

Senator Ralph Okerlund proposes the following substitute bill:

JOINT RESOLUTION ON FEDERAL GOVERNMENT

PAYMENTS IN LIEU OF TAXES

2020 SIXTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: Keven J. Stratton

LONG TITLE

General Description:

This joint resolution addresses federal government payments in lieu of taxes.

Highlighted Provisions:

This resolution:

- ▶ states that the \$41 million that the state received in 2019 in PILT money from the federal government is less than 8% of the minimum current annual property tax equivalency for all federal lands in the state of Utah, under the lowest, fair property tax equivalency scenario;
- ▶ addresses the history of federal government payments in lieu of taxes (PILT), expresses appreciation for all PILT money paid to the state, but addresses the inadequacy of those payments;
- ▶ refers to new technology that enables a more accurate determination of the property tax equivalency value of all federal lands in the state;
- ▶ calls on Congress and the President to fund PILT payments to Utah at the full property tax equivalency amount;
- ▶ calls upon federal officials to coordinate expeditiously with Utah and other willing states to ensure that future PILT payments are permanently made on a full property



26 tax equivalency basis;

27 ▶ calls on federal officials to collaborate with Utah's congressional delegation and
28 state and local officials to allow greater state management and local control of the
29 federal land within Utah municipalities in order to stabilize fluctuating economic
30 conditions;

31 ▶ calls upon local, state, and national leaders and others to come together to secure the
32 full and fair property tax equivalency of PILT for all western states and the nation;
33 and

34 ▶ directs that a copy of this resolution be sent to federal, state, and local officials and
35 others.

36 **Special Clauses:**

37 None



39 *Be it resolved by the Legislature of the state of Utah:*

40 WHEREAS, the \$41 million that the state received in 2019 as PILT money from the
41 federal government is less than 8% of the current annual property tax equivalency for all
42 federal lands in the state of Utah, under the lowest, fair property tax equivalency scenario;

43 WHEREAS, technology now exists to more accurately determine the property tax
44 equivalency value of all federal lands in the state;

45 WHEREAS, when the federal government changed its public lands policy in 1976 from
46 one of disposal to one of retention, Congress agreed to make payments in lieu of taxes (PILT)
47 "to make up for the presence of nontaxable land" (Congressional Research Service) on a "tax
48 equivalency" (USDA) basis;

49 WHEREAS, tax equivalency means the amount "that would have been received by
50 these jurisdictions if the federal lands were privately owned" (Government Accountability
51 Office);

52 WHEREAS, the federal commitment to pay the property tax equivalency for PILT is
53 vital for Utah's children and communities and is particularly important during periods of
54 fluctuating economic conditions;

55 WHEREAS, Utah appreciates every dollar of PILT money received, yet the harsh
56 reality is that current PILT is less than 8% of the lowest, fair property tax equivalency value,

57 resulting in exponentially compounding depressive impacts on funding for education and
58 essential government services, including first responder services, the construction of roads,
59 schools, and other infrastructure, and search and rescue services;

60 WHEREAS, the current fluctuating economic conditions have intensified this structural
61 burden borne by Utah citizens and communities to fund education and all other government
62 services with less than 21% taxable land;

63 WHEREAS, the minimum current annual amount required to satisfy the property tax
64 equivalency commitment for PILT to Utah's citizens, communities, and schoolchildren should
65 reflect the following realities:

66 a. 217,000 acres of nontaxable U.S. Forest Service (USFS) and Bureau of Land
67 Management (BLM) land are located entirely within Utah municipal limits;

68 b. 441,000 acres of nontaxable USFS and BLM land are located within one mile of
69 Utah municipal limits; and

70 c. the remainder of the approximately 33 million acres of federal land within the state
71 are located beyond one mile of Utah municipal limits; and

72 WHEREAS, by unanimous vote, the Utah Legislature, with the Governor concurring,
73 charged the Utah Federalism Commission with overseeing the development of a federal land
74 valuation model, together with the review and analysis of applicable studies and materials
75 pertaining to the property tax equivalency of PILT, which together led to the findings and
76 conclusions set forth in this resolution:

77 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah calls
78 upon the Congress of the United States and the President of the United States to pay the
79 payment in lieu of taxes (PILT) on a full property tax equivalency basis, as committed at the
80 inception of the PILT program, based on the following realities:

81 a. more than 217,000 acres of nontaxable federally managed lands are located inside of
82 Utah municipal boundaries;

83 b. more than 441,000 acres of nontaxable federally managed lands are located within
84 one mile of Utah municipal boundaries; and

85 c. the remainder of the nearly 33 million acres of nontaxable federally managed lands
86 in the state of Utah are located beyond one mile of Utah municipal boundaries.

87 BE IT FURTHER RESOLVED that the Legislature of the state of Utah calls upon the

88 Congress of the United States and the President of the United States to coordinate
89 expeditiously and in good faith with Utah and other willing states to adopt such laws,
90 regulations, and policies as are necessary to ensure that all future PILT payments are
91 permanently made on a full property tax equivalency basis.

92 BE IT FURTHER RESOLVED that the Legislature of the state of Utah calls upon the
93 Congress of the United States, the President of the United States, and the relevant federal
94 administrative agencies, in light of the current fluctuating economic conditions Utah faces, to
95 collaborate in a timely and good faith manner with Utah's congressional delegation and with
96 state and local leaders to allow greater state management and local control of the 217,000 acres
97 of federal land within Utah municipal limits, which amount to a small fraction of the 33
98 million acres of nontaxable federally managed lands within the state of Utah, for the purpose of
99 stabilizing fluctuating economic conditions.

100 BE IT FURTHER RESOLVED that the Legislature of the state of Utah calls upon all
101 people of good will and local, state, and national leaders to come together to secure the full and
102 fair property tax equivalency of PILT for our children and our communities throughout all
103 western states and the entire nation.

104 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of
105 the United States, the Vice President of the United States, the Majority Leader and Minority
106 Leader of the United States Senate, the Speaker and Minority Leader of the United States
107 House of Representatives, each member of the Utah congressional delegation, the Governors,
108 Senate Presidents, and Speakers of the House of every state with more than 20% federally
109 controlled lands, the county governing council and executive of every county within those
110 states, and the National Association of Counties and the Western Governors Association.