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PILT (Payments in Lieu of Taxes): Somewhat Simplified

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Summary

Under federal law, local governments (usually counties) are compensated through various programs for reductions to their property tax bases due to the presence of most federally owned land. These lands cannot be taxed, but may create a demand for services such as fire protection, police cooperation, or longer roads to skirt the federal property. Some compensation programs are run by specific agencies and apply only to that agency's land. The most widely applicable program, administered by the Department of the Interior (DOI), is called "Payments in Lieu of Taxes" (PILT, 31 U.S.C. §§6901-6907). Under the statute, eligible lands consist of those in the National Park System, National Forest System, or Bureau of Land Management; lands in the National Wildlife Refuge System if they are withdrawn from the public domain; lands dedicated to the use of federal water resources development projects; dredge disposal areas under the jurisdiction of the U.S. Army Corps of Engineers; lands located in the vicinity of Purgatory River Canyon and Piñon Canyon, Colorado, that were acquired after December 31, 1981, to expand the Fort Carson military reservation; lands on which are located semi-active or inactive Army installations used for mobilization and for reserve component training; and certain lands acquired by DOI or the Department of Agriculture under the Southern Nevada Public Land Management Act (P.L. 105-263). This report addresses only the PILT program administered by DOI.

The authorized level of PILT payments is calculated under a complex formula. No precise dollar figure can be given in advance for each year's PILT authorized level. Five factors affect the calculation of a payment to a given county: the number of acres eligible for PILT payments, the county's population, payments in prior years from other specified federal land payment programs, state laws directing payments to a particular government purpose, and the Consumer Price Index as calculated by the Bureau of Labor Statistics.

Before 2008, annual appropriations were necessary to fund PILT. However, beginning with the FY2008 payment and continuing through FY2012, a provision in P.L. 110-343 for mandatory spending ensured that all counties would receive 100% of the authorized payment. P.L. 112-141 extended mandatory spending to FY2013, though there was a later sequestration of 5.1% for that year. PILT's mandatory spending was renewed for another year in P.L. 113-79, resulting in an FY2014 payment of \$436.9 million. As yet, Congress has not passed a measure for the FY2015 payment, normally expected to be dispersed in June 2015. However, the House amended H.R. 3979 to include the National Defense Authorization Act. The amendment included a provision (Section 3096) for \$33 million in mandatory spending for PILT in FY2015. In addition, a December 10, 2014, draft of the Continuing Appropriations Act of FY2015 contained \$372 million in discretionary spending. In total, these two figures would provide slightly less than full funding.

Over the next few years, the broader debate for Congress might then be summarized as three decisions: (1) whether to approve full funding of PILT through future extensions of mandatory spending (either temporary or permanent); (2) whether instead to reduce the payments, perhaps through the annual appropriations process or by changing the PILT formula; and (3) whether to add or subtract any lands to the list of those now eligible for PILT payments.

Since the creation of PILT in 1976, various other changes in the law have been proposed. One proposal has been to include additional lands under the PILT program, particularly Indian lands. Other lands are also mentioned for inclusion, such as those of the National Aeronautics and Space Administration and the Departments of Defense and Homeland Security. Some counties would

also like to revisit the compensation formula to emphasize a payment rate more similar to property tax rates. Finally, for lands in the National Wildlife Refuge System (NWRS), some have argued that all lands of the system should be eligible for PILT, rather than limiting PILT payments to lands reserved from the public domain and excluding PILT payments for acquired lands.

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Introduction

Generally, federal lands may not be taxed by state or local governments unless the governments are authorized to do so by Congress. Because local governments are often financed by property or sales taxes, this inability to tax the property values or products derived from the federal lands may affect local tax bases, sometimes significantly. If the federal government controls a significant share of the property, then the revenue-raising capacity of the county may be compromised. Instead of authorizing taxation, Congress has usually chosen to create various payment programs designed to compensate for lost tax revenue. These programs take various forms. Many pertain to the lands of a particular agency (e.g., the National Forest System or the National Wildlife Refuge System).¹ The most wide-ranging payment program is called “Payments in Lieu of Taxes” or PILT.² It is administered by the Department of the Interior and affects most acreage under federal ownership. Exceptions include most military lands, lands under the Department of Energy (DOE lands have their own smaller payment program), and lands of the National Aeronautics and Space Administration and the Department of Homeland Security.³ In FY2014, the PILT program covered 606.9 million acres, or about 94% of all federal land.

The Payments in Lieu of Taxes Act of 1976 (P.L. 94-565, as amended, 31 U.S.C. §§6901-6907) was passed at a time when U.S. policy was shifting from one of disposal of federal lands to one of retention. The policy meant that the retained lands would no longer be expected to enter the local tax base at some later date. Because of that shift, Congress agreed with recommendations of a federal commission that if these federal lands were never to become part of the local tax base, some compensation should be offered to local governments (generally counties) to make up for the presence of non-taxable land within their jurisdictions.⁴ Moreover, there was a long-standing concern that some federal lands produced large revenues for local governments, while other federal lands produced little or none. Many Members, especially those from western states with a high percentage of federal lands, felt that the imbalance needed to be addressed. The resulting law authorizes federal PILT payments to local governments that may be used for any governmental purpose.

Critics of PILT cite examples of what they view as its idiosyncrasies:

¹ For more information on some of these agency-specific payment programs, see CRS Report RL30335, *Federal Land Management Agencies' Mandatory Spending Authorities*, by M. Lynne Corn and Carol Hardy Vincent; and CRS Report R41303, *Reauthorizing the Secure Rural Schools and Community Self-Determination Act of 2000*, by Katie Hoover. The program under the Department of Energy is described in U.S. General Accounting Office [now Government Accountability Office], *Energy Management: Payments in Lieu of Taxes for DOE Property May Need to Be Reassessed*, GAO/RCED-94-204 (Washington, DC: July 1994).

² County-by-county PILT payments are shown in U.S. Department of the Interior, Office of Budget, *Payments in Lieu of Taxes: National Summary Fiscal Year 2014*, Washington, DC, 2014, hereafter referred to as “*National Summary*.” A similar document is issued every year; each contains tables for payments and acreage by state and county. To query data from the most recent fiscal year, see <http://www.doi.gov/pilt/>.

³ A program, commonly referred to as Impact Aid, supports local schools based on the presence of children of federal employees, including military dependents. It provides some support to local governments however, and to some extent it compensates for lost property tax revenue when military families live on federally owned land. For more information, see CRS Report RL33960, *The Elementary and Secondary Education Act, as Amended by the No Child Left Behind Act: A Primer*, by Rebecca R. Skinner.

⁴ Public Land Law Review Commission, *One Third of the Nation's Land: A Report to the President and to the Congress*, Washington, DC, June 1970, pp. 235-241.

1. While there is no distinction between acquired and public domain lands⁵ for other categories of eligible lands, acquired lands of the Fish and Wildlife Service (FWS) are not eligible for PILT—which works to the detriment of many counties in the East and Midwest, where nearly all FWS lands are acquired lands.
2. While payments under the Secure Rural Schools (SRS) program⁶ require an offset in the following year’s PILT payment for certain lands under the jurisdiction of the Forest Service, if the eligible lands are under the jurisdiction of the Bureau of Land Management (BLM), there is no reduction in the next year’s PILT payment.⁷
3. Certain BLM lands (called the Oregon and California Grant Lands) receive payments that do not require an offset in the following year’s PILT payment.⁸
4. While payments under the Bankhead-Jones Farm Tenant Act (7 U.S.C. §1012) require a reduction in the following year’s PILT payment if the lands are under BLM, no such reduction occurs if Bankhead-Jones payments are for lands under the Forest Service.⁹
5. Some of the “units of general local government” (counties)¹⁰ that receive large payments have other substantial sources of revenue, while some of the counties receiving little are relatively poor.
6. A few counties that receive very large payments from other federal revenue-sharing programs (because of valuable timber, mining, recreation, and other land uses) are also authorized to receive a minimum payment (\$0.36 per acre)¹¹ from PILT, thus somewhat cancelling out the goal of evening payments across counties.

