

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NO. 3156

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH URGING SUPPORT FOR EQUITABLE PAYMENTS IN LIEU OF TAXES (PILT), INCLUDING PASSAGE OF THE SMALL COUNTY PILT PARITY ACT (S.1175) AND REFORMS CONSISTENT WITH THE NATIONAL ASSOCIATION OF COUNTIES (NACo) "SIDE-B" MINIMUM FUNDING PROPOSAL

RECITALS

- A. **WHEREAS**, the Ketchikan Gateway Borough (KGB) is home to significant federal lands, with more than ninety-eight percent of the borough's geographic area under federal ownership or control, severely restricting the borough's ability to generate property tax revenue from its land base; and
- B. **WHEREAS**, Congress enacted the Payments in Lieu of Taxes (PILT) program in 1976 to compensate local governments for federal land ownership that removes property from the local tax rolls; and
- C. **WHEREAS**, the current PILT formula disproportionately disadvantages boroughs, counties, and parishes with large federal acreage and small resident populations, despite these jurisdictions still being required to provide essential services across vast public lands; and
- D. **WHEREAS**, the Ketchikan Gateway Borough experiences more than one million annual visitors, creating outsized demands on local services for the Borough and City—including law enforcement, emergency medical response, search and rescue, harbor operations, solid waste, road maintenance, and hospital capacity—yet the PILT formula fails to account for real-world service burdens in federally dominated tourism regions; and
- E. **WHEREAS**, annual uncertainty surrounding Secure Rural Schools (SRS) program payments further destabilizes the borough's ability to plan and budget for core public services, increasing the importance of a stable and equitable PILT structure; and
- F. **WHEREAS**, the Small County PILT Parity Act (S.1175) would reform PILT to better support jurisdictions like the Ketchikan Gateway Borough by addressing inequities created by the population cap in the current formula; and
- G. **WHEREAS**, the National Association of Counties (NACo) has advanced a Side-B minimum funding proposal that would guarantee a base per-acre PILT rate for

high-federal-land/low-population jurisdictions, adjusted annually for inflation, restoring fairness and predictability for rural counties; and

H. WHEREAS, adoption of either S.1175 or the NACo Side-B reform would strengthen local self-governance, align federal policy with the original intent of the PILT statute, and reduce fiscal uncertainty for rural communities across Alaska and the nation.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH as follows:

Section 1. That the Assembly of the Ketchikan Gateway Borough respectfully urges the United States Congress to support equitable PILT reform, including passage of S.1175 and adoption of provisions consistent with the NACo Side-B minimum funding proposal.

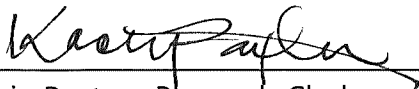
Section 2. That copies of this resolution be transmitted to U.S. Senator Lisa Murkowski, U.S. Senator Dan Sullivan, U.S. Representative Nick Begich, and the Alaska Municipal League.

ADOPTED this 3rd day of November, 2025.



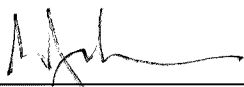
Austin Otos, Borough Mayor

ATTEST:



Kacie Paxton, Borough Clerk

APPROVED AS TO FORM:



Glenn Brown, Borough Attorney