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**Federal Land Payments**  
Data Sources and Methods  
*Updated, February 2016*



This document describes the data and methods used to generate maps, tables, and figures in [the interactive map tool](http://headwaterseconomics.org/interactive/county-payments), “County Payments: History, Context, and Policy” (<http://headwaterseconomics.org/interactive/county-payments>).

State and local governments cannot tax federally owned land. Federal land payments compensate for this non-taxable status. Payments are used by state and local governments to support basic government services, including education, transportation, and public safety. Local governments receive payments from two sets of sources. The interactive maps provide detail on the history, context, and policy options related to the two main payment methods Congress established to provide for fair and equitable compensation.

The first payment method includes a variety of agency-based payments. The Forest Service and the Bureau of Land Management (BLM) each make payments to compensate for non-taxable lands they manage. Payments are made through two programs: revenue sharing payments based on a percent of the commercial receipts generated on federal public lands and payments through the Secure Rural Schools and Community Self-Determination Act (SRS) which is funded with congressional appropriations. The two payments are mutually exclusive—local governments must elect which of the payments to receive. The BLM payments included in the data and interactive maps are specific to the O&C lands in Oregon.

The second payment method—Payments in Lieu of Taxes (PILT)—is more generally determined by the number of eligible federal acres within each jurisdiction subject to limits based on population. PILT is an additional payment (local governments receive an agency-based payment and PILT) and it interacts directly with agency-based compensation payments to stabilize and equalize revenue sharing payments that can be volatile and are inequitably allocated between counties in different regions where the commercial potential of public lands is quite different.

In April 2015, Congress reauthorized SRS for FY 2014 and FY 2015. SRS uses appropriations to compensate for declining timber sales on federal lands, increasing and equalized payments based on a formula. The formula included the value of historic timber payments, the number of federal acres in each county, and an adjustment based on relative per-capita personal income.

Despite the “two year extension” passed by Congress, SRS expires on September 31, 2015. If SRS is not extended again, the expiration of SRS would mark a significant shift in payment policy. First, revenue sharing payments are significantly lower than SRS payments. Second, a return to revenue sharing has the effect of undoing the equalizing and stabilizing benefits of SRS, leaving only PILT to do this important work.

PILT was adopted in 1976 when revenue sharing payments were valued at more than \$750 million annually. Today, they would be less than \$70 million. The PILT formula was not designed to be the primary form of compensation and will fail to make up for the decline in agency-based payments if SRS is not reauthorized, particularly in the rural areas most dependent on SRS over the last 15 years.

The interactive maps are intended to provide data and context that will be useful to county commissioners, members of congress and others interested in the future of county payments. The interactive includes a variety of themes that describe current and historic payments, and policy options.

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## PAYMENT HISTORY

1. Total Payments (pp. 2-5)
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## POLICY OPTIONS

3. Projections if SRS Expires (pp.7-8)
4. PILT Reform to a Single Payment (pp. 8-12)

## RELATED RESEARCH

Headwaters Economics has developed a variety of policy documents that describe in more detail why county payments are important and how different policy options would affect future payments and management of public lands. These additional research and policy papers can be found at <http://headwaterseconomics.org/county-payments/county-payments-research>.

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### 1. Payments History: Total Payments

#### WHAT IS THIS?

This map shows recent agency payments (Forest Service and BLM O&C) and PILT from FY 1992 to FY 2014. The map illustrates where payments are highest in absolute terms, and the table and figures provide detail of payments to local governments in each county area. The table shows a breakout of payments by payment program for the latest year. The time-series line chart shows how payments have changed over time (adjusted for inflation). The bar chart shows how payments are distributed between a variety of restricted and unrestricted uses within each county.

#### RELATED RESEARCH

Headwaters Economics produced a [White Paper](#) in 2010 that details the history of the county payment programs and suggests a variety of potential policy options. The paper includes a [Timeline](#) of payments and key reforms. The data used in this interactive theme is available in Microsoft Excel through the [Economic Profile System](#) for every county nationally, including detailed methods and citations.

