



2016 Federal Legislative Priorities

IDENTIFY & IMPLEMENT A MECHANISM TO PROVIDE FULL, LONG-TERM FUNDING FOR THE PAYMENTS IN LIEU OF TAXES (PILT) PROGRAM

- The PILT program was established in 1976 to help offset losses in property taxes due to the tax-exempt status of federal lands and to partially reimburse for the costs incurred by counties for services provided on, or associated with, federal public lands, including education, law enforcement, search and rescue, firefighting support, parks and recreation and other community services.
- Counties in Arizona received a total of **\$34.4 million** in PILT in FY2015.
- The national average PILT payment in FY2014 was \$0.72 per acre. If these lands were taxed, they would return significantly more and be taxed according to value.
- The Emergency Economic Stabilization Act of 2008 converted PILT to a mandatory classification and authorized the program for FY2008 through FY2012. This mandatory status was extended for FY2013 and FY2014.
- Last year, Congress chose not to extend the Mandatory classification of PILT and instead funded the program through the Appropriations process and the National Defense Authorization Act (NDAA). However, this approach led to much confusion and resulted in \$37 million worth of PILT being delayed until October.
- Congress recently passed an Omnibus spending bill which includes appropriations for PILT. However, this bill was only just passed in December, half-way through the county fiscal year.

It is critical for Congress to work with state and local governments to find a long-term solution for PILT funding and provide local governments with budgetary stability.

SUPPORT A SHORT-TERM REAUTHORIZATION OF THE SECURE RURAL SCHOOLS AND COMMUNITY SELF DETERMINATION ACT (SRS) & A LONG-TERM LEGISLATIVE SOLUTION FOR CONTINUED REVENUE SHARING PAYMENTS TO FOREST COUNTIES

- In 1908, a revenue sharing agreement was enacted so that 25 percent of Forest Service revenues from timber sales, mineral resources and grazing fees were returned to counties and states that have national lands, because they forwent the opportunity for private development. Over time, receipts from timber sales fluctuated.
- In 2000, the Secure Rural Schools Community Self-Determination Act (SRS) was enacted to stabilize payments to counties, including stabilized education and road maintenance funding. Approximately 15-20 percent of the funds are directly invested back into projects that benefit the national forest.
- SRS was reauthorized for one year in 2013 (through FY2013) as part of the Helium Stewardship Act (PL 113-40), but has not been reauthorized for FY2014.
- In early 2015, the Medicare Access and Chip Reauthorization Act of 2015 provided retroactive funding for FY 2014 and funding for FY 2015. However, no action has been taken to provide FY 2016 funding.

Without Congressional action, counties and schools will once again be faced with budget shortfalls and uncertainty.



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REQUIRE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (EPA) AND UNITED STATES ARMY CORPS OF ENGINEERS (COE) TO WITHDRAW THEIR REGULATION REDEFINING “WATERS OF THE UNITED STATES” (WOTUS) UNDER THE CLEAN WATER ACT (CWA) AND WORK WITH STATE AND LOCAL GOVERNMENTS ON ANY FUTURE REGULATIONS

- The EPA and COE finalized a regulation redefining “Waters of the United States” (WOTUS) under the Clean Water Act (CWA) in May 2015.
- The rule change by the EPA and the COE can be interpreted to subject almost all physical areas with a connection to downstream navigable waters, including features such as ditches, natural or man-made ponds, and flood plains, regardless of whether those features normally carry water, to the jurisdiction of the CWA.
- Shortly after the rule was finalized, a federal court placed an injunction on the rule pending litigation by several of the States. While we are pleased to see an injunction in place, counties prefer to see a permanent solution through Congress which removes the possibility of a massive cost increase for routine maintenance if the courts rule against the states.

Congress must act and require the EPA and the COE to withdraw the rule and work with the state and local officials on any future regulation under the CWA.

RESIST ANY NEW FEDERAL REGULATIONS WITHOUT CONSULTATION WITH LOCAL GOVERNMENTS AND WITHOUT CONSIDERATIONS FOR THE LOCAL ECONOMY AND NATURAL ENVIRONMENT

- Federal agencies should consult local governments during a rule making process and adjust any new regulation to account for regional considerations and to minimize impact.
- Too many times counties are placed into a situation of having to justify naturally occurring events, such as demonstrating that common place dust storms are a natural phenomenon and not a man-made event. This process is both time consuming and expensive, the very antithesis of efficient government.
- These types of regulatory miscues can be avoided by simply including local governments in the decision making process and taking the time to understand the local considerations.

Congress must work to ensure that federal regulators understand that local economies and environments differ greatly throughout Arizona and the United States and that any new rule must recognize these variations.