⁵ *Acquired lands* are those which the United States obtained from a state or individual. *Public domain lands* are generally those which the United States obtained from a sovereign nation.

⁶ See CRS Report R41303, *Reauthorizing the Secure Rural Schools and Community Self-Determination Act of 2000*, by Katie Hoover. Congress enacted the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS; P.L. 106-393) as a temporary, optional program of payments based on historic, rather than current, revenues.

⁷ All of the BLM lands eligible for SRS payments are in Oregon.

⁸ These lands were once granted to a private company for construction of a railroad. When the company violated the contract, the land reverted back to the federal government. For more on these lands, see CRS Report R42951, *The Oregon and California Railroad Lands (O&C Lands): Issues for Congress*, by Katie Hoover.

⁹ Bankhead-Jones lands are “formerly privately-owned farmlands that were purchased by the Federal government under the Bankhead-Jones Farm Tenant Act of 1937. These submarginal lands (known as Land Utilization projects, hence L.U.) were originally patented under various agricultural laws, but proved uneconomical to support a family. Upon purchase, they were retired from agricultural use, and are managed generally in the same way as other BLM administered lands.” (See <http://www.blm.gov/pgdata/etc/medialib/blm/wy/information/docs.Par.9071.File.dat/wynf-0011.pdf>.) This provision provides the counties with 25% of the net revenues for these lands.

¹⁰ *Unit of general local government* is defined in the law (31 U.S.C. §6901(2)) as “a county (or parish), township, borough, or city where the city is independent of any other unit of general local government, that (i) is within the class or classes of such political subdivisions in a State that the Secretary of the Interior, in his discretion, determines to be the principal provider or providers of governmental services within the State; and (ii) is a unit of general government as determined by the Secretary of the Interior on the basis of the same principles as were used on January 1, 1983, by the Secretary of Commerce for general statistical purposes” plus the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. For simplicity, the word *county* will be used in the rest of this report to refer to a *unit of general local government*, and must be understood here to be equivalent to the above definition. This shorthand is often used by DOI.

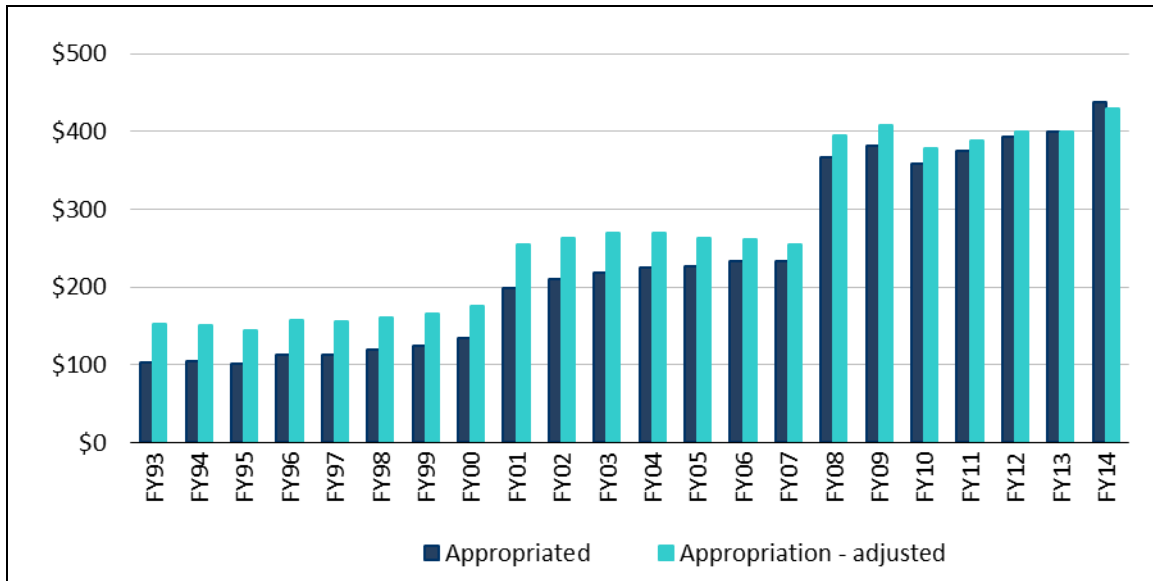
¹¹ This and subsequent references to payment rates and ceilings are based on FY2014 figures unless otherwise noted.

7. In some counties the PILT payment greatly exceeds the amount that the county would receive if the land were taxed at fair market value, while in others it is much less.

Given such issues, and the complexity of federal land management policies, consensus on substantive change in the PILT law has been elusive, particularly when Congress has a stated goal of reducing federal expenditures.

**Figure 1. Total PILT Payments, FY1993-FY2014:
Appropriations in Current and Inflation-Adjusted 2013 Dollars**

(\$ in millions)



Source: Current dollars from the annual *National Summary*. Inflation adjustment is based on chain-type price index. Adjustment for FY2014 is based on the index for the first three quarters of the year.

Note: For the same data in tabular format, see **Table A-1**.

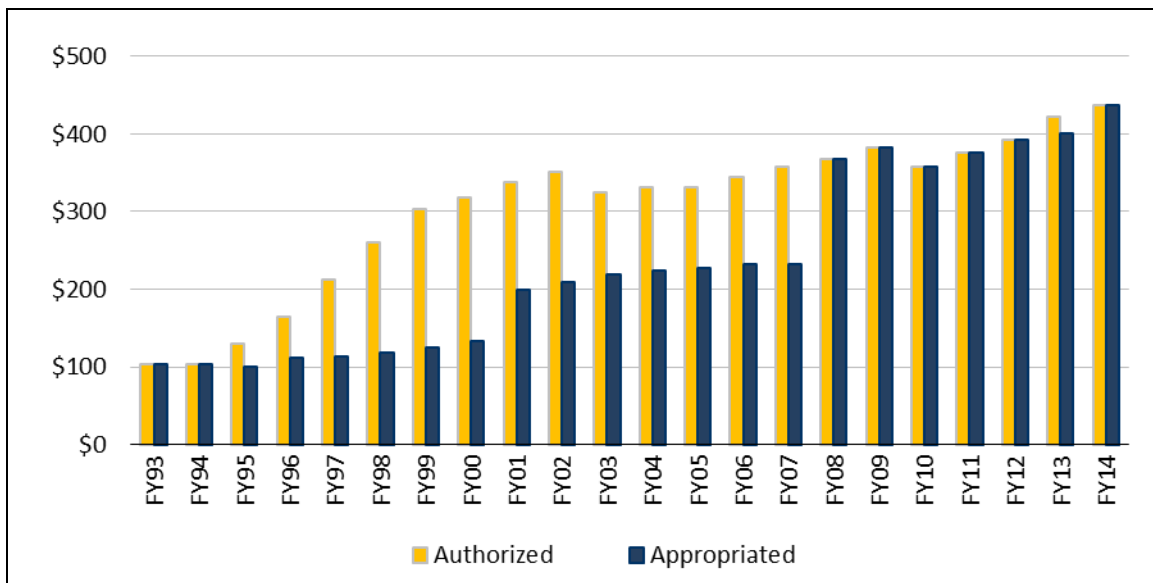
Many of the broader issues addressed when PILT was created have continued. One issue is the appropriate payment level, complicated by later erosion of the purchasing power of the payments due to inflation. Until about 1994, the full amount authorized under the law’s formula had generally been appropriated, with a few exceptions such as sequestration under the Gramm-Rudman-Hollings Act (Title II of P.L. 99-177). For many years, counties held that payments were effectively declining because of inflation. The 1994 amendment (P.L. 103-397) focused on increasing the total payments, building in inflation protection, and making certain additional categories of land eligible.¹² The authorized payment level continued to be subject to annual appropriations. **Figure 1** shows a major increase in both the actual and inflation-adjusted dollars appropriated for PILT from FY1993 to FY2014.¹³ The relatively rapid increase in the

¹² Other important issues in 1994 were the question of the equity of the payments and the balance struck in the payment formula (a) between heavily and sparsely populated communities, (b) between those with federal lands generating large revenues and those with lands generating little or no revenue, and (c) between the amounts paid under PILT and the amounts that would be paid if the lands were simply taxed at fair market value. But these issues were not addressed in the 1994 amendments and have scarcely been mentioned in the debate since then.

