

Ravalli County Commissioners Office

From: MACO <MACO@mtcounties.org>
Sent: Wednesday, July 8, 2015 9:19 AM
To: MACO
Subject: FY15/FY16 PILT Update
Attachments: NACo PILT Letter \$37M FINAL.pdf

Good Morning PLSC and WIR Board Members,

As was noted in my previous email regarding FY15/FY16 PILT payments (copied below for your convenience), recently the U.S. Department of the Interior distributed \$404.6 million in PILT payments to public lands counties. The remaining \$37M in PILT appropriations will become available after October 1, 2015 and DOI has noted those funds will likely be distributed in the first quarter of calendar year 2016.

In response, NACo has sent the attached letter to Secretary of the Interior Sally Jewell urging her to utilize all legal authority available to her to distribute the remaining \$37M to counties as close to October 1, 2015 as possible. If the Secretary finds that additional legal authorities are necessary to quickly distribute the remaining PILT Funds when they become available, the letter urges her to work closely with Congress to enact the necessary legal authorities.

NACo has been in close communication with the Department of the Interior and Congressional leaders on this issue and we remain hopeful a solution can be found that will ensure the remaining \$37M in PILT funds will be distributed quickly after they become available on October 1, 2015.

As always, please don't hesitate to contact me if you have any questions.

Best regards,

Chris

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Chris Marklund
NACo Associate Legislative Director
Public Lands and Western Interstate Region
cmarklund@naco.org
202.942.4207

From: Chris Marklund
Sent: Friday, June 26, 2015 10:08 AM
To: Chris Marklund - NACo
Subject: FY15/16 PILT FAQ

Good morning PLSC and WIR Board Members,

As many of you are aware, the FY15 PILT payment of \$404.6M has been distributed by the Department of the Interior to public lands counties. The DOI Press Release is copied at the bottom of this email.

As you may recall, in December Congress provided \$442M to fund PILT - \$405M being made available immediately and another \$37M becoming available after October 1.

Because I have received several calls regarding the treatment and timing of the \$37M that will become available after October 1, I wanted to share the FAQs below from DOI addressing this pot of money. Full PILT FAQs can be found on the DOI website at: <http://www.doi.gov/pilt/faqs.cfm>

October 2015 Funding

Will the October funding be treated as a 2015 or a 2016 payment?

In the National Defense Authorization Act, Congress appropriated \$37 million to be available in October 2015, which is after the end of FY 2015, making the \$37 million available for FY 2016 payments.

When can we expect to receive the October funding?

The Department will issue a request for updated data as of September 30, 2015 to be used for the 2016 PILT calculation. Once the data is received and processed, the 2016 PILT calculation will be performed in accordance with the statute, prorated to the \$37 million in available funding, and payments will be issued, likely in the first quarter of calendar year 2016.

Will all counties who received a payment in June also receive a payment from the October funds?

Per the administrative provisions for the PILT program, the Department has been statutorily unable to issue payments of less than \$100. Since the \$37 million is a proportionately smaller amount of funding, Interior anticipates significantly fewer units of local government will meet the minimum threshold to receive a payment.

As always, if you have any questions, please don't hesitate to contact me.

Best regards,

Chris

Secretary Jewell Announces \$405 Million in PILT Payments to Support Vital Services in Rural Communities

Underscores importance of President's call to extend mandatory, full funding for PILT program that supports firefighters, police, school and road construction

WASHINGTON, DC - As Part of the Obama Administration's commitment to rural communities, Secretary of the Interior Sally Jewell today announced that about 1,900 local governments around the country are receiving a total of nearly \$405 million under the 2015 Payments in Lieu of Taxes (PILT) program.

A full list of funding by State and county is available at <http://www.doi.gov/pilt>.

“Rural communities across the country contribute significantly to our nation's economy, food and energy supply, and help define the character of our diverse and beautiful country,” Secretary Jewell said. “President Obama has made job creation and opportunity in rural areas a top priority for his Administration and has fought for continuing the PILT program, which is a lifeline for many local communities.”

