

# PILT UPDATE

Alaska Municipal League Conference  
November 15, 2018

Mayor David Landis  
Ketchikan Gateway Borough

# PILT – Payment In Lieu of Taxes

- Made to local governments that have federal lands within their jurisdictions.
- Payment compensate for the non-taxable status of these federal lands.
- Origin of payments 1908, current system since 1976
- Paid through Department of Interior
- Calculated by applying a per-acre amount to the number of federal acres in each jurisdiction.

# PILT – Payment In Lieu of Taxes

- In 49 states, DC, Guam, PR, USVI. 1,900+ counties, boroughs and parishes
- Federal Government owns 28% of all land in the U.S.
- Counties in the western US and Alaska boroughs are the most affected by PILT
- The NACo Western Interstate Region (WIR) is active on federal lands issues

# PILT Fly-in

- September 5-7 2018
- County and borough officials across the US
- Update on PILT status
- Coordinate messaging
- Meetings in 60+ congressional offices
- Lunch briefing with key congressional leaders
- Whitehouse meeting with DOI, USDA, OMB, Assistants the the President

# Why do we need a fly-in?

- Funding is year by year
- Used to be a mandatory program, now discretionary
- Boroughs/counties with large PILT acreage have small populations and economies
- Politicians look for discretionary programs to cut
- Strength in numbers
- Without PILT, many counties/boroughs cannot provide critical services such as education, EMS, health care



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Custer County, Idaho

Population 4,096

3.15 Million Acres

4,938 Square Miles



2016 PILT \$724,000 @ .25¢/acre

# PILT – Some of the high points

- There is bipartisan need and support
- Boroughs and counties need budget stability
- Long term funding desirable
- Use and impacts to rural areas are both increasing
- Lobbying on the home front is good, but educating others is just as important
- Alaska has a powerful delegation





NOVEMBER						
S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

**CHAIRMAN**  
Lisa Murkowski (R, AK)



## FEATURED ITEMS

**WILDFIRE ACTIVITY MAP**

*Interactive map displaying current wildfire threat levels, active wildfires, and information specific to individual fires.*

**ANOTHER PRODUCTIVE SESSION FOR ENR**

*U.S. Sen. Lisa Murkowski, R-Alaska, worked with Sen. Maria Cantwell, D-Wa., to secure passage of 11 more bills jurisdictional to the Energy and Natural Resources Committee. Ten of the bills will help increase the use of clean, abundant hydropower throughout the United States...*



Energy and Natural  
Resources Committee

SD-366

Hon. David Landis

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# Ketchikan Gateway Borough

- Claim to Fame?
- 96.7% of land area is owned by the Federal Government
- Almost 3% owned by other tax-exempt entities
- About one half of 1% of land in the Ketchikan Gateway Borough is private, taxable land
- Over 1 million visitors per year

# Possibilities for PILT

- Kane County Utah class action lawsuit
- For underpayments in FY 2015, 2016, 2017
- About \$18 million total
- 60 days from the date final judgment is entered to file an appeal to the U.S. Court of Appeals for the Federal Circuit, in Washington, D.C.
- If appealed, would take another year

- Aleutians East Borough, Alaska
- Aleutians West Census Area, Alaska
- Bethel Census Area, Alaska
- Bristol Bay Borough, Alaska
- Denali Borough, Alaska
- Dillingham Census Area, Alaska
- Fairbanks Northstar Borough, Alaska
- Haines Borough, Alaska
- Hoonah-Angoon Census Area, Alaska
- Juneau City & Borough, Alaska
- Kenai Peninsula Borough, Alaska
- Ketchikan Gateway Borough, Alaska
- Kodiak Island Borough, Alaska
- Kusilvuk Census Area, Alaska
- Lake & Peninsula Borough, Alaska
- Matanuska Susitna Borough, Alaska
- Municipality Of Anchorage, Alaska
- Municipality and Borough of Skagway, Alaska
- Nome Census Area, Alaska
- North Slope Borough, Alaska
- Northwest Arctic Borough, Alaska
- Petersburg Borough, Alaska
- Prince Of Wales Census Area, Alaska
- S.E. Fairbanks Census Area, Alaska
- Sitka City Borough, Alaska
- Valdez/Cordova Census Area, Alaska
- Wade Hampton, Alaska
- Wrangell Borough, Alaska
- Yakutat Borough, Alaska
- Yukon Koyukuk Census Area, Alaska

