

2019 POLICY BRIEF

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

QUICK FACTS

- The U.S. Department of 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
- PILT provides payments to counties to offset lost property tax revenues due to the presence of non-taxable federal lands within their jurisdictions
- 62 percent of counties have federal lands within their boundaries

ACTION NEEDED:

Urge your members of Congress to support mandatory full funding for the Payments in Lieu of Taxes (PILT) program. Because local governments are unable to tax the property values or products derived from federal lands, PILT payments are necessary to support essential local government services. Unless Congress acts, counties will have received their last fully-funded PILT disbursement in 2019.

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. Services 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 an amendment to the PILT formula, (P.L. 103-397), which adjusted annual authorization levels for inflation.

The FY 2019 Omnibus appropriations package, enacted in February 2019, fully funded PILT at \$500 million for the remainder of FY 2019. The FY 2018 Omnibus appropriations package signed into law on March 23, 2018 funded PILT at \$552.8 million. The Consolidated Appropriations Act of 2017, passed by Congress on May 4 and signed into law on May 5, 2017, fully funded PILT at \$465 million for FY 2017.

In FY 2014, PILT was extended through the farm bill (P.L. 113-79) as a fully funded, mandatory entitlement program at \$425 million. Mandatory funding for FY 2013 was achieved through the Moving Ahead for Progress in the 21st Century Act (MAP-21) (P.L. 112-141), which 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 FY 2008 through FY 2012. From its enactment in 1976 through 2007, PILT was subject to annual appropriations and as a result was underfunded year after year.

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 federal land acreage within their jurisdictions



- Because local governments are unable to tax the property values or products derived from federal lands, PILT payments are necessary to support essential local government services (mandated by law) such as education, emergency services, transportation infrastructure, law enforcement and health care in over 1,850 counties in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands
- Without predictable mandatory funding, PILT will remain a discretionary program subject to the annual appropriations process. Counties urge the administration and members of Congress to support long-term predictable full funding for PILT in FY 2020 and beyond
- While the Senate and House continue to discuss legislative solutions for funding the PILT program, NACo will continue to urge leadership in both chambers and on both sides of the aisle to work together to fully fund the program

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