¹³ Inflation adjustments in this report use the implicit price deflator for the Gross Domestic Product. See <http://www.bea.gov/national/nipaweb/DownSS2.asp>, Table 1.1.9. Data for FY2014 use the implicit price deflator for (continued...)

authorization was not matched with a commensurate increase in appropriations. (See **Figure 2.**) The increasing discrepancy between appropriations and the rapidly rising authorization levels led to even greater levels of frustration among many local governments, and prompted intense interest among some Members in increasing appropriations.

Figure 2. Total PILT Payments, FY1993-FY2014
Authorized Amount and Appropriation
 (\$ in millions)



Source: Relevant annual *National Summary*.

Note: For the same data in tabular format, see **Table A-2**.

PILT Legislation: the 110th to 113th Congresses

The 110th Congress enacted several changes in PILT funding. First, the Continuing Appropriations Act, 2009 (P.L. 110-329), provided the FY2008 level (\$228.9 million) through March 6, 2009. This figure would have constituted roughly 61% of the figure estimated for full payment of the FY2009 authorized level. Subsequently, Section 601(c) of Title VI of P.L. 110-343 (the Emergency Economic Stabilization Act of 2008) provided for mandatory spending of the full authorized level for five years—FY2008-FY2012. (See **Figure 2.**) The provision included an additional payment to raise the FY2008 level to the full authorized amount, and for FY2009-FY2012, the payments were set at 100% of the authorized amount.

Next, P.L. 112-141 (Section 100111) extended mandatory spending for PILT to FY2013, without making any other changes to the law. Under the Budget Control Act (P.L. 112-25), PILT was categorized as a non-exempt, non-defense mandatory spending program. As such, it was subject

(...continued)

the first two quarters of the year.

to a 5.1% sequestration of the payments scheduled for FY2013 or \$21.5 million from an authorized payment of \$421.7 million.¹⁴

PILT Legislation: the FY2014 Appropriations Cycle

For the FY2014 appropriations cycle, Congress faced two basic choices for FY2104 funding:

1. Continue the program through an appropriations act, which is constrained by procedural and statutory limits on discretionary spending.
2. Provide funding through some measure other than an appropriations act, which would be treated as mandatory spending. With this choice, funding would be subject to certain budget rules that generally require such spending to be offset.

In either case, failure to find an offset would lead to certain procedural hurdles, such as points of order, although Congress sometimes sets aside or waives such points of order.¹⁵

Funding through an appropriations act was rejected when PILT funding was not included in P.L. 113-76 (FY2014 Consolidated Appropriations Act), although the Appropriations Committee members expressed support for the program in general.¹⁶ Instead, funding for the program was included in the Agricultural Act of 2014 (P.L. 113-79, §12312, H.Rept. 113-333; also called the 2014 farm bill), extending mandatory spending for one year.¹⁷ The bill was a net reduction in mandatory spending, and therefore did offset the increase due to PILT payments. The PILT provision provided county governments with the full formula amount in the summer of 2014.

PILT Legislation: FY2015

If the FY2015 payment follows the tradition of the last several years, it will be paid in June 2015. By statute, it must be paid before the fiscal year ends on September 30, 2015.¹⁸ The House amended H.R. 3979 to include the National Defense Authorization Act (NDAA). The amendment included a provision (Section 3096) for \$70 million in mandatory spending for PILT. Of this amount, \$33 million would be made available in FY2015; the remaining \$37 million would be made available after the start of FY2016 on October 1, 2015. In addition, a draft of the FY2015 of the Consolidated and Further Continuing Appropriations Act, 2015 (see Rules Committee Print 113-59) would provide \$372 million in discretionary spending. Together, the two provisions

¹⁴ OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013, p. 36, gave a slightly smaller initial estimate, based on a lower projected authorized level. Available at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy13ombjsequestrationreport.pdf.

¹⁵ For more on procedural matters raised in an appropriations or budget context, see CRS Report 97-865, *Points of Order in the Congressional Budget Process*, by James V. Saturno.

¹⁶ The Joint Explanatory Statement (Division G, p. 24, at <http://docs.house.gov/billsthisweek/20140113/113-HR3547-JSOM-G-I.pdf>) states “The Committees have been given assurances that PILT payments for fiscal year 2014 will be addressed expeditiously by the appropriate authorizing committees of jurisdiction in the House and Senate.”

¹⁷ For House consideration, H.Res. 465 waived all points of order that might have been brought up, and thus no objection could be raised against extension of mandatory spending. Broad waivers of points of order have become increasingly common in recent years.

¹⁸ While a provision for full funding of PILT was included in H.R. 5171 as passed by the House Committee on Appropriations, this discretionary spending was not enacted.

would provide \$405 million, an amount which would have been sufficient for 92.7% in FY2014; with PILT's required correction for inflation, it would be a somewhat lower fraction of full funding for FY2015.¹⁹ It is unclear whether the additional \$37 million made available after October 1, 2015, by the NDAA would be issued to counties as a supplemental check in October, or whether it would form part of the FY2016 payment that will be issued in 2016.

How PILT Works: Five Steps to Calculate Payment

Calculating a particular county's PILT payment first requires answering several questions:

1. How many acres of eligible lands are in the county?
2. What is the population of the county?
3. What were the *previous* year's payments, if any, for all of the eligible lands under the other payment programs of federal agencies?²⁰
4. Does the state have any laws requiring the payments from other federal agencies to be passed through to other local government entities, such as school districts, rather than staying with the county government?
5. What was the increase in the Consumer Price Index for the 12 months ending the preceding June 30?

Each of these questions will be discussed below. Finally, their use in the computation of each county's payment is described.

Step 1. How Many Acres of Eligible Lands Are There?

Nine categories of federal lands are identified in the law as eligible for PILT payments:²¹

1. lands in the National Park System;
2. lands in the National Forest System;
3. lands administered by the Bureau of Land Management;

¹⁹ FY2014 full funding was \$436.9 million, and if (a) inflation is the major factor raising each year's annual total, and (b) inflation is about 2%, then the FY2015 full funding level would be about \$446 million, or about \$41 million more than the two bills provide. Based on these assumptions, the two bills would provide about 91% of full funding for the payment expected in June 2015.

²⁰ Regardless of how many agencies have jurisdiction over eligible lands in a county, all of the payments specified in 31 U.S.C. §6903(a)(1) are added together and deducted from the following year's single PILT payment. Any other federal lands payments the county may get that are not specified in that provision are not deducted. The formula in 31 U.S.C. §6903 puts a ceiling on the total PILT payment for all of the eligible land in the county.

²¹ See 31 U.S.C. §6901. The law refers to these nine categories of lands as "entitlement lands," and the term is used throughout the act. However, because *entitlement* is a word which is used in a very different, and potentially confusing, context in the congressional budget process, these lands will be called *eligible lands* in this report.

4. lands in the National Wildlife Refuge System that are withdrawn from the public domain;
5. lands dedicated to the use of federal water resources development projects;²²
6. dredge disposal areas under the jurisdiction of the U.S. Army Corps of Engineers;
7. lands located in the vicinity of Purgatory River Canyon and Piñon Canyon, Colorado, that were acquired after December 31, 1981, to expand the Fort Carson military reservation;
8. lands on which are located semi-active or inactive Army installations used for mobilization and for reserve component training; and
9. certain lands acquired by DOI or the Department of Agriculture under the Southern Nevada Public Land Management Act (P.L. 105-263).

Section 6904/6905 Payments

Two sections of the PILT law (31 U.S.C. §6904 and §6905) provide special payments for limited categories of land, for limited periods. These are described in the FY2014 *National Summary* (p. 12) as follows:

Section 6904 of the Act authorizes payments for lands or interests therein, which were acquired after December 31, 1970, as additions to the National Park System or National Forest Wilderness Areas. To receive a payment, these lands must have been subject to local real property taxes within the five year period preceding acquisition by the Federal government. Payments under this section are made in addition to payments under Section 6902. They are based on one percent of the fair market value of the lands at the time of acquisition, but may not exceed the amount of real property taxes assessed and levied on the property during the last full fiscal year before the fiscal year in which [they were] acquired. Section 6904 payments for each acquisition are to be made annually for five years following acquisition, unless otherwise mandated by law....