<b>State</b>	<b>Unit of Government</b>	<b>Total underpayment 2015-2017</b>
ALASKA	ALEUTIANS WEST CENSUS AREA	\$39,319
ALASKA	BETHEL CENSUS AREA	\$72,141
ALASKA	BRISTOL BAY BOROUGH	\$6,538
ALASKA	DENALI BOROUGH	\$13,239
ALASKA	DILLINGHAM CENSUS AREA	\$34,952
ALASKA	FAIRBANKS NORTH STAR	\$17,669
ALASKA	HAINES BOROUGH	\$13,972
ALASKA	HOONAH-ANGOON CENSUS	\$14,822
ALASKA	JUNEAU CITY & BOROUGH	\$84,874
ALASKA	KENAI PENINSULA BOROUGH	\$118,469
ALASKA	KETCHIKAN GATEWAY	\$44,594
ALASKA	KODIAK ISLAND BOROUGH	\$60,562
ALASKA	KUSILVUK CENSUS AREA	\$21,392
ALASKA	LAKE & PENINSULA BOROUGH	\$11,451
ALASKA	MATANUSKA SUSITNA	\$139,198
ALASKA	MUNICIPALITY AND BOROUGH	\$6,250
ALASKA	MUNICIPALITY OF ANCHORAGE	\$26,696
ALASKA	NOME CENSUS AREA	\$48,969
ALASKA	NORTH SLOPE BOROUGH	\$48,969
ALASKA	NORTHWEST ARCTIC BOROUGH	\$45,809
ALASKA	PETERSBURG BOROUGH	\$24,389
ALASKA	PRINCE OF WALES CENSUS AREA	\$39,319
ALASKA	S.E. FAIRBANKS CENSUS AREA	\$43,189
ALASKA	SITKA CITY BOROUGH	\$26,653
ALASKA	VALDEZ/CORDOVA CENSUS	\$48,558
ALASKA	WADE HAMPTON	\$24,417
ALASKA	WRANGELL BOROUGH	\$16,683
ALASKA	YAKUTAT BOROUGH	\$4,460
ALASKA	YUKON KOYUKUK CENSUS AREA	\$39,319

# Possibilities for PILT

- Possible funding through the Land and Water Conservation Fund (LWCF)
- Federal acquisition funds and state grants
- LWCF funded by offshore oil and gas drilling fees
- The idea: Along with putting land into federal ownership, pay what the federal government owes to counties and boroughs for the land they already have
- NACo advocacy

# Possibilities for PILT

1. Proposal for endowment concept for payments
  - Huge price tag
2. Proposal to increase PILT population limits for small-population counties
  - Would raise the population limits in the PILT formula for counties with fewer than 5,000 residents.

Headwaters Economics- Montana

<https://www.headwaterseconomics.org>



# Explore PILT by County for FY2017 and 2018

State

County

Fiscal Year

Alaska

(All)

2018

State	County	≡	Pilt Acres	Prior Year Payments	Population Threshold	2018 PILT Payment	PILT w/ Increased Pop. Limits	Payment Increase
<b>Total</b>			<b>225,240,450</b>	<b>481,776</b>	<b>412,000</b>	<b>\$32,308,978</b>	<b>\$33,907,195</b>	<b>\$1,598,217</b>
Alaska	Aleutians East B..		2,663,160	0	5,000	\$600,878	\$938,792	\$337,914
	Petersburg Cens..		1,798,235	38,987	5,000	\$574,079	\$857,963	\$283,884
	Haines Borough		956,788	28,085	5,000	\$426,976	\$603,212	\$176,237
	Wrangell City an..		1,597,694	44,526	5,000	\$439,538	\$606,656	\$167,118
	Skagway Munici..		192,583	2,480	5,000	\$195,872	\$344,632	\$148,760
	Hoonah-Angoon ..		4,635,219	19,051	5,000	\$378,829	\$525,552	\$146,723
	Denali Borough		4,610,474	0	5,000	\$356,042	\$493,939	\$137,897
	Lake and Penins..		8,536,043	0	5,000	\$284,761	\$395,050	\$110,289
	Yakutat City and..		4,429,258	34,162	5,000	\$109,565	\$191,738	\$82,173
	Bristol Bay Boro..		63,125	0	5,000	\$163,710	\$170,934	\$7,224
	Aleutians West ..		2,341,559	0	6,000	\$1,024,406	\$1,024,406	\$0
	Anchorage Muni..		286,926	3,334	50,000	\$773,625	\$773,625	\$0
	Bethel Census Ar..		15,634,158	0	18,000	\$1,879,507	\$1,879,507	\$0
	Fairbanks North ..		170,239	0	50,000	\$460,981	\$460,981	\$0
	Juneau City and ..		1,673,033	40,289	32,000	\$2,823,754	\$2,823,754	\$0
	Kenai Peninsula ..		6,701,163	14,406	50,000	\$3,632,246	\$3,632,246	\$0
	Ketchikan Gatew..		3,050,784	85,015	14,000	\$1,493,027	\$1,493,027	\$0
	Kodiak Island Bo..		2,816,117	0	14,000	\$1,578,029	\$1,578,029	\$0
	Kusilvak Census ..		9,554,719	0	8,000	\$1,193,532	\$1,193,532	\$0
	Matanuska-Susi..		2,987,701	9,181	50,000	\$3,637,431	\$3,637,431	\$0
	Nome Census Ar..		8,365,605	0	10,000	\$1,275,786	\$1,275,786	\$0
	North Slope Bor..		40,150,796	0	10,000	\$1,275,786	\$1,275,786	\$0
	Northwest Arcti..		16,397,146	0	8,000	\$1,193,532	\$1,193,532	\$0
	Prince of Wales-..		2,742,430	71,171	6,000	\$1,024,406	\$1,024,406	\$0
	Sitka City and Bo..		1,819,854	45,981	9,000	\$1,206,981	\$1,206,981	\$0
	Southeast Fairb..		4,758,766	0	7,000	\$1,125,266	\$1,125,266	\$0
	Valdez-Cordova ..		14,940,458	45,108	9,000	\$1,252,885	\$1,252,885	\$0
	Yukon-Koyukuk ..		58,355,908	0	6,000	\$1,024,406	\$1,024,406	\$0
Dillingham Cens..		3,010,509	0	5,000	\$903,139	\$903,138	\$0	

**David Landis**

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