LEGISLATIVE GENERAL COUNSEL
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H.C.R. 19

1 # CONCURRENT RESOLUTION REGARDING THE IMPACT OF

2 # FEDERAL LANDS ON THE STATE EDUCATION SYSTEM

3 ## 2018 GENERAL SESSION

4 ## STATE OF UTAH

5 **Chief Sponsor: Ken Ivory**

6 Senate Sponsor: _____

7

8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution of the Legislature and the Governor urges the President of

11 the United States, the United States Congress, and Utah's congressional delegation to

12 propose and secure the passage of legislation that requires PILT payments to be a fair

13 and steady source of revenue that would otherwise be generated but for the federal

14 control of Utah lands.

15 **Highlighted Provisions:**

16 This resolution:

17 ▸ urges the President of the United States, the United States Congress, and Utah's

18 congressional delegation to propose and secure the passage of legislation that

19 requires PILT payments to be equivalent to the tax revenue the state, subdivisions,

20 and school districts would otherwise be able to generate but for the federal control

21 of Utah lands;

22 ▸ urges the President and Congress to timely and faithfully pay PILT payments; and

23 ▸ urges the President and Congress to refrain from holding PILT payments hostage to

24 secure legislative votes.

25 **Special Clauses:**

26 None

27

28   *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

29   WHEREAS, the power to tax is the fuel of self-governance;

30   WHEREAS, the right and authority of state and local governments to promote the

31   highest value and use of land is fundamental to funding education and other essential

32   government services;

33   WHEREAS, the federal government still controls more than 66% of all land in the state

34   of Utah, which is not subject to state or local taxes;

35   WHEREAS, under the Federal Land Policy and Management Act (FLPMA) of 1976,

36   federal land policy changed from one of disposal, where it would enter the state tax rolls, to

37   permanent federal retention as untaxable public land;

38   WHEREAS, this policy change deprives Utah of the right and ability to tax more than

39   66% of all land within our state;

40   WHEREAS, recognizing the substantial burden this policy change imposed on the

41   ability of state and local governments to fund education and other essential government

42   services, Congress established the Payment In Lieu of Taxes, or PILT, program to compensate

43   for the tax revenue denied;

44   WHEREAS, the definition of "in lieu" means a substitute of equal value and

45   importance, something that is just as good as what was given up;

46   WHEREAS, by any objective measure, federal PILT payments to Utah are not "just as

47   good as" the tax revenue the state, subdivisions, and school districts would otherwise generate

48   but for federal control of Utah lands;

49   WHEREAS, in actuality, PILT amounts are little more than Pennies In Lieu of Taxes;

50   WHEREAS, this reflects a tax break to the federal government on the backs of Utah's

51   children and communities to the tune of several billion dollars each year;

52   WHEREAS, without regard to the long-standing debate over whether or not the federal

53   government should ever relinquish control of Utah lands, so long as the federal government

54   does withhold lands from being subject to tax, the federal government should pay the full

55   amount in lieu of tax revenue denied our taxing entities;

56   WHEREAS, Utah contributes the highest percentage of income tax revenue of any state

57   to public and higher education, we remain the lowest in per-pupil spending by more than $2.5

58   billion a year, and our state, subdivisions, and school districts struggle to provide other

59   essential government services and proper payment of PILT will help this imbalance;

60   WHEREAS, over more than the past decade, Congress has been erratic in the amount

61   and timeliness of PILT payments to Utah counties;

62   WHEREAS, in 2014, for example, Congress did not authorize PILT payments until

63   more than halfway into the fiscal year for our state and subdivisions, placing essential

64   government services in jeopardy; and

65   WHEREAS, several Utah counties that have only a small percentage of taxable land are

66   facing the exodus of families with young children due to diminishing education funding and

67   depleting employment opportunities:

68   NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the

69   Governor concurring therein, in solemn awareness of our duty to the rising generation, urge the

70   President of the United States and the United States Congress in the most strenuous terms to

71   establish and codify, in coordination with the state, an objective standard for calculating the

72   value of PILT payments, which are equivalent to the tax revenue the state, subdivisions, and

73   school districts would otherwise be able to generate.

74   BE IT FURTHER RESOLVED that the Legislature and the Governor urge the

75   President and Congress, on behalf of our children and communities, to timely and faithfully

76   pay PILT payments to the state and subdivisions, as mandatory and nondiscretionary payments.

77   BE IT FURTHER RESOLVED that the Legislature and the Governor urge the

78   President and Congress to treat PILT payments to fund education for our children and essential

79   services for our communities and refrain evermore from withholding PILT payments.

80   BE IT FURTHER RESOLVED that the Legislature and the Governor urge members of

81   Utah's congressional delegation to propose and secure the passage of legislation that requires

82   PILT payments to be a fair and steady source of revenue the state, subdivisions, and school

83   districts would otherwise be able to generate but for the federal control.

84   BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of

85   the United States, the Majority Leader of the United States Senate, the Speaker of the United

86   States House of Representatives, each member of Utah's congressional delegation, governors

87   and state legislative leaders of western states, and organizations that serve state governors and

88   legislatures.

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Legislative Review Note
Office of Legislative Research and General Counsel