#### Methods:

#### PAYMENT PROGRAMS

The summary data include a variety of current and expired programs, including:

**Payments in Lieu of Taxes (PILT)** are made annually to local governments to compensate for the loss in property taxes due to the presence of federal lands. The payments are based on the number of eligible federal acres within each jurisdiction subject to limits based on population and reduced by prior-year payments from the Forest Service and other agency-based payment programs. PILT is administered by the Department of the Interior.

**Forest Service Payments to States and Local Governments** provide compensation based on the value of commercial receipts generated from National Forests. These revenue sharing payments include payments from the “25% Fund” and a variety of Special Acts payments. Between 1993 and 2014, two additional programs provided optional payments made from appropriations—the Northwest Forest Plan “Spotted Owl” transition payments and the Secure Rural Schools and Community Self-Determination Act (SRS).

- **Payments to States Act of 1908 (the “25% Fund”)** shares 25 percent of all receipts received from commercial activities on the national forests from timber, grazing, special-use permits, power and mineral leases, and admission and user fees with the States in which the national forests are

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located, for public schools and public roads. States determine how these funds are allocated between these two purposes and make distributions to local governments, or in some cases retain payments intended to support local schools and include them in state school equalization funding. The 25% Fund is permanently authorized and will be the basis for Forest Service payments to counties if SRS is not reauthorized beyond FY 2015.

- **Forest Service Special Acts** payments, including:
  - **Payment to Minnesota.** The State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).
  - **The Quinault Special Management Area.** The Forest Service shares 45 percent of timber sale receipts from the Quinault Special Management Area within the Olympic National Forest with the Quinault Indian Tribe and 45 percent with the State of Washington — 90 percent in total, with the remaining 10 percent to cover agency timber sale costs (P.L. 100-638, 102 Stat. 3327). These payments are shown for Grays Harbor County, WA where the Quinault Special Management Area is located.
  - **Quartz sold from the Ouachita National Forest** is defined as common variety mineral materials (rather than being available under the 1872 General Mining Law), with 50 percent of the receipts to the State of Arkansas for roads and schools in the counties with Ouachita NF lands (§423, Interior Appropriations Act for FY1989; P.L. 100-446, 102 Stat. 1774). The counties that received payments in FY 2013 are Garland, Hot Springs, Howard, Logan, Montgomery, Perry, Polk, Scott, Searcy, Sebastian, and Yell.
- **Northwest Forest Plan “Spotted Owl Safety Net” Payments** were made starting in 1993 to compensate local governments in the Pacific Northwest affected by the Northwest Forest Plan that called for lower levels of commercial logging to protect the endangered Northern spotted owl. Payment were valued at 85 percent of the 5-year average of recent 25% Fund payments, and was to decline by 3 percent each year through 2003, when it would reach 58 percent.
- **Secure Rural Schools and Community Self-Determination Act (SRS)** adopted in 2000 and reformed in 2008 replaced the “spotted owl safety net payments” for the Pacific Northwest and extended payments to the rest of the country. SRS provided compensation to local governments based on historic timber receipts, rather than current receipts that had declined precipitously. Eligible local governments include all units that receive Forest Service and/or BLM O&C revenue sharing payments. SRS is set to expire after making the last payments for FY 2015 (the actual payment will be delivered to local governments in January, 2016). The reformed formula included three criteria: historic timber payments, acres of Forest Service and BLM O&C lands, and an economic adjustment intended to allocate payments more equitably to counties with the greatest needs. SRS is optional (with the Forest Service 25% Fund and BLM O&C 50% revenue sharing payments being the other option) and is distributed under three titles. Title I payments are paid to the States in which the national forests are located and are used for public schools and public roads in the county or counties in which the national forests are situated. Title II funds are retained by the federal agencies for use on economic development projects nominated by Resource Advisory Councils (RACs). Title III funds are special county funds to reimburse for public safety and search and rescue costs related to public lands.

**Bureau of Land Management O&C 50% revenue sharing payments.** The BLM shares half of receipts generated from commercial activities on the Oregon and California Railroad Revested Lands, known as the O&C Lands, located within the boundaries of 18 counties in Oregon. The payments began in 1937 modeled on the Forest Service revenue sharing payments. The 18 counties were also eligible for “spotted

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owl safety net payments” between 1993 and 2000, and SRS payments between 2001 and 2014. With SRS expired, counties will receive the 50% revenue sharing payment for the first time in 20 years.

