

## Payment In Lieu of Taxes (PILT) Funding

**Issue:** Compensation for counties with tax-exempt federal land within their boundaries.

**NACo policy:** NACo supports full funding of the PILT program, to the authorized levels of P.L.103-379 and beyond.

**Action needed:** Thank members of your Congressional delegation that supported the inclusion of full PILT funding in the Emergency Economic Stabilization Act of 2008 (PL 110-343). Explain that counties will receive full PILT payments through FY2012, and will require a public commitment from members of Congress to support long term funding at its full authorized levels for FY2013 and beyond.

**Background:** On October 3, 2008, President Bush signed the Emergency Economic Stabilization Act (PL 110-343) into law. Included in the legislation was a provision that provided full authorized funding for PILT for years FY2008 through FY2012. From 1995 to 2007, PILT remained an appropriated program, which was subsequently underfunded year after year. Passage of PL 110-343 represents the highest level of funding in the program's history. In FY2009, the Department of the Interior made \$381.6 million in PILT payments to over 1850 units of local government.

The PILT program was conceived in 1976 to offset costs incurred by counties for services provided to federal employees and families, and to the users of the public lands. These include education, solid waste disposal, law enforcement, search and rescue, health care, environmental compliance, fire fighting, parks and recreation and other important community services.

Annual PILT funding levels remained static for many years. For nearly two decades counties watched the value of their PILT receipts drop due to inflation. In 1995, NACo was successful in securing a new authorization for the program, (PL 103-397), which raised the ceiling for PILT payments from \$105 million to over \$300 million.

NACo will aggressively pursue measures to provide full funding beyond FY2012.

For further information, contact: Ryan R. Yates 202/942-4207 or ryates@naco.org  
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