

January 7, 2014



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Dear Members of the California Congressional Delegation:

On behalf of the California State Association of Counties (CSAC), I want to urge your strong support of funding for the Payment-in-Lieu-of-Taxes (PILT) program. As you know, PILT provides payments to counties to help offset losses in tax revenues due to the presence of tax-exempt federal land in their jurisdictions. In fiscal year 2013, 56 California counties received PILT payments amounting to \$41.4 million, which accounts for more than 10 percent of the nearly \$400 million available for the program nationwide. These funds are critical to counties, as they provide many valuable services on these lands, including search and rescue operations, law enforcement, sanitation, and road maintenance.

Prior to fiscal year 2008, PILT payments were subject to the annual appropriations process, and the program was underfunded year after year. As part of the *Emergency Economic Stabilization Act of 2008* (PL 110-343), Congress converted PILT from a discretionary program to a fully funded mandatory entitlement program. It also provided five years of mandatory funding for PILT (from FY 2008-FY 2012). Congress included an additional year of mandatory funding (through FY 2013) for the program in its most recent transportation reauthorization (MAP-21). However, unless Congress acts, PILT will revert to a discretionary program in fiscal year 2014 and would again become subject to the annual appropriations process. As a result, counties in California with federal land in their jurisdiction could face steep funding cuts.

Counties understand the serious budget situation the country is facing and the difficult budget decisions that Congress will be considering in the coming weeks. Nevertheless, the loss of PILT funding will put an enormous strain on already stretched county budgets, limiting local governments in their ability to provide necessary services. Therefore, CSAC respectfully requests that you work with your colleagues in the House to ensure that PILT is fully funded in the final fiscal year 2014 spending measure.

Finally, we look forward to working with you in the coming months to secure a sustainable, long-term funding solution to PILT. Thank you in advance for your attention to this important issue. Should you have any questions regarding our position or if you would like additional information, please contact Hasan Sarsour, CSAC Washington Representative, at 202-898-1444, or Karen Keene, CSAC Deputy Director of Federal Affairs at 916-327-7500 ext. 511.

Sincerely,

A handwritten signature in blue ink that reads "Matt Cate".

Matt Cate
CSAC Executive Director