## GEOGRAPHY

Federal land payments represented in the interactive maps are summarized at the county and state scale. The map shows the total value of all of the payments programs and titles received by local governments, including payments made directly to county governments; payments made to townships, municipalities, and school districts within the county’s boundaries; payments retained by the Forest Service and BLM for projects approved by Resource Advisory Councils (RACs); and payments intended to support local schools that are retained by the state and included in statewide equalization formulas (meaning school districts receive little direct benefit from payments). The table and bar chart shows payment detail, also summarized at the county or state scale.

## FISCAL YEARS

The interactive maps show payments made from the Forest Service, BLM O&C, and PILT for the same federal fiscal year. The latest year is FY 2014. PILT payments for FY 2014 are typically paid in July of the same fiscal year. Forest Service and BLM O&C payments for FY 2014 are typically paid in the following fiscal year (January of 2015). As a result, states and local governments will receive their FY 2014 payments from the agencies and PILT in different local government budget years.

## *Data Sources*

### **PILT 1999-2014**

U.S. Department of Interior, Payments in Lieu of Taxes (PILT). County Payments.

<https://www.nbc.gov/pilt/counties.cfm>

### **PILT 1986 to 1995**

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to the Forest County Payments Committee, Washington, D.C. Research Unit 4802-Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT. Data between 1986 and 1991 are not available for states in Forest Service Regions 8 and 9, the Eastern and Southern regions.

### **PILT 1996 to 2014**

U.S. Department of the Interior, Bureau of Land Management. Public Land Statistics.

[http://www.blm.gov/public\\_land\\_statistics/](http://www.blm.gov/public_land_statistics/).

### **Forest Service Secure Rural Schools, 2001 to 2014**

United States Department of Agriculture Forest Service. Secure Rural Schools and Community Self-Determination Act. Additional Payment Information. ASR 18-1, Secure Rural Schools Act Titles I, II, and III. <http://www.fs.fed.us/srs/>.

### **Forest Service Revenue Sharing 2000**

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to the Forest County Payments Committee, Washington, D.C. Research Unit 4802 Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT.

### **Forest Service Revenue Sharing 1986 to 1999**

United States Department of Agriculture Forest Service, Secure Rural Schools and Community Self-Determination Act. Additional Payment Information. “Three Highest Payments” report.

<http://www.fs.fed.us/srs/>.

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## **BLM O&C Secure Rural Schools 2001 to 2014**

U.S. Department of Interior, Bureau of Land Management, Oregon and Washington Office. Official Payments Made to States. <http://www.blm.gov/or/rac/ctypaypayments.php>.

## **BLM O&C Revenue Sharing 1992 to 2014**

U.S. Department of Interior, Bureau of Land Management, Oregon State Office. FY 1960 to FY 2014 Receipts from O&C Grant Lands and Payments Calculated under O&C Act (50% of receipts).

### **ADDITIONAL RESOURCES**

Corn, Lynne. 2008. PILT (Payments in Lieu of Taxes): Somewhat Simplified. Congressional Research Service Report RL31392.

Schuster, Ervin G. 1995. "PILT--its purpose and performance." *Journal of Forestry*. 93(8):31-35

Congressional Research Service Memorandum, Forest Service Revenue-Sharing Payments: Distribution System. November 19, 1999. Ross Gorte.

Congressional Research Service Memorandum, Reauthorizing the Secure Rural Schools and Community Self-Determination Act of 2000. February 26, 2013. Katie Hoover

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## **2. Payments History: Percent of County Budgets**

### **WHAT IS THIS?**

This map shows estimates of where counties are most dependent on federal land payments, and are relatively more exposed to changes in distributions and funding levels. For counties that rely heavily on federal land payments, volatility and uncertainty makes budgeting and planning difficult. The map compares total payments distributed to county governments, townships, and municipalities to total local government revenue for these entities from all sources, including taxes, charges for services, intergovernmental revenue, and other revenue (miscellaneous). Local government financial data are from the U.S. Census of Governments, conducted every five years. Federal land payment data do not include Forest Service payments that accrue to schools or SRS Title II payments retained by the agencies for projects on public lands.

