

## AGENDA ITEM 8 - ATTACHMENT 2

Talking Points for HB 889, memorial, regarding federal PILT Program. Companion SB 1818

### Background and Overview

- The federal government relies primarily on payment-in-lieu-of-taxes (PILT) programs originally created by the Payments In Lieu of Taxes Act of 1976, to compensate local governments for loss of ad valorem revenues and to offset costs incurred to provide services to federal facilities.
- Five agencies administer PILT programs in 41 Florida counties, although most federal lands in Florida are in either the National Park System or are part of the National Forest System and managed by the U.S. Forest Service.
- All lands are eligible for federal PILT funding. PILT payments are determined through a complicated formula based heavily on acreage, other federal funding, and population factors.
- Federal PILT payments have averaged about \$104 million annually since they began in 1977.
- Based on the funding formula, Florida counties would have received \$4.9 million in PILT monies in 2002. However, because Congress provided only partial funding for the program, actual payments to Florida Counties were reduced to \$2.9 million.
- While Florida received \$10.5 million in PILT monies from 1998 – 2002, they would have received an additional \$10.4 million had the program been fully funded.
- We acknowledge that Florida state and local governments as well as the nation as a whole benefit from federally owned lands. However, Florida local governments bear a disproportionate share of the cost due to insufficient PILT payments to fully compensate for loss of ad valorem tax revenues.
- It is vital that our local governments have sufficient resources to provide necessary local services to our citizens as well as services to federal properties.

### Talking points of bill:

- The memorial calls for Congress to fully fund the federal PILT program, rather than at the current 50-60 percent level in order to generate an additional \$2.4 million annually to the 41 Florida counties currently participating in the federal PILT program.

*Rationale:* The amount of federal PILT money that an eligible local government receives is determined by the formulae provided by law and the amount authorized by Congress. Currently, the program is funded at less than 60 percent. While Florida counties received \$10.5 million in federal PILT monies from 1998 – 2002, they would have received an additional \$10.4 million from full funding of the program, bringing their total PILT payments to \$20.9 million during this time period.