Section 6905 of the Act authorizes payments for any lands or interests in land owned by the Government in the Redwood National Park or acquired in the Lake Tahoe Basin under the Act of December 23, 1980 (P.L. 96-586, 94 Stat. 3383). Section 6905 payments continue until the total amount paid equals 5 percent of the fair market value of the lands at the time of acquisition. However, the payment for each year cannot exceed the actual property taxes assessed and levied on the property during the last full fiscal year before the fiscal year in which the property was acquired by the Federal government.

In the FY2014 payments, the Section 6904/6905 payments totaled \$657,613, or 0.15% of the total program. California counties received the largest amount (\$110,339). Thirteen states and three territories had no counties receiving payments under these two sections in FY2014. These states and territories were Connecticut, Illinois, Iowa, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Jersey, Oklahoma, Rhode Island, South Dakota, Wyoming, and Guam, Puerto Rico, and the Virgin Islands.

The payments under Section 6904 cease five years after acquired land is incorporated into a national park unit or a National Forest Wilderness Area. As a result, counties experience a sudden drop in their PILT payment after five years.

In addition, if any lands in the above categories were exempt from real estate taxes at the time they were acquired by the United States, those lands are not eligible for PILT, except in three circumstances:

1. land received by the state or county from a private party for donation to the federal government within eight years of the original donation;

²² These lands are under the jurisdiction of the Bureau of Reclamation, for the most part.

2. lands acquired by the state or county in exchange for land that was eligible for PILT; or
3. lands in Utah acquired by the United States if the lands were eligible for a payment in lieu of taxes program from the state of Utah.

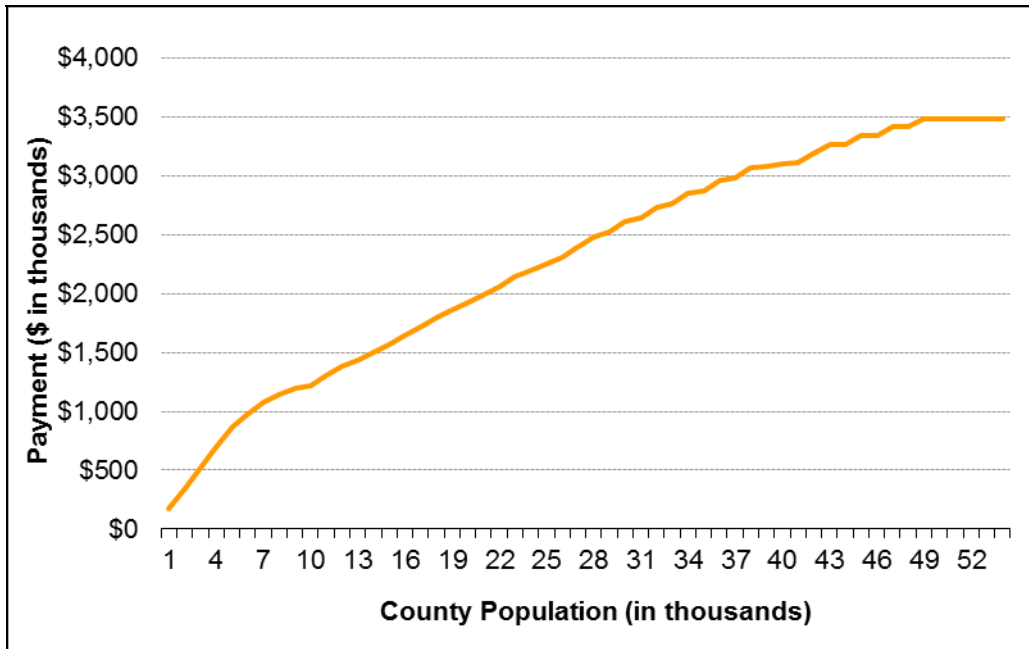
Only the nine categories of lands (plus the three exceptions) on this list are eligible for PILT payments; other federal lands—such as military bases, post offices, federal office buildings, and the like—are not eligible for payments under this statute. The exclusion of lands in the National Wildlife Refuge System (NWRS) that are acquired is an interesting anomaly, and may reflect nothing more than the fact that the House and Senate committees with jurisdiction over most federal lands did not have jurisdiction over the NWRS as a whole at the time P.L. 94-565 was enacted.²³

Step 2. What Is the Population in the County?

The law restricts the payment that a county may receive based on population by establishing a ceiling payment that rises with increasing population. (See **Figure 3**.) Under the schedule provided in 31 U.S.C. §6903, counties are paid at a rate that varies with the population; counties with low populations are paid at a higher rate per person, and populous counties are paid less per person. For example, for FY2014, a county with a population of 1,000 people could not receive a PILT payment over \$173,970 (\$173.97 per person); a jurisdiction with a population of 30,000 could not receive a payment over \$2.6 million (30,000 x \$87.01 per person). And no county can be credited with a population over 50,000. Consequently, in FY2014, at the authorized payment level of \$69.59 per person, no county could receive a PILT payment over \$3.5 million (50,000 x \$69.59 per person), regardless of population. **Figure 3** shows the relationship between the population of a county and the maximum PILT payment.

²³ At the time, jurisdiction over the National Wildlife Refuge System (NWRS) generally was in one committee, while jurisdiction over public domain lands was within the jurisdiction of different committees. This was true in both the House and Senate. The committees considering PILT had no jurisdiction over the acquired lands within the NWRS.

Figure 3. Ceiling Payments Based on County Population Level, FY2014



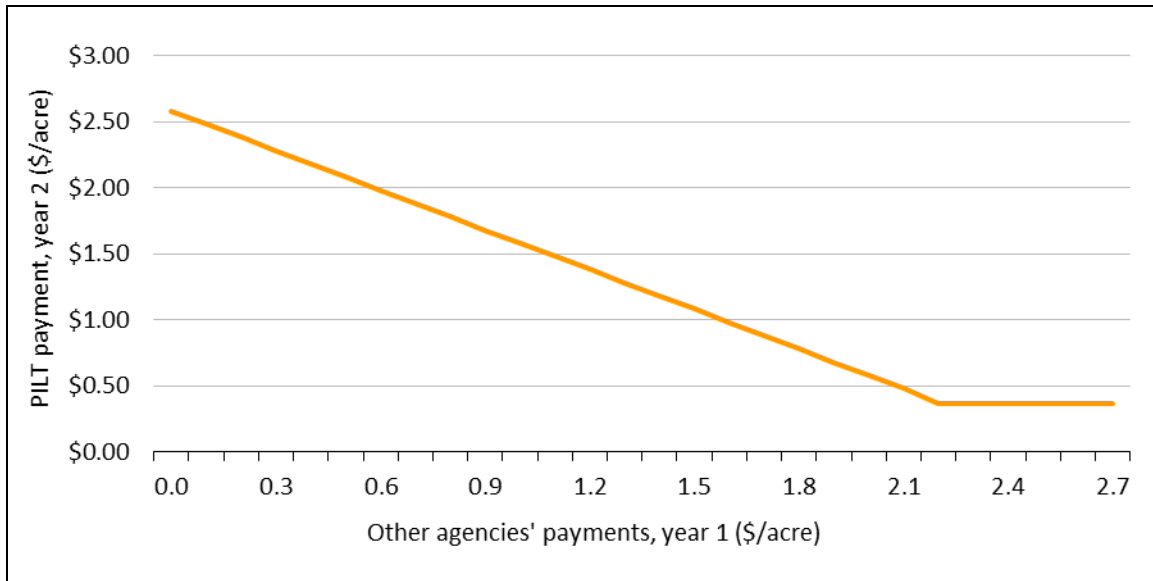
Source: Calculations based on the FY2014 *National Summary*, p. 15.

Note: With the ceiling limit, no county, regardless of population size, could receive over \$3,479,500 for FY2014.

