

Payments In-Lieu Of Taxes Program

By **Sherri Brennan** Published **Apr 24, 2020 05:50 pm**

Counties generate a large percentage of discretionary funding through property taxes. Rural public lands counties do not have this opportunity and are reliant on PILT (Payment in of Lieu Taxes) and SRS (Secure Rural Schools) to fund many essential services.

Under normal circumstances, rural counties struggle to provide essential services. The current coronavirus pandemic has further disrupted our economy and personal lives. This pandemic has also forced county governments, which provide essential services like public health and law enforcement, to put further strain on budgets.

Nationally, counties are expected to see revenue shortfalls of \$144 billion over the next year, according to the National Association of Counties. But even after the economy recovers, it will take years for local government budgets to fully recover. Rural public lands counties like Tuolumne County will face some of the greatest financial pressure in the years to come because federal lands such as Yosemite National Park and the Stanislaus National Forest are untaxable.

The last coronavirus stimulus package provided direct federal aid to local governments with populations greater than 500,000. However, counties like Tuolumne were left at the mercy of the State. I believe Congress and the Trump Administration must provide greater funding options to local governments, especially those counties with large tracts of federal lands. This can be achieved by including long-term funding for two federal land payments programs: The Payments In-Lieu of Taxes (PILT) program and the Secure Rural Schools program.

The PILT program has provided critical funding to counties like Tuolumne to help make up for the loss of property tax revenue from federal lands. In fact, the \$2.5 million PILT payment in 2019 assisted the County in providing essential services such as Law Enforcement, District Attorney, and Probation. Without a long-term funding solution, Tuolumne County's PILT allocation will remain at the whims of Congress in future years.

SRS provides crucial funding to national forest counties and schools that no longer benefit from robust timber harvest on federal lands. Tuolumne County received \$943,000 in SRS funds in 2019 and is specifically using this money for improving county roads and providing funding for our area schools.

Congress currently has bipartisan legislation ready-to-go to solve these funding problems for rural public lands counties. In the U.S. House of Representatives, the Permanently Authorizing PILT Act would make PILT a permanent, fully-funded program. This bill would ensure public lands counties have guaranteed federal payments moving forward.

In the U.S. Senate, the Forest Management for Rural Stability Act would create a permanent endowment to support SRS with permanent payments made directly to forested counties. It also makes some policy changes to increase sustainable timber harvests and would invest timber harvest revenues back into the endowment to grow those payments to local governments.

Congress can solve this funding crisis now by including these two important bills in the next round of coronavirus stimulus legislation. I urge Congress to shore up these important revenue streams for Tuolumne County and counties throughout Mother Lode, and Sierra Nevada Region.

Respectfully,

Sherri Brennan

Tuolumne County Board of Supervisors, Chair

Source: <https://www.mymotherlode.com/community/blogs/payments-in-lieu-of-taxes-program>