### **RELATED RESEARCH**

Headwaters Economics produced a [White Paper](#) in 2010 that details the history of the county payment programs and suggests a variety of potential policy options. The paper includes a [Timeline](#) of payments and key reforms. The data used in this interactive theme is available in Microsoft Excel through the [Economic Profile System](#) for every county nationally, including detailed methods and citations.

### **Methods**

#### **FISCAL YEARS**

State and local financial data is from the U.S. Census of Governments, conducted every five years. The latest was for FY 2012. Federal land payment data is made based on the federal fiscal year that runs from October 1 to September 31. Many state and local governments use different fiscal years for budgeting purposes. Because of differences in the alignment of budget years, comparing FY 2012 federal land payments with Census of Governments budget statistics for 2012 results in accounting errors in many situations. For example, PILT payments made for federal FY 2012 are received by local governments in July of 2012. Federal land payments made from the U.S. Forest Service for FY 2012 are received by local governments in January, 2013. These two federal land payments, each made for the same federal fiscal year, may be received by local governments in two different budget years.

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## GEOGRAPHY

Federal land payments and local government budget statistics represented in the interactive maps are summarized at the county and state scale. The map shows only the total value of all of the payments programs and titles received directly by county governments, townships, and municipalities. Payments made to school districts and payments retained by the Forest Service and BLM for projects approved by Resource Advisory Councils (RACs); are excluded from. Local government budget data summarized at the county scale is the sum of the budgets of these receiving units of local government. For example, if several townships and a municipality all receive payments within a county area, the map shows the total payments received by all of these governmental units divided by their total combined budgets.

## DATA LIMITATIONS

Census of Government county financial statistics are based on a national survey and may not match local government financial reports. U.S. Census of Governments statistics are used here to assess the relative impact of payments on different types of local governments in different regions across the U.S. Census of Governments data limitations include: (1) county financial statistics may not match local government financial reports for three main reasons: (a) The Census of Governments defines the general county government as the aggregation of the parent (county) government and all agencies, institutions, and authorities connected to it (including government and quasi-governmental entities). This may differ from the way local governments define themselves for budgeting purposes; (b) different reporting periods between the Census of Governments fiscal year and the reporting period used by local governments (for example, some counties use a calendar year for reporting purposes); and (c) survey methods introduce error; (2) current federal land payment data for FY 2013 are compared to the last published edition of the Census of Governments for FY 2012; and (3) federal land payments data limitations may under-represent the importance of federal land payments relative to other sources of county revenue.

For a detailed description of Census of Governments survey methods, survey year (fiscal year), and definitions, see: 2006 Government Finance and Employment Classification Manual at [http://www2.census.gov/govs/pubs/classification/2006\\_classification\\_manual.pdf](http://www2.census.gov/govs/pubs/classification/2006_classification_manual.pdf). Federal payments to counties are reported by the federal fiscal year in which they are authorized, and are delivered to counties during the next local government fiscal year (e.g., federal land payments for federal FY 2009 are received by counties during local government FY 2010).

### *Data Sources*

#### **Payments in Lieu of Taxes (PILT)**

U.S. Department of Interior. Payments in Lieu of Taxes (PILT). FY 2013 County Payments. <http://www.doi.gov/pilt>.

#### **Forest Service Secure Rural Schools Payments**

United States Department of Agriculture Forest Service. 2013. Secure Rural Schools and Community Self-Determination Act. Additional Payment Information. ASR 18-1, Secure Rural Schools Act Titles I, II and III. <http://www.fs.fed.us/srs/>.

#### **Forest Service 25% Fund and Special Acts Payments**

United States Department of Agriculture Forest Service. 2001 to 2013. Additional Payment Information. 25% 7 Year Rolling Average Payment. ASR 10-3, Payment Detail (county). <http://www.fs.fed.us/srs/>.

