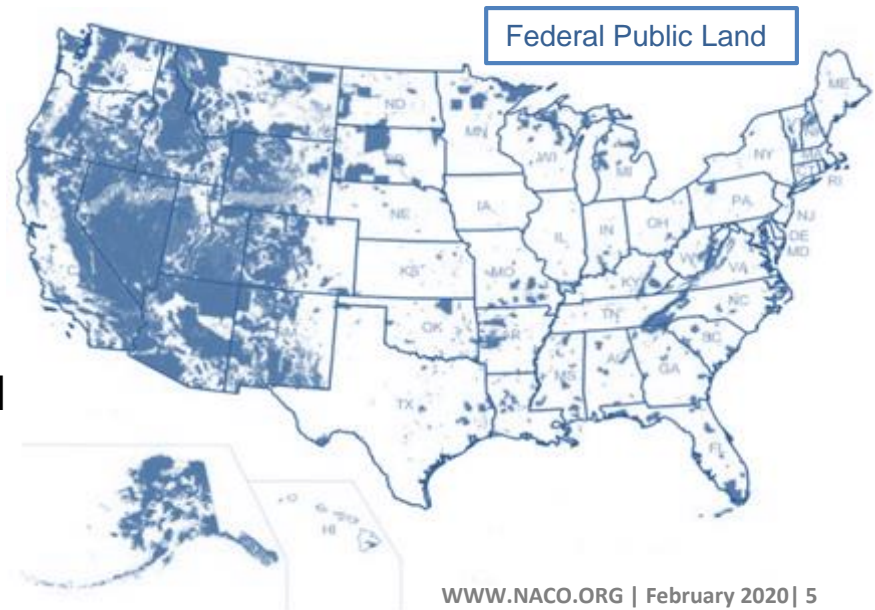
- **Why PILT Matters to Counties**
- **How PILT Works**
- **The History of PILT**
- **Current Funding Levels**

Why PILT Matters to Counties



The Purpose of PILT is to Offset Losses in Tax Revenue

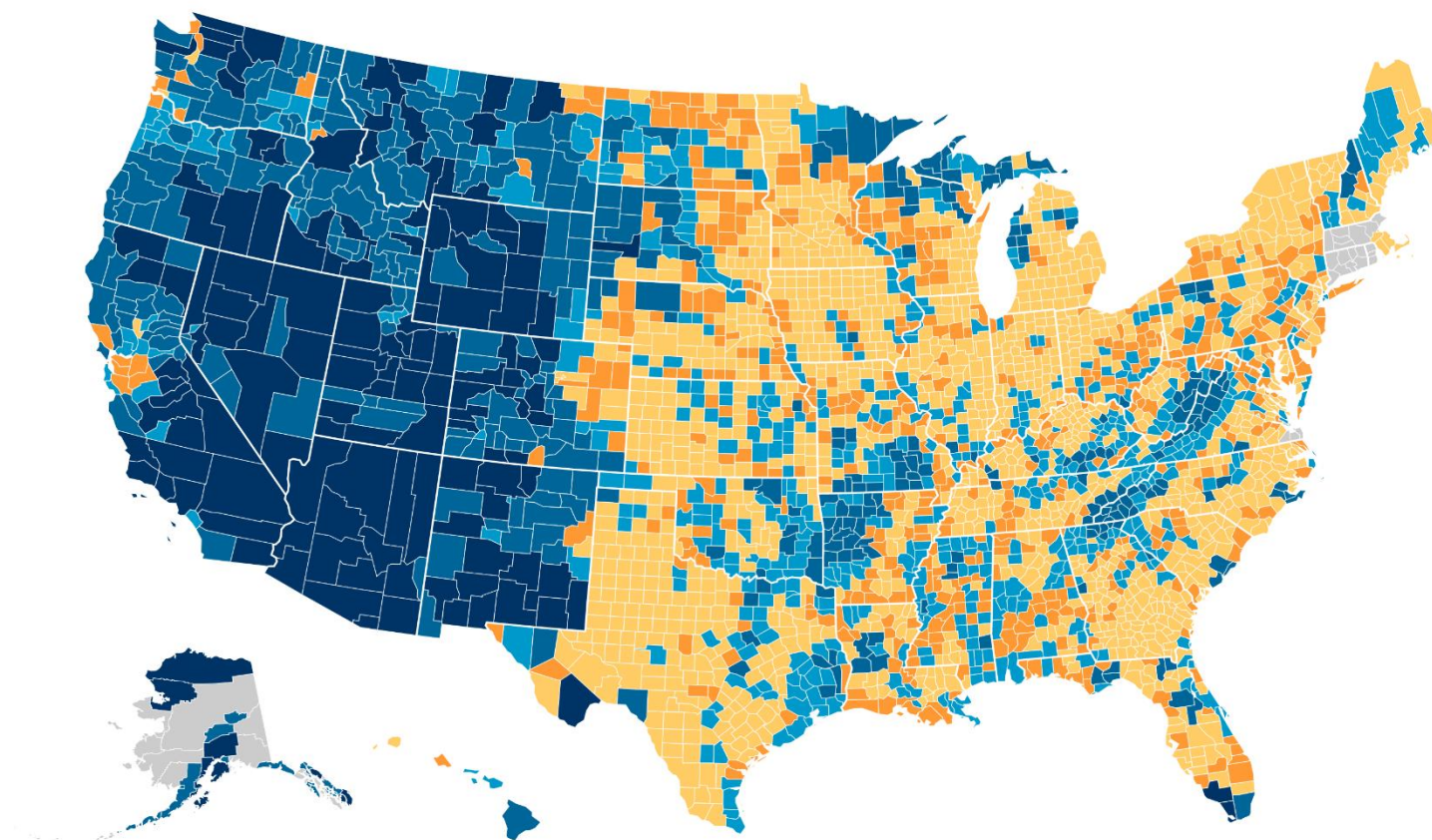
- Land owned by the federal government, referred to as federal or public land, is exempt from local property taxes
- **The Payments in Lieu of Taxes (PILT) program provides payments to counties and other local governments to offset losses in tax revenues due to the presence of tax-exempt federal land in their jurisdictions**
- Nearly 28 percent of land in the U.S. is federally owned land
- Many counties have over 90 percent of their land area owned by the federal government



