



## MEMORANDUM

**TO:** CSA Board of Directors

**FROM:** Brandon Nee

**DATE:** September 19, 2017

**SUBJECT:** Adoption of PILT/SRS Resolution and Letters to Congress

From September 6<sup>th</sup> to 8<sup>th</sup>, NACo hosted a Payment-In-Lieu-of-Taxes (PILT) Fly-In to allow County Supervisors from across the country to educate Members of Congress on the effects that not reauthorizing the Secure Rural Schools (SRS) program has on rural schools and transportation infrastructure as well as the unintentional impact of redistributing PILT formula funding among counties nationwide. In Arizona, the combination of those connected events is estimated to cost counties \$14.6 million in FY 2018 funding.

During meetings held with Congressional members during the fly-in, it became apparent that there was a general lack of understanding of the nexus between the two programs.

- SRS is largely a county pass-through to rural schools and roads.
- It is also a deduction to the PILT formula calculating the amount counties receive as an offset for lost revenue on federal lands.
- Eliminating the deductions dramatically increases the amount of PILT funding requested by each county nationwide.
- It also redistributes the amount of PILT requested in favor of counties with a lot of forest land that historically receive more SRS assistance.
- Without additional dollars put into PILT to fully fund the new formula level, each county will receive a smaller fraction of their PILT formula request.

In order to increase awareness of the link between these two programs, as well as formally call for action to resolve this important issue, we are recommending that the County Supervisors Association Board of Directors adopt the attached resolution. Each county is encouraged to draft a cover letter from their Board of Supervisors outlining the local impact of reauthorizing PILT and SRS. The letter addressed to Members of Congress would request congress to pass Senate Bill 1027 and House Resolution 2340 continuing SRS for two more years, fully fund PILT, and include a copy of the adopted resolution.

Thank you for your consideration of this important matter.



# County Supervisors

A S S O C I A T I O N  
o f a r i z o n a

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## Resolution Number 1-17

**A Resolution of the County Supervisors Association of Arizona Respectfully Requesting the Congress of the United States to Immediately Provide Full Funding for the Payment-In-Lieu-of-Taxes Program For Fiscal Year 2018 And the Secure Rural Schools Program for Fiscal Years 2016 and 2017**

**WHEREAS**, the PILT program was established in 1976 to offset costs incurred by counties for services provided to the federal government and to the users of federal lands located within a county, and

**WHEREAS**, the Secure Rural Schools (SRS) program was established in 2000 to provide assistance to rural counties and school districts affected by the decline in revenue from timber harvests on federal lands, and

**WHEREAS**, monies received through the SRS program are a deduction to the funding formula for calculating county PILT payments, and

**WHEREAS**, a failure to reauthorize SRS will create a greater demand on the PILT formula spreading the limited funding across more public lands' counties, severely impacting Arizona, and

**WHEREAS**, the reality of not reauthorizing SRS and continuing to underfund the PILT formula will have the drastic effect of costing Arizona counties \$14.6 million across both programs, and

**WHEREAS**, the people of the counties containing National Forests desire to have both quality local educational and highway systems, as well as forests which are managed and maintained so that they are in a healthy, safe condition, and

**NOW, THEREFORE, BE IT RESOLVED**, the County Supervisors Association of Arizona hereby respectfully requests that the United States Congress provide for the reauthorization of SRS funding for Fiscal Years 2016 and 2017 and provide full funding of PILT for FY 2018.

**APPROVED AND ADOPTED** this 21<sup>st</sup> day of September, 2017.

Tommie Martin  
President, County Supervisors Association of Arizona  
Gila County Supervisor, District 1

ATTEST:

Craig A. Sullivan, Executive Director  
County Supervisors Association of Arizona