#### **BLM O&C 50% Revenue Sharing**

U.S. Department of Interior, Bureau of Land Management, Oregon State Office. Receipts from O&C Grant Lands and Payments Calculated Under O&C Act (50% of receipts). [www.blm.gov/or/index.php](http://www.blm.gov/or/index.php).



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## **BLM O&C Secure Rural Schools**

U.S. Department of Interior, Bureau of Land Management, Oregon State Office. 2013 County Payments Citizen Advisory Committee, Official Payments to Counties.  
<http://www.blm.gov/or/rac/ctypaypayments.php>.

## **Census of Governments**

U.S. Department of Commerce. 2012. Census of Governments, Survey of State and Local Government Finances, Washington, D.C.

## **ADDITIONAL RESOURCES**

Schuster, Ervin G. and Krista M. Gebert. 2001. Property Tax Equivalency on Federal Resource Management Lands. *Journal of Forestry*. May 2001 pp 30-35.

Ingles, Brett. 2004. Changing the Funding Structure: An Analysis of the Secure Rural School and Community Self-Determination Act of 2000 on National Forest Lands. Environmental Science and Public Policy Research Institute, Boise State University.

For a detailed description of Census of Governments survey methods, survey year (fiscal year), and definitions, see: 2006 Government Finance and Employment Classification Manual at [www.census.gov/govs/](http://www.census.gov/govs/).

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## **3. Policy Options: Payment Projections If SRS Expires**

### **WHAT IS THIS?**

The interactive map shows projected payments from FY 2015 to FY 2017 from SRS, the Forest Service 25% Fund, BLM O&C 50% revenue sharing program, and PILT. The projections assume that the Secure Rural Schools and Community Self-Determination Act (SRS) is not reauthorized after FY 2015. The estimates are based on Forest Service and BLM annual receipt reports and modeled PILT payments based on the current PILT formula and assuming full-funding.

### **RELATED RESEARCH**

Headwaters Economics produced a [White Paper](#) in 2010 that details the history of the county payment programs and suggests a variety of potential policy options. The paper includes a [Timeline](#) of payments and key reforms. The data used in this interactive theme is available in Microsoft Excel through the [Economic Profile System](#) for every county nationally, including detailed methods and citations.

### **Methods**

#### **PILT**

The PILT formula will take into account lower agency-based payments that result if SRS is not reauthorized. We run the PILT formula with the new, lower prior year payments to estimate how PILT compensates. The PILT formula allows for higher payments with several important limitations: the BLM O&C payments are exempt from the PILT formula, meaning PILT cannot make up for the loss of these payments; PILT is only paid to counties, townships and municipal governments, meaning school districts will not receive compensation for lower Forest Service payments; many counties are limited by the population threshold in the PILT formula so PILT will not rise as a result of lower agency-based payments in many rural counties with small populations and large amounts of public lands. SRS Title II funds will no longer be available to Resource Advisory Councils for economic development and forest restoration projects on public lands.

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## FISCAL YEARS

PILT is reduced by prior year payments made by the Forest Service to county governments. Because Forest Service payments for FY 2013 are paid in FY 2014, there is effectively a one-year lag between the two programs. In other words, the FY 2014 PILT payment uses FY 2013 SRS payments in the formula. As a result, lower agency based payments for FY 2016 (paid in January 2017) will not be compensated by higher PILT until the FY 2017 PILT payment, paid in July of 2017.

The interactive map aligns Forest Service, BLM O&C, and PILT payments in year they are received by local governments. The map shows FY 2016 agency-based payments (to be paid in January 2017) with FY 2017 PILT payments (to be paid in July 2017). Matching payments based on the year they are received by county governments is different than the Total Payments interactive map that aligns payments using the federal fiscal year for which the payments are made (e.g. FY 2014 Forest Service, BLM O&C, and PILT are displayed in the Total Payments interactive map).

### Data Sources

U.S. Department of Interior. 2014. Payments in Lieu of Taxes (PILT) National Summary. Schedule 1: Total Payments by County; Schedule 2: Section 6902 Payments by County. <http://www.doi.gov/pilt>.