Why PILT Matters to Counties



Payments in Lieu of Taxes (PILT) PILT Amount



Why PILT Matters to Counties



PILT Funding and Public Land Presence in Selected Counties

As shown in the chart below, counties across the country rely on PILT funding to offset losses in tax revenue as a result of public lands in their jurisdictions

	FY2019 PILT Funding	PILT Entitlement Acres	Total Acres	Percentage of PILT Entitlement Land	Population
Clark County, NV	\$3,632,785	4,818,045	5,178,240	95.5%	2,027,868
Collier County, FL	\$1,416,579	511,765	1,475,136	40.0%	339,642
Eddy County, NM	\$3,651,580	1,574,334	2,686,720	59.0%	55,471
Harney County, OR	\$1,150,621	4,462,835	6,544,640	68.8%	7,146
Kenai Peninsula Borough, AK	\$3,225,437	6,695,447	10,248,320	65.1%	57,147
St. Louis County, MN	\$2,173,123	848,923	4,390,400	21.3%	200,540
Swain County, NC	\$665,156	240,312	346,240	71.1%	14,058
Sweetwater County, WY	\$3,435,684	4,601,783	6,714,240	69.0%	45,237

Why PILT Matters to Counties



Counties Often Provide Services on Public Lands

In addition to the services traditionally provided by counties across the country to their residents, counties with public lands in their jurisdictions often provide services that are crucial to their operation and maintenance of public lands, including the following:



Search and
Rescue



Fire
Management



Solid Waste
Disposal



Emergency
Medical
Services



Law
Enforcement

How PILT Works



PILT Payments and Categories of Public Lands

PILT payments are typically made **directly to counties**. However, states can choose to receive and reroute funds to local governments. Currently, only Wisconsin and Alaska employ this option.

According to the formula established by PILT law, there are three categories of public lands:

Federal lands in the National Forest System and the National Park System, lands administered by BLM, lands in Federal water resource projects, dredge areas maintained by the U.S. Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the Federal government (**section 6902 payments**)

Federal lands acquired after December 30, 1970, as additions to lands in the National Park System or National Forest Wilderness Areas (**section 6904 payments**)

Federal lands in the Redwood National Park or lands acquired in the Lake Tahoe Basin near Lake Tahoe under the Act of December 23, 1980, (**section 6904 or 6905 payments**)



How PILT Works

Management of Public Lands (635-640 million acres of federal public lands in the U.S.)



The Bureau of Land Management manages **245 million** acres of public land and is responsible for 700 million acres of subsurface mineral resources



The U.S. Department of Agriculture (USDA) Forest Service manages **193 million** acres of public land



The Fish and Wildlife Service manages **150 million** acres of public land



The National Park Service manages **84 million** acres of public land

The History of PILT



PILT Has Long Been a Top Priority for NACo

- In 1954, elected county officials from several western states joined together to develop a regional coalition of counties called the Interstate Association of Public Land Counties – an organization that would ultimately evolve into the Western Interstate Region (WIR) of NACo



- ◆ *WIR works to educate policy makers in Washington on issues important to western counties and advocates for federal payments in lieu of lost property tax revenue due to the presence of a vast federal estate*
- While western counties strongly support ongoing advocacy efforts to fully fund PILT, the program has been elevated by America's counties to an issue of national prominence impacting counties with federal land in 49 states.

The History of PILT



PILT's Major Legislative Milestones

PILT First Signed into Law – October 1976

After several years of growing pressure from county officials nationwide, the 94th Congress passed the Payments in Lieu of Taxes Act (PL 94-565) – which provided annual payments to counties. The PILT Act was codified in Chapter 69 of Title 31 of the United States Code.



PILT Reform in 1994

The Act was amended in 1994 to provide for a more equitable authorization level in light of disparities that existed between property values and current PILT payments. The law, as amended, uses the consumer price index (CPI) to annually adjust the population limitation and the per acre dollar amounts for inflation.