Step 3. Are There Prior-Year Payments from Other Federal Agencies?

Federal land varies greatly in revenue production. Some lands have a large volume of timber sales, some have recreation concessions such as ski resorts, and some generate no revenue at all. Some federal lands have payment programs for state or local governments, and these may vary markedly from year to year. To even out the payments among counties and prevent grossly disparate payments, Congress provided that the previous year's payments on eligible federal lands from specific payment programs to counties would be subtracted from the PILT payment of the following year. So for a hypothetical county with three categories of eligible federal land, one paying the county \$1,000, the second \$2,000, and the third \$3,000, then \$6,000 would be subtracted from the following year's PILT payment. Most counties are paid under this offset provision, which is called the *standard rate*. In **Figure 4**, the standard rate is shown by the sloping portion of the line, indicating that as the sum of the payment rates from other agencies increases, the PILT payment rate declines on a dollar-for-dollar basis.

Figure 4. PILT Payment Level as a Function of Specific Prior Payments (FY2014)



Source: Calculations based on payment levels cited in the FY2014 *National Summary*.

Note: With the minimum payment provision, no county, however large the prior-year payment, could receive less than \$0.36/acre from PILT for FY2014.

At the same time, Congress wanted to ensure that each county with eligible lands got *some* PILT payment, however small, even if the eligible lands produced a substantial county payment from other agencies. If the county had payments from three federal payment programs of \$1,000, \$2,000, and \$1 million, for instance, subtracting \$1.003 million from a small PILT payment would produce a negative number—meaning no PILT payment to the county at all. In that case, a *minimum rate* applies, which does not deduct the other agencies’ payments. In **Figure 4**, the flat portion to the right shows that, after the other agencies’ payments reach a certain level (\$2.22 per acre in FY2014), the rate of the PILT payment remains fixed (at \$0.36 per acre in FY2014).

The payments made in prior years that count against future PILT payments are specified in law (16 U.S.C. §6903(a)(1)). Any other payment programs beyond those specified would not affect later PILT payments. These specified payments are shown in **Table A-3**. Eligible lands under some agencies (e.g., National Park Service and Army Corps of Engineers) have no payment programs that affect later PILT payments.

Step 4. Does the State Have Pass-Through Laws?

Counties may receive payments above the calculated amount described above, depending on state law. Specifically, states may require that the payments from federal land agencies pass through the county government to some other entity (typically a local school district), rather than accrue to the county government itself. When counties in a “pass-through” state are paid under the formula which deducts their prior year payments from other agencies (e.g., from the Refuge Revenue Sharing Fund (RRSF; 16 U.S.C. §715s) of FWS, or the Forest Service (FS) Payments to

States (16 U.S.C. §500)),²⁴ the amount paid to the other entity is *not* deducted from the county's PILT payments in the following year. According to DOI:

Only the amount of Federal land payments actually received by units of government in the prior fiscal year is deducted. If a unit receives a Federal land payment, but is required by State law to pass all or part of it to financially and politically independent school districts, or any other single or special purpose district, payments are considered to have not been received by the unit of local government and are not deducted from the Section 6902 payment.²⁵

For example, if a state requires all counties to pass along some or all of their RRSF payments from FWS to the local school boards, the amount passed along is not deducted from the counties' PILT payments for the following year (31 U.S.C. §6907). Or if two counties of equal population in two states each received \$2,000 under the FS Payments to States, and State #1 pays that amount directly to the local school board, but State #2 does not, then under this provision, the PILT payment to the county in State #1 will not be reduced in the following year, but that of the county in State #2 will drop by \$2,000. State #1 will have increased the total revenue coming to the state and to each county by taking advantage of this feature.²⁶

Consequently, the feature of PILT that was apparently intended to even out payments among counties (at least of equal population size) may not have that result if the state takes advantage of this pass-through feature.²⁷ Under 31 U.S.C. §6903(b)(2), each governor reports annually to the Secretary of the Interior with a statement of the amounts actually paid to each county government under the relevant federal payment laws. DOI also cross-checks each governor's report against the records of the payment programs of federal agencies.

In addition, there is a pass-through option for the PILT payment itself. A state may require that the PILT payment itself go to a smaller unit of government, contained within the county (typically a school district) (16 U.S.C. §6907). If so, one check is sent by the federal government to the state for distribution by the state to these smaller units of government. The distribution must occur within 30 days. To date, Wisconsin is the only state to have elected to pass through PILT payments.

Step 5. What Is This Year's Consumer Price Index?

A provision in the 1994 amendments to PILT adjusted the authorization levels for inflation. The standard and minimum rates, as well as the payment ceilings, are adjusted each year. Under 31 U.S.C. §6903(d), "the Secretary of the Interior shall adjust each dollar amount specified in subsections (b) and (c) to reflect changes in the Consumer Price Index published by the Bureau of

²⁴ Under 16 U.S.C. §500, these payments are made to the states or territories, and must be used for schools or roads in the counties where the national forests are located. Each state has its own rules on the mechanics of that transfer, on the proportion to be used for roads and the proportion for schools. Some states direct that the education portion be given directly to school boards. For more information see CRS Report R40225, *Federal Land Management Agencies: Background on Land and Resources Management*, coordinated by Ross W. Gorte.

²⁵ FY2014 *National Summary*, p. 10.

²⁶ Note that even though a county as a whole may benefit from this provision, the county government *itself* will not, because it forgoes the revenues given directly to its school system.

²⁷ However, the Supreme Court has held that states cannot direct counties to spend their PILT payments (i.e., payments under the DOI-managed program described in this report) for particular purposes, once they have actually received their PILT payment. *Lawrence County v. Lead-Deadwood School District*, 469 U.S. 256 (1985).

Labor Statistics of the Department of Labor, for the 12 months ending the preceding June 30.” This is an unusual degree of inflation adjustment; no other federal land agency’s payment program has this feature. But as will be shown below, increases in the authorization do not necessarily lead to a commensurate increase in the funds received by the counties.

Putting It All Together: Calculating a County’s Payment

Knowing the answers to these questions, one can then make two comparisons to calculate the authorized payment level for a county. (**Figure 5** shows a flow chart of the steps in these comparisons.) All charts and comparisons in this report are based on FY2014 payment levels.

Alternative A. Which is *less*: the county’s eligible acreage multiplied by \$2.58 per acre or the county’s ceiling payment based on its population? Pick the lesser of these two numbers. From it, subtract the previous year’s total payments for these eligible lands under specific payment or revenue-sharing programs of the federal agencies that control the eligible land.²⁸ The amount to be deducted is based on an annual report from the governor of each state to DOI. This option is called the *standard provision*.

Alternative B. Which is *less*: the county’s eligible acreage multiplied by \$0.36 per acre or the county’s ceiling payment? Pick the lesser of these two. This option is called the *minimum provision*, and is used in the counties that received relatively large payments (over \$2.22 per acre for FY2014) from other federal agencies in the previous year.

