

**New Mexico Counties
Revenue Stabilization & Tax Policy Committee
September 21, 2018**

ISSUE: In the United States, county governments must provide services on a property tax base that is restricted by the tax-exempt status of federal lands within their boundaries. Instead of authorizing taxation, Congress usually has chosen to create various payment programs designed to compensate for this lost tax revenue. Payments from Payments in Lieu of Taxes (PILT) and the Secure Rural Schools & Community Self-Determination Act (SRS) are an essential source of revenues that enable county governments to meet their financial obligations and provide services to their constituents.

PILT PROGRAM:

- The Payments in Lieu of Taxes (PILT) program was created in 1976 to provide payments to counties and other local governments to offset losses in tax revenues due to the presence of substantial acreage of federal land in their jurisdictions.
- Even though county governments are not able to collect property taxes on federal land, they must still provide essential services such as law enforcement, fire protection and emergency medical services, health care, road and bridge maintenance, search and rescue, solid waste disposal, and environmental compliance.
- PILT is primarily a western states issue.

Federally-Owned Land Eligible for PILT Compensation:

- Bureau of Land Management (BLM)
- Bureau of Reclamation (BOR)
- National Park System (NPS)
- National Forest System (NFS)
- National Wildlife Refuge System (NWRS)
- Army Corps of Engineers (COE)
- Certain Army Installations

Land Not Eligible for PILT Compensation

- Department of Energy
- National Aeronautics and Space Administration
- Department of Homeland Security
- Most Military Lands
- Tribal and Native American Lands

FORMULA CONSIDERATIONS:

- PILT Agency Acres
- Population
- Prior Year Payments (Taylor Grazing Act, Refuge Revenue Sharing, SRS, Mineral Lease Act)
- State Laws
- Consumer Price Index as calculated by the Bureau of Labor Statistics
- Payment Made Directly to Local Governments (June of each year)
- All Funding Subject to a Population Ceiling Adjusted Annually For Inflation
- Congressional Funding Limitations

SRS PROGRAM:

- The Secure Rural Schools and Community Self-Determination Act Contract (SRS) was enacted in 2000 to provide assistance to rural counties and school districts affected by the decline in revenue, due to changes in federal timber and harvest policies from the 1980s.
- Historically, rural communities and schools have relied upon a share of receipts from timber harvests to supplement local funding for education services and roads.
- SRS is a critical offset in the “prior year funding” of PILT. This offset keeps the forested states in the Pacific Northwest from taking the majority of the PILT funding nationwide. Without the renewal of SRS, New Mexico would lose not only its SRS revenue, but also approximately \$4 million in PILT to the Pacific Northwest.
- SRS is primarily a western states issue.

CURRENT SITUATION:

- When the authorization for SRS lapsed in Fiscal Year 2014, federal forest payments to counties decreased by over 80 percent on average. New Mexico went from \$9.3 million in 2015 to \$725,704 in 2016.
- SRS was reauthorized retroactively by Congress on March 23, 2018 for FYs 2017 and 2018.
- SRS expires at the end of FY 2018.

OBJECTIVES:

PILT - New Mexico counties are working with multiple federal stakeholders to enact legislation requiring mandatory full funding for the PILT program. Without mandatory full funding, PILT will remain a discretionary program (subject to the annual appropriations process) and could fall back to pre-2008 funding levels, which would devastate local government service delivery in areas with significant federal land ownership.

SRS - New Mexico counties are working with other western counties and schools to enact legislation that provides forest revenue sharing payments to counties and promotes active natural resource management for the stability and well-being of forest counties and communities.