PILT Reform in 2008

The Emergency Economic Stabilization Act (PL110-343) was enacted in 2008. The Act included language that modified the PILT program from a discretionary program (subject to annual appropriations) to a fully funded mandatory entitlement program. Congress provided five years of mandatory funding for PILT, from FY 2008 to FY 2012.



The History of PILT



PILT's Authorization and Appropriation Levels

1976-1994

Historically, PILT payments were limited to an amount appropriated by Congress. Initially authorized at \$100 million, that amount was appropriated annually during the first decade of the Act. During the 1980s, there were attempts to zero out the amount in budgets, but Congress made the minimum amount available each year.

1995-2007

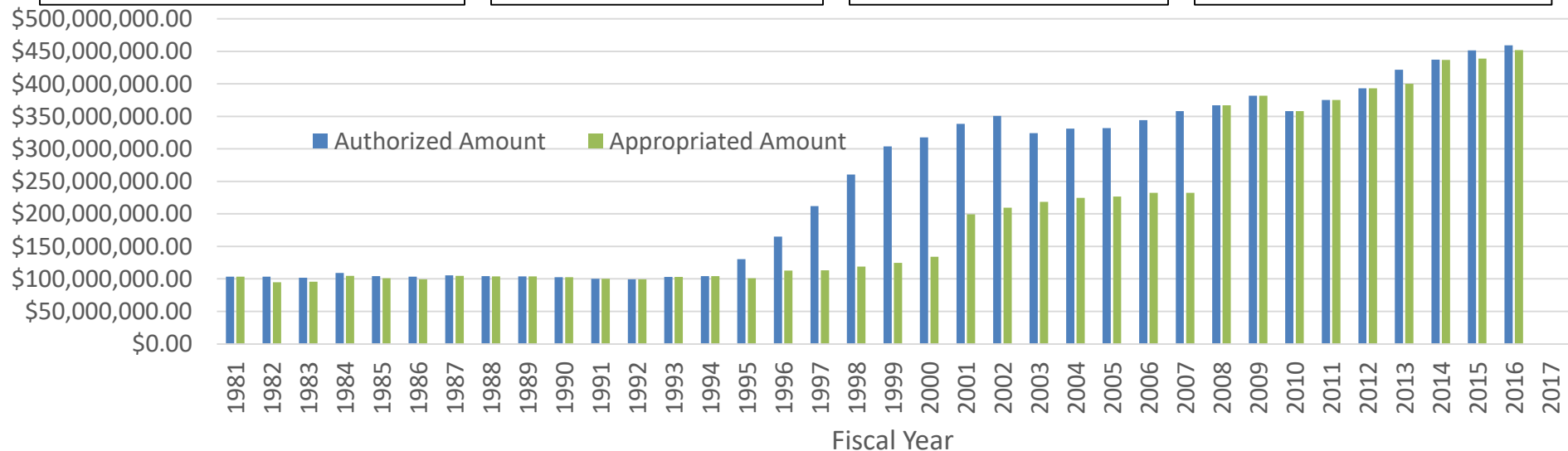
After the 1994 PILT reform, which tied authorization levels to the consumer price index (CPI), authorized and appropriated levels began to diverge. PILT is one of the few federal funding programs that has a "floating authorization" amount.

2008-2012

Despite increasing authorized levels after 1994, PILT was not fully funded until 2008, when it was changed from a discretionary to a mandatory program. As a result, PILT was fully funded between 2008 and 2012.

2018 - 2020

The FY 2020 Omnibus Appropriations bill, enacted in December 2020, provides full, mandatory PILT funding. PILT also received full, mandatory funding of \$515.7 million in FY 2019 and \$552.8 million in FY 2018. Current funding for PILT expires Sept. 30, 2020.



Current Funding Levels



FY2018

Authorized	Appropriated
\$552.8m	\$552.8m

FY2019

Authorized	Appropriated
\$515.7	\$515.7

FY2020

Authorized	Appropriated
TBD	TBD

- In December 2019, Congress passed the FY 2020 Consolidated Appropriations Act, providing full, mandatory funding for PILT. **The current funding for PILT is set to expire on September 30, 2020.**
- Without congressional action to reauthorize PILT for FY 2021 and into the future, counties will face budget shortfalls that will impact their ability to provide essential services to residents and visitors.

For More Legislative Analysis, visit naco.org



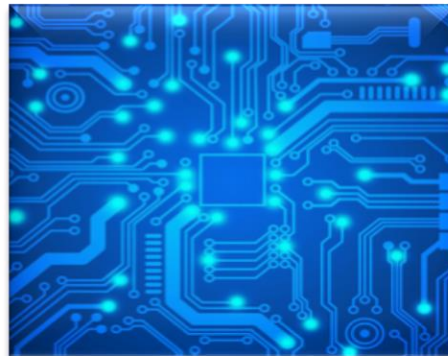
Waters of the U.S.



Transportation



Municipal Bonds



Marketplace Fairness



THE AMERICAN COUNTY PLATFORM AND RESOLUTIONS 2019 - 2020

Questions?



Contact Us!

For questions or more information, feel free to contact us

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