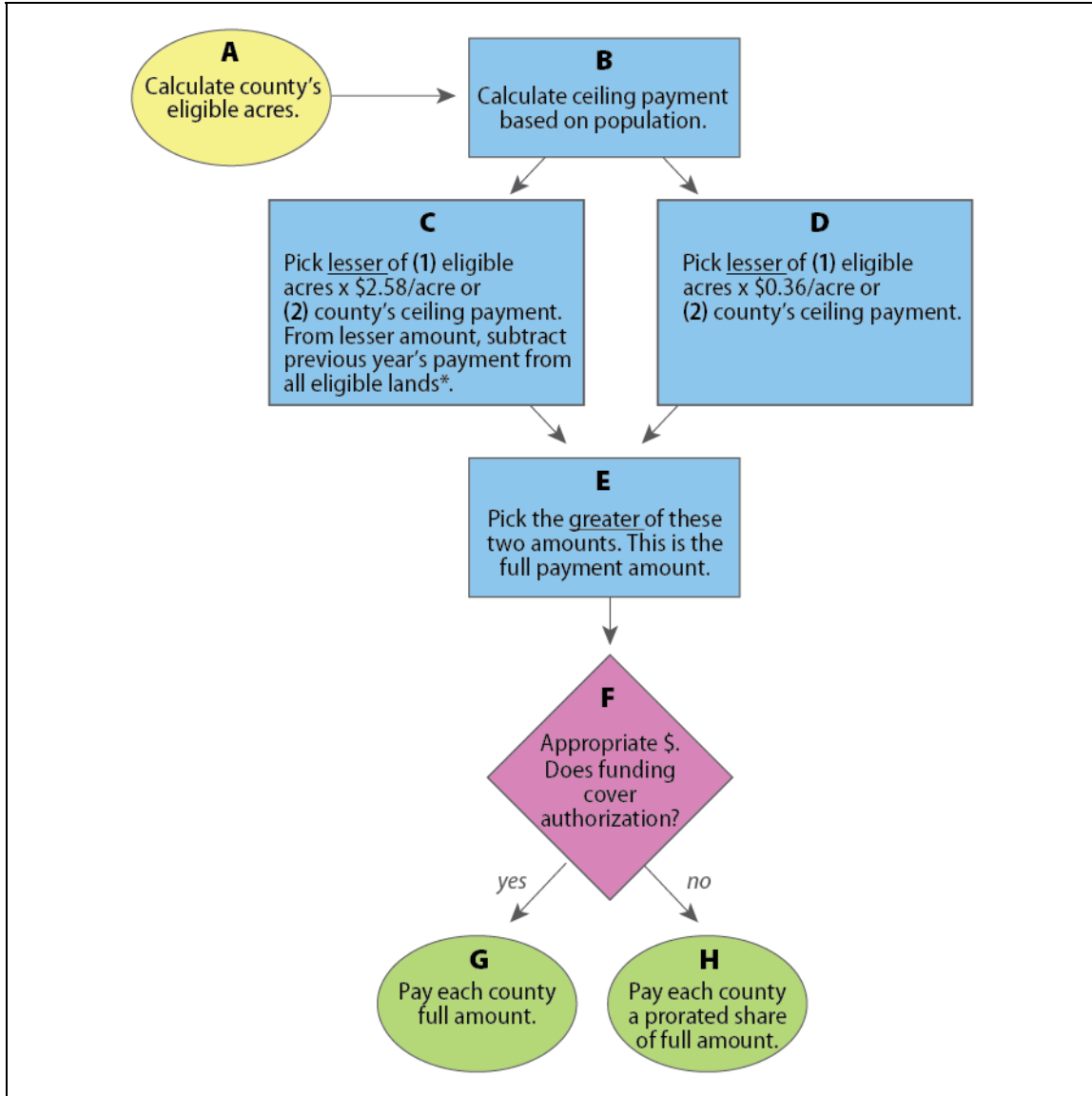
The county is authorized to receive whichever of the above calculations—(A) or (B)—is *greater*. This calculation must be made for all counties individually to determine the national authorization level. From the program’s inception through FY2007, the authorized payments were subject to annual appropriations, and if appropriations were insufficient for full funding, each county received a pro rata share of the appropriation. After passage of P.L. 110-343 and P.L. 112-141, each county received the full authorized amount for FY2008-FY2012; as a result of sequestration (P.L. 112-25), each county received 94.8% of the authorized amount for FY2013. With the enactment of P.L. 113-79, counties received the full authorized amount in FY2014.

The combination of specific payments and PILT in the standard option means that reductions (or increases) in those other payments in the previous year could be exactly offset by increases (or reductions) in PILT payments. However, provided that the county’s population is not so low as to affect the outcome, PILT payments could not fall below \$0.36 per acre for FY2014 (see Alternative B, above), so the full offset occurs only when the other federal payments in the previous year total less than \$2.22 per acre (i.e., the maximum payment of \$2.58 per acre minus the \$0.36 per acre minimum payment from PILT).²⁹

²⁸ Payments under the Secure Rural Schools program for Forest Service lands (but not Bureau of Land Management lands) are included among those prior year payments to be deducted. See CRS Report R41303, *Reauthorizing the Secure Rural Schools and Community Self-Determination Act of 2000*, by Katie Hoover.

²⁹ To illustrate more concretely, imagine each county as a large bucket, whose sides are marked off in “\$/acre.” PILT, in effect, checks the payment already in the bucket from other agencies, and then adds at least enough money to the bucket to bring it to the \$2.58/acre mark. Moreover, PILT adds 36¢/acre, regardless of the amount in the bucket (continued...)

Figure 5. Steps in Calculating PILT for Eligible Federal Lands
(FY2014 payment levels)



Note: The payments (marked *) are the specific payments for federal lands. The amount subtracted is reduced in states with pass-through laws. Mandatory spending continued through FY2014.

Source: Prepared by CRS, based on PILT statute (31 U.S.C §§6901-6907).

The standard option, with its offset between agency-specific payments and PILT payments, still does not guarantee a constant level of federal payments to counties, because of the time lag in

(...continued)

already. Consequently, the money bucket could reach levels well above \$2.58/acre, with the last 36¢ added by PILT. The county population ceilings might then be thought of as holes in the sides of some of the buckets that prevent the buckets from filling beyond a certain level for that bucket (i.e., county).

determining PILT payments. Federal payments for a given fiscal year are generally based on the receipts of the prior year. PILT payments of the *following* fiscal year are offset by these payments.

To illustrate, consider a county whose only eligible federal lands are under the jurisdiction of FWS. If the federal receipts on the FWS lands dropped in FY2013 (compared to FY2012), authorized payments in FY2014 from the FWS Refuge Revenue Sharing Fund would fall. Authorized PILT payments will therefore increase to offset the drop—in FY2014. (This example assumes that the PILT payment is calculated under the standard option.) The counties will be authorized to receive at least \$2.58 per acre from RRSF and PILT payments combined,³⁰ but the two payments would not come in the same year. Consequently, if RRSF payments are falling from year to year, the combined payments in the given year would be less than \$2.58 per acre, but if RRSF payments are rising, the authorized combined payment in the given year would be more than \$2.58 per acre.

National Totals

Information from all 2,287 counties with eligible land in FY2014 was needed before an aggregate figure for the nation could be calculated precisely for that year. Because of the need for annual data, no precise dollar figure can be given in advance for each year's PILT authorization level.³¹ However, because the amount for full authorization for FY2014 has been calculated, and because major changes in the factors stated above are not likely to decrease the payments at the national level, the full authorization level for FY2015 seems likely to be similar to the amount for the full authorization in FY2014 (\$436.9 million), even though individual counties' payments may vary.

Current Issues

While the enactment of six years of mandatory spending put the issue of full funding to rest for a time, county governments continue to show strong support for continuing mandatory spending for PILT. This question of mandatory spending has been the biggest issue facing the program from the 112th through the 114th Congresses. With the enactment of P.L. 113-79, the question of funding for the program has been addressed until the FY2015 payment, due no later than September 30, 2014. At the same time, with congressional debate over spending levels in general, there may be proposals to modify or even eliminate PILT in later years as a means of reducing federal deficits.

Congressional interest, after the 1994 revisions to PILT, has focused on the three areas cited above: (1) whether to approve mandatory spending (either temporary or permanent); (2) whether to make the diametrically opposed choice of reducing the program, either through discretionary appropriations or through changing the PILT formula; and (3) whether to add or subtract any lands from the list of those now eligible for PILT payments. PILT payments for FY2014 totaled \$436.9 million in mandatory spending,³² in contrast, the annual appropriation for the Department

³⁰ An exception would occur if the county's population is so small that the county is affected by the PILT ceiling on payments due to population.

³¹ DOI does not include estimated full payment levels in its annual budget justification to Congress, and confines itself to the Administration's request for the year. However, DOI's annual report of current year PILT payments to counties includes this information.

³² A total of \$437.3 million was authorized under the PILT formula; from this figure \$0.4 million was deducted for (continued...)

of the Interior for FY2014 was \$10.5 billion, or about 24 times the PILT program that year. However, for a relatively small fraction of the federal or even departmental budget, PILT garners considerable attention for local reasons: (1) according to the FY2014 *National Summary*, 2,287 counties had lands eligible for PILT payments; (2) the average payment per county (many of which are sparsely populated) was \$191,038; (3) while some counties with eligible lands received no payment (because they have very few federal lands and PILT makes no payments under \$100), many received over \$1 million and 26 counties received over \$3 million.³³ The resulting impact on budgets of local governments helps generate interest despite the comparatively small size of the PILT program. If PILT funding ever reverted to discretionary spending, counties with large federal land holdings would face significant fiscal uncertainty.

