

State must honor its obligations to PILT counties

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California's rural counties are once again fighting to protect payments obligated to them by the state of California. Led by Sen. Mike McGuire (D-Healdsburg), one of the only Democrats in the state Senate to represent a rural district, Senate Bill 58 is the second attempt in as many years to once again make state Payment in Lieu of Taxes (PILT) payments to counties a requirement. The Rural County Representatives of California (RCRC) is sponsoring SB 58, and California's 36 PILT counties are joining forces to advocate for the protection of this crucial local funding source.

State PILT was established in 1949 to offset adverse impacts to county property tax revenues that result when the state acquires private property for wildlife management areas. In Humboldt County alone, this represents nearly \$45,000 annually for schools and local government programs and services. In total, the state is obligated to pay local school districts and counties more than \$1.5 million annually. Small communities and rural counties desperately rely on these obligated payments to keep neighborhoods safe, and fund local emergency services and infrastructure.

In 2015, the final state budget package included language in the Fish and Game code that changed "shall" to "may," putting all future state PILT payments to counties in jeopardy. And while Gov. Brown has honored the state's commitments over the past couple of years, the language change allows future administrations the latitude to not live up to these obligations, potentially leaving California's 36 state PILT counties without critical funding for various programs and services for residents. In Humboldt County, this leaves less funding for road improvements, law enforcement, and other critical local services.

A 2016 legislative effort, also led by Sen. McGuire, received unanimous support throughout the legislative process, ultimately becoming vetoed by the governor due to his commitment to making the payments during his tenure. SB 58 is a bipartisan effort setting an implementation date of Jan. 1, 2019 to ensure future administrations recognize this commitment.

We are grateful to the governor for honoring the state's commitments, and stand with Sen. McGuire in support of a legislative change to ensure future protection of state PILT for California's counties. The local implications are too great....

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