



RURAL COUNTY REPRESENTATIVES  
OF CALIFORNIA

April 9, 2020

The Honorable Doug La Malfa  
Member, U.S. House of Representatives  
322 Cannon House Office Building  
Washington, DC 20515

**RE: Payments in Lieu of Taxes – Permanent Funding**

Dear Representative La Malfa:

On behalf of the Rural County Representatives of California (RCRC), I write to request that Congress fully fund the federal Payments In Lieu of Taxes (PILT) program in Fiscal Year 2021 and, more importantly, make this permanent funding in subsequent years. RCRC is an association of thirty-seven rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

In October 1976, Congress enacted the PILT program to provide federal payments to local governments to help offset losses in property tax revenues due to nontaxable federal lands within local governments' boundaries. Counties containing National Forests, National Parks, lands administered by the Bureau of Land Management, lands dedicated to the use of federal water, National Wildlife Reserves, and inactive or semi-active U.S. Army installations are eligible for PILT payments. The PILT program remains a discretionary program subject to the annual appropriations process, and Congress must continue to appropriate monies for the program each year.

The PILT program funding is vital for many of California's counties, particularly rural counties that contain significant federal land, and consider these funds as a sizeable share of their county's general fund budget. California's rural counties use the PILT program to provide critical services. In the counties you represent, many have had to use county general fund dollars to support COVID-19 pandemic responses – public health programs, enhanced law enforcement services, etc. While relief provided in the CARES package is welcome, RCRC-member counties envision these COVID-19-related costs to continue for a number of months, if not years. It should be noted that in Fiscal Year 2019, approximately \$9.9 million in PILT payments were distributed amongst Butte, Glenn, Lassen, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, and Tehama Counties.

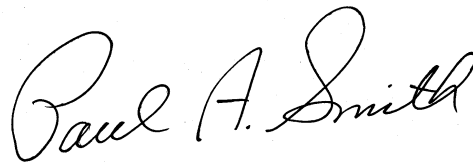
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As Congress continues to discuss funding for counties in light of the COVID-19 pandemic associated with the recently-enacted CARES package, we encourage Congress to support predictable funding for PILT in Fiscal Year 2021 and beyond. As such, RCRC supports the full, long-term, and mandatory funding of the PILT program as laid out in H.R. 3043 (Kirkpatrick) and/or S. 2480 (Wyden). In addition, counties under 5,000 in population (Alpine County and Sierra County) are not on a level playing field due to the PILT formula's population tiers. RCRC requests that Congress include the minor formula change laid out in S. 2108 (Daines)/H.R. 3716 (Gianforte), the Small County PILT Parity Act, which would create new population tiers for counties under 5,000 without impacting payments to counties with larger populations.

Thank you for your consideration of RCRC's request. If you should have any questions or concerns, please do not hesitate to contact me at (916) 447-4806 or [psmith@rcrcnet.org](mailto:psmith@rcrcnet.org).

Sincerely,



PAUL A. SMITH  
Senior Vice President Governmental Affairs

cc: Members of Butte County Board of Supervisors  
Members of Glenn County Board of Supervisors  
Members of Lassen County Board of Supervisors  
Members of Modoc County Board of Supervisors  
Members of Nevada County Board of Supervisors  
Members of Placer County Board of Supervisors  
Members of Plumas County Board of Supervisors  
Members of Shasta County Board of Supervisors  
Members of Sierra County Board of Supervisors  
Members of Siskiyou County Board of Supervisors  
Members of Tehama County Board of Supervisors