

**Small County PILT Formula Adjustment**  
**Sponsored by Senators Steve Daines, Lisa Murkowski, and Corey Gardner**

**Summary:** This bill will create a minor modification to the population values table in Section 6902 of the PILT Formula. This section would be modified so that eligible low population counties (those with populations under 4,000) would receive a higher annual limitation ceiling, which would likely resulting in increased PILT payments. This formula adjustment will help bring parity to lower population counties and help address rising infrastructure and emergency services costs.

**Background:** In 1976, Congress passed the P.L. 94-565, which established the Payment In Lieu of Taxes, or PILT program, as a means of compensating local units of government (counties) for their reductions to their property tax bases due to the presence of federal land.<sup>1</sup> Although Federal lands cannot be taxed, the demand for services such as fire protection, police cooperation, or infrastructure needs does not dissipate. Congress responded to this need by establishing the PILT program, which has been updated only twice since that time.

PILT is administered by the Department of Interior and Congress authorizes the level of PILT funding. PILT Payments are calculated by a complicated 5-factor calculation for each county, which includes the following: (1) the number of acres eligible for PILT payments, (2) the county’s population, (3) payments in prior years from other specified federal land payment programs, (4) state laws directing payments to a particular government purpose, and (5) the Consumer Price Index as calculated by the Bureau of Labor Statistics. Currently, populations tiers have a floor at 5,000 residents and a ceiling at 50,000 residents, meaning the multiplier for the formula remains the same if a county has over 50,000 citizens or under 5,000 citizens.

**Need for Legislation:** There are approximately 300 counties in the United States with a population under 5,000.<sup>2</sup> This minor change to the population values table would aid states with rural counties, who also have large amounts of federal lands but small population sizes. With four new tiers in the PILT formula, the playing field would be leveled for small counties, allowing them access to the much need dollars for public services, without upending the value or dollars allocated to larger counties.

**Updated table showing new tiers:**

“If population equals— .....	the limitation is equal to the population times—
1,000 .....	\$254.40
2,000 .....	\$230.66
3,000 .....	\$212.00
4,000 .....	\$198.43

<sup>1</sup> <https://www.crs.gov/Reports/RL31392?source=search&guid=0786d8201fea42cba0bfe746eafcdca0&index=0>

<sup>2</sup> <https://www.census.gov/library/stories/2017/10/big-and-small-counties.html>