Several more specific issues are also being debated in Congress or within county governments. Among them are the inclusion of Indian or other categories of lands; tax equivalency, especially for eligible urban lands; and payments affecting the National Wildlife Refuge System.

Inclusion of Indian Lands

While the inclusion of other lands (e.g., military lands generally or those of specific agencies such as the National Aeronautics and Space Administration) under the PILT program has been mentioned from time to time, some counties with many acres of non-taxable Indian lands within their boundaries have long supported adding Indian lands to the list of lands eligible for PILT. The primary arguments made are that these lands receive benefits from the county, such as road networks, but Indian residents do not pay for them with property taxes; on the other hand, the federal government does not actually own these lands.

The complexity of the PILT formula makes it very difficult to calculate the consequences of such a move, either for authorization levels or appropriation levels. Additionally, Congress would have to decide what sorts of “Indian lands” would be eligible for such payments and a variety of other complex issues.³⁴ If some categories of Indian lands were to be added to those lands already eligible, Congress might wish to limit payments to counties with more than some minimum percentage of Indian lands within their borders. Regardless, even a very restrictive definition of “Indian lands” seems likely to add many millions of acres to those already eligible. Even if the criteria for eligibility were determined, it would still be difficult to determine the effect on

(...continued)

administrative expenses.

³³ *Payments in Lieu of Taxes: National Summary*, FY2014. The 26 counties were in 8 states: AK (1), AZ (6), CA (4), CO (2), NV (4), NM (4), UT (3), and WY (2).

³⁴ The many classifications of “Indian lands” include trust lands, restricted lands, and fee (private) lands, both on and off reservations. *Trust lands* are lands held by the federal government in trust for an Indian tribe or individual. *Restricted lands* are lands held by an Indian tribe or individual but subject to federal restrictions on alienation (e.g., sale) or encumbrance (e.g., mortgaging). Most, but by no means all, Indian trust and restricted lands are on Indian reservations. Trust and restricted lands, whether on or off reservations, are not subject to state or local land taxes. *On-reservation* Indian fee lands may or may not be subject to state and local land taxes, depending on the federal statute under which the land was fee-patented. *Off-reservation* Indian fee lands are generally subject to state and local land taxes. (Indian reservations may also include non-Indian fee lands, which are subject to state and local taxation.) Alaskan Native corporation lands (none of which are trust lands) are affected by the Alaska Native Claims Settlement Act’s limits on state taxation. Congress would have to decide which of these many classifications of Indian lands would be subject to PILT benefits. Further, Congress might choose to distinguish between Indian lands which have never been taxed by a county or state versus those Indian lands that were once taxable but which were acquired into non-taxable status after some specified date.

authorization levels. To paint an extreme example, if all of the eligible Indian lands were in counties whose PILT payments were already capped due to the population ceiling, inclusion of Indian lands would have no effect on PILT authorization levels.

As long as mandatory spending is in place, appropriations would go up to fund the newly eligible lands. If mandatory spending expired and annual appropriations were less than the authorized level, each county would receive a pro rata share of the authorized full payment level. Individual counties whose eligible acres had jumped markedly with the inclusion of Indian lands might receive substantially more than in the past. Other counties (particularly those with few or no eligible Indian acres) would receive a smaller fraction of the authorized amount as limited dollars would be distributed among more lands.

Inclusion of Urban Lands and Tax Equivalency

Some observers have wondered whether urban federal lands are included in the PILT program. The response is that urban lands are not *excluded* from PILT under the current law. For example, in FY2014, the counties in which Sacramento, Chicago, and Cleveland are found, as well as the District of Columbia, all received PILT payments (see **Table 1**), though the property tax on similar, but nonfederal, lands would likely have been substantially greater.

Table 1. Authorized PILT Payments to Selected Urban Counties, FY2014

County	Eligible Acres	FY2014 Authorized Payment (\$)
Sacramento County (CA)	9,618	24,792
Cook County (IL)	139	359
Cuyahoga County (OH)	2,593	6,684
Arlington County (VA)	27	0 ^a
District of Columbia	6,980	18,159

Source: *National Summary*, FY2014.

Note: The urban counties and the District of Columbia were selected to show a wide range in the amount of eligible lands, population levels, and resulting payments.

- a. Under the PILT formula, Arlington County's 27 eligible acres (all under the National Park Service) would generate a payment of \$70. However, under the law, no payment is made for amounts under \$100.

Eastern counties, which tend to be small, rarely have both large populations *and* large eligible acreage in the same county. On the other hand, western counties tend to be very large and may have many eligible acres, and some, like Sacramento, may have large populations as well. Furthermore, as the cases of Arlington County and the District of Columbia illustrate, PILT payments are by no means acting as an equivalent to property tax payments, because if the 6,980 acres in the District of Columbia or the 27 acres in Arlington County were owned by taxable entities, those acres would result in much more than \$18,159 or \$0, respectively, in property taxes.³⁵

³⁵ For a concrete example, the 2014 real property tax rate in Arlington County is \$0.996 per \$100 of assessed valuation. At that rate, to generate \$70 in property taxes, the county's assessed value of the 27 acres would have been \$7,028, or about \$270/acre. Actual assessed values in Arlington County tend to be higher by an order of magnitude or more.

Because the formula in PILT does not reflect property taxes, counties such as these might support a revised formula that would approach property tax payments.

National Wildlife Refuge System Lands

As noted above, lands in the National Wildlife Refuge System (NWRS) that were withdrawn from the public domain are eligible for PILT, and those that were acquired are not. In addition, the National Wildlife Refuge Fund (NWRF, also called the Refuge Revenue-Sharing Fund, or RRSF) relies on annual appropriations for full funding. For FY2014, payments for NWRF were approximately 24% of the authorized level. For refuge lands eligible for PILT, some or perhaps all of the NWRF payment will be made up for in the following year's PILT payment, but for acquired lands, this will not occur because they are not eligible for PILT. Congress may consider making all refuge lands eligible for PILT, and/or providing mandatory spending for NWRF, as it has for PILT. Eastern counties could be the largest beneficiaries of such a change, although some western states may also have many NWRS acres that are not currently eligible for PILT. (See **Table 2** for selected state examples.) Adding the 9.7 million acres of NWRS lands under the primary jurisdiction of FWS, but currently ineligible for PILT would increase PILT lands by about 1.6%.

Table 2. NWRS Acres Eligible for PILT in Selected States, FY2013

State	NWRS Acres Reserved from Public Domain	Total NWRS Acres	Percent Eligible for PILT
Alabama	0	71,573	0.0
Arizona	1,553,454	1,743,674	89.0
Iowa	334	120,187	0.3
Maine	0	69,602	0.0
Montana	433,135	1,523,950	28.4
Ohio	77	9,311	0.8
Oregon	265,325	589,865	45.0

Source: Compiled from *Annual Report of Lands Under Control of the U.S. Fish and Wildlife Service As of September 30, 2013* (the most recent year available).

Note: States were selected to show a wide range in NWRS acreage and amount of public domain lands.

County Uncertainty and Fiscal Effects on Counties³⁶

The PILT program, as a mandatory spending program, has provided a relatively certain flow of funds to recipient jurisdictions. Some observers and policy makers are concerned that returning PILT to discretionary spending or eliminating the program completely would destabilize the fiscal structure of some jurisdictions receiving PILT payments. Nationally, however, the relative size of the PILT payments would seem to mitigate the impact and PILT reductions would not seem to

³⁶ This section prepared by Steven Maguire, Section Research Manager, Government Finance and Taxation Section (7-7841, smaguire@crs.loc.gov).

have a measurable fiscal impact on most county budgets that receive PILT transfers. Locally, the impacts may be greater, perhaps substantially.