**NEW MEXICO COUNTIES
2018 PILT PAYMENTS AND ACREAGE**

COUNTY	TOTAL ACRES	PILT ENTITLEMENT ACRES	PILT ACRES PER COUNTY	2018 PILT PAYMENT	PAYMENT PER ACRE
BERNALILLO	747,002	89,737	12.0%	\$238,335	\$2.66
CATRON	4,434,669	2,720,840	61.4%	\$639,528	\$0.24
CHAVES	3,888,077	1,216,424	31.3%	\$3,225,294	\$2.65
CIBOLA	2,906,707	788,622	27.1%	\$2,110,699	\$2.68
COLFAX	2,411,661	74,317	3.1%	\$197,367	\$2.66
CURRY	901,088	-	0.0%	\$0	\$0.00
DE BACA	1,493,683	44,423	3.0%	\$110,516	\$2.49
DONA ANA	2,441,203	1,183,475	48.5%	\$3,189,584	\$2.70
EDDY	2,686,413	1,574,308	58.6%	\$3,598,621	\$2.29
GRANT	2,539,232	1,162,515	45.8%	\$2,558,024	\$2.20
GUADALUPE	1,940,224	64,405	3.3%	\$162,226	\$2.52
HARDING	1,360,570	71,867	5.3%	\$116,768	\$1.62
HIDALGO	2,205,434	822,902	37.3%	\$739,903	\$0.90
LEA	2,812,288	424,419	15.1%	\$1,128,578	\$2.66
LINCOLN	3,092,038	921,816	29.8%	\$1,889,698	\$2.05
LOS ALAMOS	69,926	35,169	50.3%	\$93,625	\$2.66
LUNA	1,897,830	747,187	39.4%	\$1,999,158	\$2.68
MCKINLEY	3,491,379	416,343	11.9%	\$1,094,772	\$2.63
MORA	1,237,517	115,796	9.4%	\$306,596	\$2.65
OTERO	4,241,600	1,512,635	35.7%	\$3,597,259	\$2.38
QUAY	1,844,211	1,811	0.1%	\$4,840	\$2.67
RIO ARRIBA	3,773,536	2,017,108	53.5%	\$3,232,674	\$1.60
ROOSEVELT	1,570,976	10,937	0.7%	\$28,709	\$2.62
SAN JUAN	3,544,320	861,218	24.3%	\$2,316,470	\$2.69
SAN MIGUEL	3,031,040	392,451	12.9%	\$1,040,459	\$2.65
SANDOVAL	2,378,240	908,475	38.2%	\$2,416,206	\$2.66
SANTA FE	1,222,957	305,449	25.0%	\$812,453	\$2.66
SIERRA	2,711,181	1,301,223	48.0%	\$1,336,642	\$1.03
SOCORRO	4,255,200	1,560,821	36.7%	\$1,735,241	\$1.11
TAOS	1,410,829	763,018	54.1%	\$2,036,719	\$2.67
TORRANCE	2,141,267	161,434	7.5%	\$425,806	\$2.64
UNION	2,451,757	58,894	2.4%	\$155,864	\$2.65
VALENCIA	683,706	36,010	5.3%	\$91,858	\$2.55
TOTAL	77,817,760	22,366,050	28.7%	\$42,630,492	\$1.91

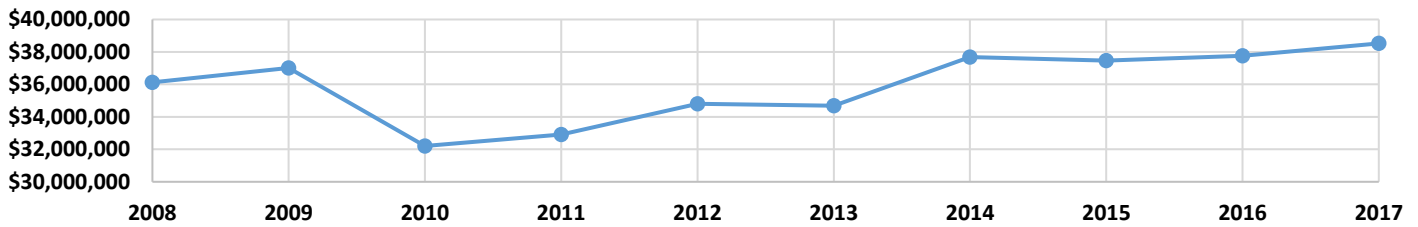
Retrieved from: U.S. Census Bureau, 2010 Census: <https://www.census.gov/quickfacts/nm>

