



2014 Federal Legislative Priorities

IDENTIFY & IMPLEMENT A SUSTAINABLE FUNDING MECHANISM TO PROVIDE FULL FUNDING OF PAYMENT IN LIEU OF TAXES PROGRAM (PILT)

- The PILT program was established in 1976 to help offset losses in property taxes due to the tax-exempt status of federal land, 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, parks and recreation, and other community services.
- Counties in Arizona received a total of **\$32.2 million** of PILT funds in FY2013.
- The national average PILT payment in FY2013 was \$0.66 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; in July, 2012, President Obama signed P.L. 112-141 extending mandatory spending for PILT to FY2013.
- Earlier this year, Congress failed to include funding for the PILT program in the Consolidated Appropriations Act, 2014, creating much turmoil among Arizona counties who were in the process of forming their budgets for the upcoming fiscal year. Although a one year extension of PILT funding was ultimately included in the Agriculture Act of 2014, the fiscal uncertainty and erosion of trust caused by such a delay will be untenable in future years. **It is critical for congress to identify a sustainable, long term funding mechanism for PILT in a timely manner.**

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, SRS 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 forgo 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.
- Lack of future reauthorization would result in the loss of funding for 729 rural counties, and the schools within them, across 41 states and Puerto Rico.
- Arizona would absorb dramatic reductions in funds for **rural schools, roads, and search and rescue** totaling **\$15 million per year.**

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AUTHORIZE A LONG-TERM SURFACE TRANSPORTATION PROGRAM WITH SUSTAINABLE REVENUE STREAMS

- Arizona counties are responsible for nearly 18,000 miles of roadway that connect with the state and federal highway system, close to 28 percent of the 65,262 total roadway miles in the State.
- The cost of building and maintaining surface systems has risen sharply during the past decade, surpassing inflation and far outpacing transportation funding streams.
- In their most recent Report Card for America's Infrastructure, the American Society of Civil Engineers (ASCE) rated 52 percent of the roads in Arizona as being in "poor or mediocre condition" which costs Arizona's drivers an estimated \$887 million a year in extra vehicle repairs.
- The Congressional Budget Office (CBO) reported in their February 2014 Baseline that the Highway Trust Fund will be facing a \$13 billion shortfall next year and \$95 billion shortfall by 2020.
- With the current transportation measure, MAP-21, expiring at the end of the fiscal year, Congress will need to craft the next generation of transportation funding laws, in doing so, Congress should **authorize a long-term and reliable transportation revenue stream to ensure funding is available to support current and future transportation projects as all levels of government.**

APPROVE & IMPLEMENT THE PUBLIC LANDS RENEWABLE ENERGY DEVELOPMENT ACT OF 2013 (HR 596)

- On February 8, 2013, Congressman Gosar introduced the Public Lands Renewable Energy Development Act of 2013 to share renewable energy royalty revenues from federal lands with states and counties.
- HR 596 develops a leasing system for renewable energy that returns a portion of the royalty revenues to the states and counties in recognition of the additional staff time and capital cost incurred from permitting and siting this type of development.
- The responsible development of renewable energy projects, and the resulting job growth for our local communities, is of upmost importance as Arizona counties continue to feel the ongoing effects of the recession.
- The shared revenues from renewable energy development projects can be used by counties to support land, wildlife, and water management issues in affected areas
- As the priorities for the coming legislative year are set, **Congress should support the economic development opportunities on public lands and encourage the development of renewable energy sources by approving the Public Lands Renewable Energy Act of 2013.**