The reliance on property taxes is important for most counties. Nationwide, in FY2011, local property taxes (which includes counties, cities, and special districts) comprised roughly 47.4% of own-source revenue or just over \$429 billion in total revenues.³⁷ However, in FY2014, the PILT program was very much smaller: the authorized \$436.9 million in PILT payments is roughly 0.1% of property tax revenue nationally.³⁸ For counties that receive a significantly larger PILT payment, however, the impact would be greater. First, for the 26 counties that received over \$3 million in 2014, the government services provided by the county could be adversely affected in the near term (though restructuring the property tax or raising other local fees or taxes could likely compensate for the reduced federal payment). Second, smaller payments would also be important in low-property value, low-population counties with relatively greater shares of federally owned land.

³⁷ Own-source revenue is all revenue that is *not* a transfer from the state or federal government. Data are from the Jeffery L. Barnett and Phillip M. Vidal, “State and Local Government Finance Summary: 2011,” Appendix Table A-1, Governments Division Briefs, U.S. Census Bureau, July 2013. The report, the most recent data available, is at http://www2.census.gov/govs/local/summary_report.pdf.

³⁸ It is important to note that 30% of all counties in the country have no lands eligible for PILT and thus the two figures are not entirely comparable. Specifically, it is not clear what fraction of the own-source revenue is produced in the 70% of counties with lands eligible for PILT payments. For more on the number of counties by state, see U.S. Census Bureau, “2012 Census of Governments: Organization Component Estimates.”

Appendix. PILT Data Tables

The first two tables below show the data presented in **Figure 1** and **Figure 2**. The third shows the agency payments that offset payments under PILT in the following year.

**Table A-1. Total PILT Payments, FY1993-FY2014:
Appropriations in Current and Inflation-Adjusted 2013 Dollars**
(\$ in millions)

Year	Appropriation	Inflation-Adjusted Appropriation
1993	103.2	152.5
1994	104.1	150.6
1995	101.1	143.3
1996	112.8	157.0
1997	113.1	154.7
1998	118.8	160.8
1999	124.6	166.1
2000	134.0	174.7
2001	199.2	253.9
2002	209.4	262.8
2003	218.6	269.0
2004	224.7	269.1
2005	226.8	263.2
2006	232.5	261.7
2007	232.5	254.9
2008	367.2	394.9
2009	381.6	407.3
2010	358.1	377.6
2011	375.2	387.6
2012	393.0	398.9
2013	400.2	400.2
2014	436.9	429.4

Source: Current dollars from annual *National Summary*. Inflation adjustment is based on chain-type price index. Adjustment for 2014 is based on the index for the first three quarters of the year.

Notes: For the same data in a bar chart, see **Figure 1**.

**Table A-2. Total PILT Payments, FY1993-FY2014:
Authorized Amount and Appropriation**
(\$ in millions)

Year	Authorized	Appropriated
1993	103.2	103.2
1994	104.4	104.1
1995	130.5	101.1
1996	165.1	112.8
1997	212.0	113.1
1998	260.5	118.8
1999	303.7	124.6
2000	317.6	134.0
2001	338.6	199.2
2002	350.8	209.4
2003	324.1	218.6
2004	331.3	224.7
2005	332.0	226.8
2006	344.4	232.5
2007	358.3	232.5
2008	367.2	367.2
2009	381.6	381.6
2010	358.1	358.1
2011	375.2	375.2
2012	393.0	393.0
2013	421.7	400.2
2014	436.9	436.9

Source: Relevant annual *National Summary*.

Notes: For the same data in a bar chart, see **Figure 2**.

Table A-3. Prior-Year Payment Laws That Are Offset Under Next PILT Payment

Federal Agency Making Payment	Short Title of Law or Common Name	P.L. or Date	U.S. Stat.	U.S. Code	Lands Eligible for Payments	Payment Rate
Forest Service	“25% payments” or “Payments to states”	Act of May 23, 1908 (ch. 192, §13)	35 Stat. 260	16 U.S.C. §500	All national forest (NF) lands	25% of gross receipts to state for roads and schools in counties
	None	Act of June 20, 1910 (ch. 310)	36 Stat. 557, §6	not codified	NF lands in AZ and NM	Proportion of lands in National Forests (NFs) reserved for schools times proceeds from sales in NF
	None	Act of June 22, 1948 (ch. 593, §5); Act of June 22, 1956 (ch. 425, §2)	62 Stat. 570, 70 Stat. 328	16 U.S.C. §577g, §577g-1	Lands in Superior NF, MN	0.75% of appraised value (in addition to 25% payments above) ^a
	Mineral Leasing Act for Acquired Lands (§6)	Act of Aug. 7, 1947	61 Stat. 915	30 U.S.C. §355	NF lands with mineral leasing	50% of mineral leasing revenues to states for counties
	Material Disposal Act	Act of July 31, 1947 (§3)	61 Stat. 681	30 U.S.C. §603	Net revenues from sale of land and materials	Varies depending on type of receipt and agency
	Secure Rural Schools and Community Self-Determination Act ^b	P.L. 106-393, as amended	114 Stat. 1607, as amended	16 U.S.C. §7101 et seq.	NF lands (but not lands under Land Utilization Program (LUP) or National Grasslands), if this option is chosen by county instead of 25% payments	Complex formula, see CRS Report R41303, <i>Reauthorizing the Secure Rural Schools and Community Self-Determination Act of 2000</i>
Bureau of Land Management	Mineral Lands Leasing Act	Act of February 25, 1920 (ch. 85, §35)	41 Stat. 450	30 U.S.C. §191	Public lands	50% of leasing revenues to states for counties
	Taylor Grazing Act	Act of June 28, 1934 (ch. 865, §10)	48 Stat. 1273	43 U.S.C. §315i	Public lands	12.5% of grazing receipts to states for counties
	Bankhead-Jones Farm Tenant Act	Act of July 22, 1937 (ch. 513, §33)	50 Stat. 526	7 U.S.C. §1012	National Grasslands and LUP lands managed by BLM	25% of revenues for use of lands to states

Federal Agency Making Payment	Short Title of Law or Common Name	P.L. or Date	U.S. Stat.	U.S. Code	Lands Eligible for Payments	Payment Rate
	Mineral Leasing Act for Acquired Lands (§6)	Act of Aug. 7, 1949	61 Stat. 915	30 U.S.C. §355	Public lands with mineral leasing	50% of mineral leasing revenues to states for counties
	Material Disposal Act	Act of July 31, 1947 (§3)	61 Stat. 681	30 U.S.C. §603	Net revenues from sale of land and materials	Varies depending on type of receipt and agency
Fish and Wildlife Service	Refuge Revenue Sharing Act	Act of June 15, 1935 (ch. 261, §401(c)(2))	49 Stat. 383	16 U.S.C. §715s(c)(2)	Public domain lands in NWRS ^c	25% of net receipts from timber, grazing, and mineral sales directly to county; remaining 75% to counties under other formulas
Federal Energy Regulatory Commission	Federal Power Act	Act of June 10, 1920, (ch. 285, §17)	41 Stat. 1072	16 U.S.C. §810	NF and public lands with occupancy and use for power projects	37.5% of revenues from licenses for occupancy & use to states for counties

Sources: 31 U.S.C. §6903(a)(1), *Payments in Lieu of Taxes: National Summary FY2014*, p. 13. The latter document has typographical errors which are corrected here, as noted. Because the various payment laws are identified in some documents by title, in others by a U.S. Code citation, or still others by the Statutes at Large, or date, or Public Law, all of these are cited here, where they exist.

- a. *Payments in Lieu of Taxes: National Summary FY2014* erroneously states payment rate is 75% of appraised value. The error first appeared in the FY2000 *National Summary*, and has not been corrected.
- b. When payments are made for lands under the jurisdiction of the Forest Service for the Secure Rural Schools (SRS) program, the payments result in a reduction (offset) in the following year's PILT payment. However, if the lands are under BLM jurisdiction, no offset is made in the following year's PILT payment. All BLM lands eligible for SRS payments are in Oregon.
- c. Acquired lands in the National Wildlife Refuge System are not eligible for PILT payments. See text.

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