Retrieved from: PILT Payments and Acreage by Agency: <https://www.nbc.gov/pilt/>

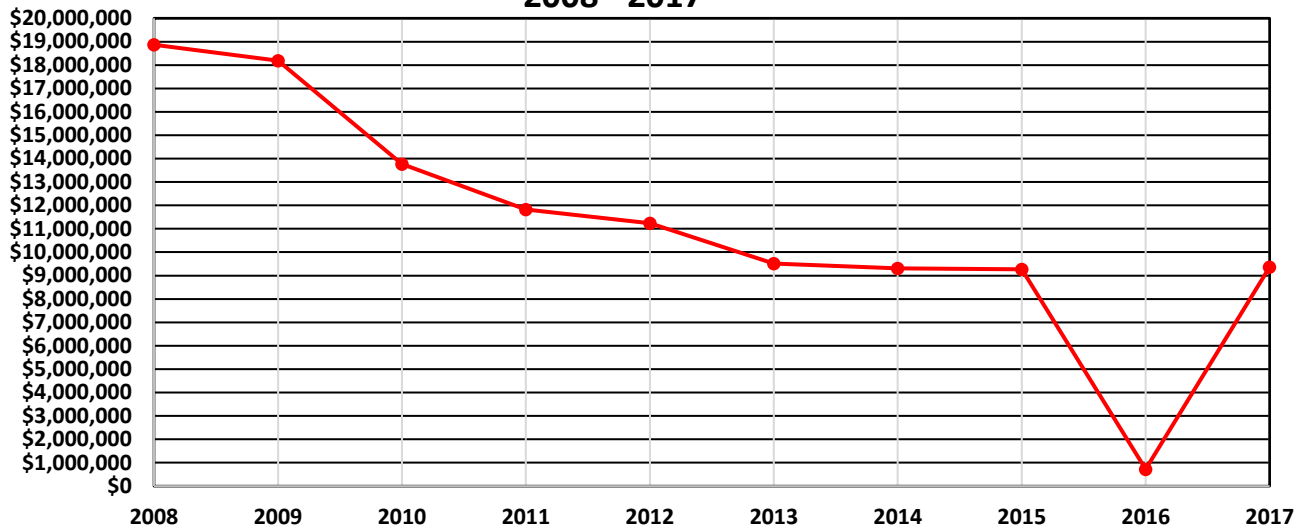
Retrieved from National Association of Counties: <https://explorer.naco.org/>

NOTE: New Mexico PILT agencies include Bureau of Land Management, U.S. Forest Service, Bureau of Reclamation, National Park Service, Fish & Wildlife Service, Army, and Corps of Engineers, but do not include approximately 7,912,224 tribal acres or 3,506,459 Department of Defense acres.

Payment in Lieu of Taxes 2008 - 2017



Secure Rural Schools 2008 - 2017



New Mexico Tribal Lands (Not included in PILT)

Tribal Lands	Acres	Counties
Acoma Indian Reservation	378,262	Cibola, Socorro, Catron
Cochiti Pueblo	50,681	Sandoval
Pueblo of Isleta	301,102	Bernalillo
Jemez Pueblo	89,619	Sandoval
Jicarilla Apache Nation	879,917	Rio Arriba
Kewa Pueblo	1,280	Sandoval
Laguna Pueblo	495,442	Bernalillo, Cibola, Sandoval, Valencia
Mescalero Apache	460,769	Lincoln, Otero
Nambe Pueblo	19,093	Santa Fe
Navajo Nation	4,193,869	Bernalillo, Cibola, McKinley San Juan, Socorro
Ohkay Owingeh Pueblo	12,236	Rio Arriba
Picuris Pueblo	15,034	Taos
Pojoaque Pueblo	12,004	Santa Fe
Sandia Pueblo	22,890	Bernalillo, Sandoval
San Felipe Pueblo	48,929	Sandoval
San Ildefonso Pueblo	28,179	Santa Fe
Santa Ana Pueblo	4,736	Sandoval
Santa Clara Indian Reservation	53,437	Rio Arriba, Sandoval, Santa Fe
Taos Pueblo	96,106	Taos
Tesuque Pueblo	17,000	Santa Fe
Ute Mountain Ute Indian Reservation	21,933	San Juan
Zia Pueblo	121,613	Sandoval
Zuni Indian Reservation	588,093	Catron, Cibola, McKinley
Estimated Tribal Acres	7,912,224	