PILT program eligibility is reserved for local governments (mostly rural counties) that contain non-taxable federal lands and provide vital services, such as public safety, housing, social services and transportation. These jurisdictions provide significant support for national parks, wildlife refuges and recreation areas throughout the year. PILT seeks to compensate them for their support and foregoing tax revenue from these federal lands.

Congress appropriated \$404.6 million for payments to counties for the 2015 program. The President's fiscal year 2016 budget proposes to extend mandatory full funding at \$452 million for the program for another year while a sustainable long-term funding solution is developed for the PILT program.

“PILT payments are critical for maintaining essential public services, such as firefighting and police protection, construction of public schools and roads, and search and rescue operations,” said Jewell. “President Obama has proposed to fully fund the PILT program, and we encourage Congress to take the required action to make sure this important program continues.”

The Interior Department collects about \$14 billion in revenue annually from commercial activities on federal lands, such as oil and gas leasing, livestock grazing and timber harvesting. A portion of these revenues is shared with states and counties in the form of revenue-sharing payments. The balance is deposited in the U.S. Treasury, which in turn pays for a broad array of federal activities, including PILT funding to counties.

Using a formula provided by statute, the annual PILT payments to local governments are computed based on the number of acres of federal entitlement land within each county or jurisdiction and the population of that county or jurisdiction. The lands include the National Forest and National Park Systems; lands in the U.S. Fish and Wildlife Refuge System reserved from the public domain; areas managed by Bureau of Land Management; those affected by U.S. Army Corps of Engineers and Bureau of Reclamation water resource development projects; and others.

Individual county payments may vary from the prior year as a result of changes in acreage data, which is updated yearly by the federal agency administering the land, prior year Federal Revenue Sharing payments reported yearly by the Governor of each State, and population data, which is updated using data from the U.S. Census Bureau. Federal Revenue Sharing payments are made to local governments under programs other than PILT during the previous fiscal year, including the Refuge Revenue Sharing Fund, the National Forest Fund and the Secure Rural Schools and Community Self-Determination Act of 2000, among others.

By statute, the per acre and population variables used in the formula to compute payment amounts are subject to annual inflationary adjustments using the Consumer Price Index. The requirement for annual inflationary adjustments to the per acre and population variables was included in the 1994 amendments to the PILT Act. For purposes of calculating the 2015 payment, the 2014 per acre amounts are adjusted from \$2.58 per acre and \$0.36 per acre to \$2.62 and \$0.37 per acre, and the population variables are adjusted from \$69.59 - \$173.97 to \$70.67 - \$176.67 per capita.



July 6, 2015

The Honorable Sally Jewell
Secretary, U.S. Department of the Interior
1849 C Street, N.W.
Washington, DC 20240

Dear Secretary Jewell:

On behalf of the National Association of Counties (NACo) and the 3,069 counties we represent, I urge you to utilize all authorities at your disposal to ensure counties receive as close to October 1, 2015 as possible the \$37 million in Payments in Lieu of Taxes (PILT) funds that were made available by Congress as a part of the National Defense Authorization Act (NDAA).

During FY 2015, Congress appropriated a total of \$442 million for PILT payments to counties. On June 24, 2015 the U.S. Department of the Interior (DOI) distributed \$404.6 million to over 1,900 public lands counties across the nation. It was Congress' intent that the remaining \$37 million made available in the NDAA be distributed to counties as soon as it became available on October 1, 2015. On June 24, 2015 DOI announced that payments from the remaining \$37 million would likely be issued in the first quarter of calendar year 2016.

A delay like this could adversely impact critical services for millions of public lands county residents and visitors across the nation. Sixty-two percent of counties have federal land within their jurisdictions and rely on the PILT program to offset lost tax revenues due to the presence of non-taxable federal lands. Payments distributed through the PILT program support critical county services such as education, law enforcement, search and rescue, road maintenance and public health.

As counties work to balance their budgets for the year ahead, we urge you to exercise all authorities granted to you under the law to ensure the remaining \$37 million in PILT funds are distributed immediately after they become available on October 1, 2015. Should additional legal authorities be necessary to achieve this goal, we urge you to work closely with Congress to enact the necessary authorities. NACo stands ready to work with you to ensure public lands counties across the United States receive their remaining PILT funds as soon as they become available.

Sincerely,

Matthew D. Chase
Executive Director