United States Department of Agriculture Forest Service, Secure Rural Schools and Community Self-Determination Act. Additional Payment Information. Estimated 25-percent payments, FY 2014-2015, January 2015. <http://www.fs.fed.us/srs/>.

U.S. Department of Interior, Bureau of Land Management, Oregon State Office. Receipts from O&C Grant Lands and Payments Calculated Under O&C Act (50% of receipts). [www.blm.gov/or/index.php](http://www.blm.gov/or/index.php).

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## 4. Payments History: *Pilt Reform to a Single Payment*

### WHAT IS THIS?

This map shows projected payments for FY 2016 and FY 2017 if several reforms are added to PILT that would:

1. Eliminate the Secure Rural Schools and Community Self-Determination Act (SRS), Forest Service revenue sharing (25% Fund) payments, and BLM O&C revenue sharing payments.
2. Make PILT the single basis for compensation to local governments for non-taxable Forest Service lands.
3. Reform PILT in several ways to account for the loss of Forest Service and BLM O&C payment programs, including;
  - a. Increase the PILT population cap for rural counties most affected by the loss of Forest Service SRS and revenue sharing payments;
  - b. Add to the PILT formula an economic performance adjustment based on the economic adjustment in the expired SRS law;
  - c. Additional payments to compensate school districts for lost Forest Service payments that are not accounted for in the current PILT formula.

The next section describes the PILT reform proposal and the expected outcomes for counties. The Methods section explains how the reformed PILT formula is calculated and provides links to detailed documentation and data.



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## RELATED RESEARCH

If the Secure Rural Schools and Community Self-Determination Act (SRS) [expires](#) without a replacement, many counties, especially rural ones, will face significant revenue shortfalls, harming local school, road, and county budgets, and limiting options for economic development.

Current proposals include requests for short and long-term extension of SRS, a revenue mandate attached to federal forest management reform, or transfer of federal lands to state ownership and/or management.

SRS has already lapsed, and long-term reauthorization appears to be more and more difficult. Federal timber management reform and federal land transfer proposals also face a difficult path to adoption. These receipt-based proposals also fail to provide predictable and stable funding for counties, will be inequitable between counties, and return a set of incentives to federal land management that are not aligned with current restoration, stewardship, and recreation efforts.

As payments from the Forest Service have declined, PILT has become a more important part of compensation to counties. In 1977, when the first PILT payments were made, PILT accounted for 17 percent of total compensation to counties, primarily to jurisdictions with a large number of federal acres that did not receive high revenue sharing payments. If SRS is not reauthorized, PILT will account for 87 percent of total compensation to counties.

PILT was not designed to be the primary form of compensation, and it is poorly designed for this role. For example, PILT does not provide compensation to school districts that stand to lose the large majority of payments if SRS is not reauthorized. Also, reliance on PILT shifts payments from rural resource-dependent counties to metropolitan counties. SRS allocated a larger share of payments to relatively-poor rural counties. As SRS declines or ends, PILT's population cap allocates a larger share of total compensation to metropolitan counties.

For these reasons, we propose the single payment concept. The proposal would:

- Retain decoupling between annual receipts and county payments.
- Recognize that forest management reform does not work for a majority of counties and avoids returning to a set of incentives that privileges commercial timber sales over ongoing efforts to improve forest health and create jobs using a wide-variety of commercial sales, collaborative funding, and restoration contracts.
- Reverse PILT's urban bias by 1) reforming existing authorities in the PILT law to increase the population limit for rural counties based on specially designated public lands; and 2) by adding into the PILT formula an existing economic performance adjustment in the expired SRS formula that would allocate a larger portion of the total PILT appropriation to rural communities with relatively poor economic performance.
- Retain a larger share of total payments in rural counties without raising the total cost of county payments.
- Provide additional payments to compensate school districts for lost Forest Service payments that are not accounted for in the current PILT formula

## Methods

The single payment formula is described in various documents and reports linked below. The primary components of the reforms are described in the two figures below.

