



January 7, 2014

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The Honorable Dianne Feinstein
331 Hart Senate Office Building
Washington, DC 20515

Dear Senator Feinstein:

On behalf of the California State Association of Counties (CSAC), I want to thank you for your strong support of the Payment-in-Lieu-of-Taxes (PILT) program and your successful efforts to secure an additional year of mandatory spending as part of MAP-21 (PL 112-141). However, unless Congress acts, PILT will revert to a discretionary program in fiscal year 2014 and would thus become subject to the annual appropriations process. As a result, counties with federal land in their jurisdiction could face steep funding cuts.

As you know, the PILT program 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, which provide many valuable services on federal land including search and rescue operations, law enforcement, sanitation, and road maintenance.

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 Senate 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