The current PILT formula, simplified, allocates payments to counties based on the number of eligible federal acres in each local government jurisdiction, subject to a limit on the jurisdiction's population and

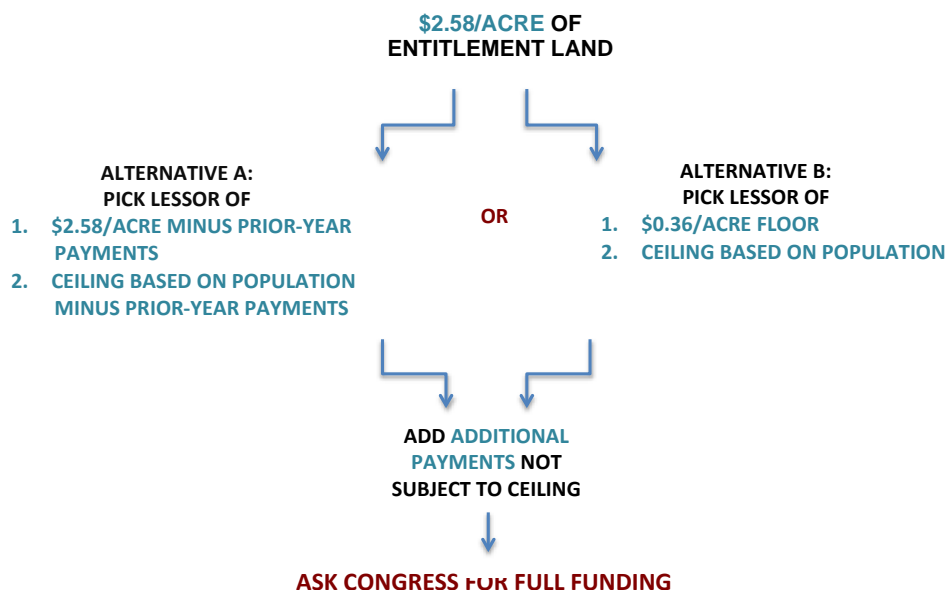
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less payments received in the prior year from the Forest Service (SRS or 25% Fund payments) and similar payments from other federal land-management agencies (for example, Bureau of Land Management and U.S. Fish and Wildlife Service payments).

The PILT formula also includes several additional payments made to counties for special federal land programs. These additional payments are not subject to prior-year payment and population limitations (they are additional to the county's formula-based payment). The largest of these additional payments is a special payment made to compensate counties for newly-purchased federal lands included in a Wilderness Area or a National Park (for example, if the federal government purchases a private land inholding within a protected area or adds to a protected area by purchasing adjacent private lands). The additional payment is a payment equal to the most recent property tax payment made to the county, and is made by the federal government for a period of five years after the land is purchased.

Once PILT payments are calculated for each eligible jurisdiction, Congress is required to authorize the money required to meet the PILT obligation. If Congress appropriates an amount less than the total required to fully-compensate counties, each county receives a pro-rated share of the full amount.

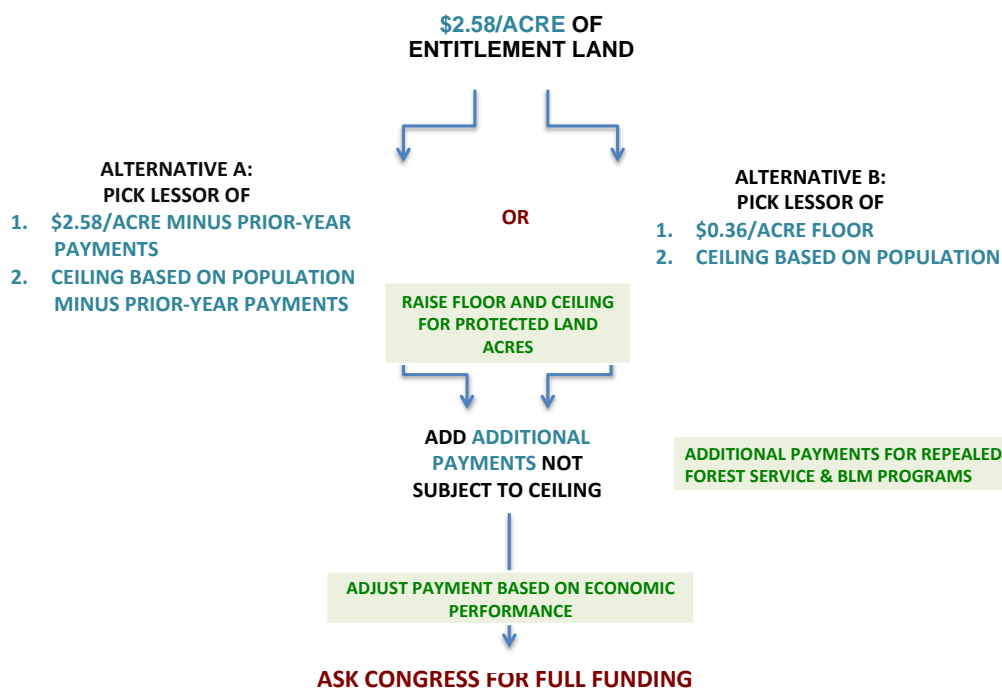
**Figure 1: Current PILT Payment Formula (FY 2015)**



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The single payment would reform the PILT formula in several ways illustrated in Figure 2.

**Figure 2: Single Payment PILT Formula (Using FY 2015 Entitlement Amount)**



#### RAISING THE POPULATION LIMIT

The population limit is raised based on the number of acres of federal protected land acres (Wilderness and National Parks) in each jurisdiction. The increased population limit is restricted by the existing population ceiling for metropolitan counties (50,000 population), and cannot increase for rural counties by an amount greater than 300 percent. These limitations are important so that PILT can compensate rural counties losing payments from other programs without raising costs beyond 2011 levels.

#### ADDITIONAL PAYMENTS FOR SCHOOLS

PILT payments are allocated only to county, township, and municipal jurisdictions. The Forest Service payments are required to be utilized for county roads and school districts with tax bases limited by the presence of non-taxable federal lands. PILT will make up for all or a portion of declining Forest Service payments to counties and townships (subject to population limits). PILT will not make up for lost payments to school districts.

PILT is reformed to add additional payments equal to the lost payments to local school districts. These additional payments are not subject to population thresholds, and are equal to the value of Forest Service payments allocated to schools in FY 2015. These additional payments in the PILT formula must be allocated to schools in the jurisdiction where public lands are located.

#### ECONOMIC PERFORMANCE ADJUSTMENT

The index builds off the precedent of the economic performance adjustment in the Secure Rural Schools and Community Self-Determination Act (SRS) that adjusted payments by the relative per-capita personal income (PCI) of counties. The [proposed economic index](#) uses five measures to provide a relative ranking

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of counties based on economic performance and potential. The index is used to allocate PILT payments proportionately to counties based on economic performance.

The five variables in the index—household income, earnings per job, families below the poverty level, education, and access to markets—are updated annually and published by the U.S. Census Bureau and U.S. Bureau of Economic Analysis.

#### FISCAL YEARS

The interactive map shows actual payments through FY 2014 and provides estimated and projected payments for FY 2015 through FY 2017.

#### DATA SOURCES

U.S. Department of Interior. 2014. Payments in Lieu of Taxes (PILT) National Summary. Schedule 1: Total Payments by County; Schedule 2: Section 6902 Payments by County. <http://www.doi.gov/pilt>.

United States Department of Agriculture Forest Service, Secure Rural Schools and Community Self-Determination Act. ASR 18-1, Secure Rural Schools Act Titles I, II, and III. <http://www.fs.fed.us/srs/>, June 2015.

United States Department of Agriculture Forest Service, Secure Rural Schools and Community Self-Determination Act. ASR 10-3, 25% 7 Year Rolling Average Payment and Special Acts Payment. <http://www.fs.fed.us/srs/>, June 2015.

U.S. Department of Interior, Bureau of Land Management, Oregon State Office. Receipts from O&C Grant Lands and Payments Calculated Under O&C Act (50% of receipts). [www.blm.gov/or/index.php](http://www.blm.gov/or/index.php).

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#### ABOUT HEADWATERS ECONOMICS

Headwaters Economics is an independent, nonprofit research group whose mission is to improve community development and land management decisions in the West, <http://headwaterseconomics.org/>.