



Bureau of Land Management

Payments in Lieu of Taxes

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Eligibility

What entities are eligible for payments?

Eligibility for payment under the PILT program is reserved for local governments (usually counties) that provide services such as those related to public safety, environment, housing, social services, and transportation. Payment is made directly to the eligible local government unless the state government chooses to enact legislation (under guidelines prescribed in section 6907 of P.L. 97-258) to receive the payments and, in turn, pass the money on to other smaller governmental units located within the counties (Wisconsin is the only State currently employing this option).

Requirements

What can PILT payments be used for and must they be redistributed to other local government units?

Section 6902 of P.L. 97-258 states that PILT payments may be used by recipients for any governmental purpose and are not required to be further distributed by recipients (usually counties) to other local government units such as school districts or cities.

Payments made under sections 6904 and 6905 of the Act must be redistributed proportionally by recipients to units and school districts that lost real property taxes as a result of the Federal acquisition. Recipients may then use the payment for any governmental purpose.

CFDA#

Does PILT have a Code of Federal Domestic Assistance (CFDA) number?

The CFDA number for the Payments In Lieu of Taxes program is 15.226.

Appropriation

What is the current level of appropriation for the PILT program?

In FY 2004, Congress appropriated \$224.6 million for the PILT program. Of this amount, approximately \$395 thousand was earmarked for administrative expenses necessary to run the program and the remaining 224.2 million was distributed to approximately 1900 local government units (mostly counties) in 49 States, the District of Columbia, Guam, Puerto Rico, and Virgin Islands.

Qualifying Acres

What lands does the BLM consider in calculating payments?

According to the formula established by the PILT law, there are three categories of entitlement lands:

- Federal lands in the National Forest System and the National Park System, lands administered by BLM, lands in Federal water resource projects, dredge areas maintained by the U.S. Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the Federal government (section 6902 payments)
- Federal lands acquired after December 30, 1970, as additions to lands in the National Park System or National Forest Wilderness Areas (section 6904 payments)
- Federal lands in the Redwood National Park or lands acquired in the Lake Tahoe Basin

near Lake Tahoe under the Act of December 23, 1980, (Section 6904 or 6905 payments).

Computations

How does BLM compute PILT payments? BLM computes payments authorized under section 6902 of the Act using the greater of the following two alternatives:

(A) \$2.06 (in fiscal year 2004) times the number of acres of qualified Federal land in the county (as defined above), reduced by the amount of funds received by the county in the prior fiscal year under certain other Federal land receipt sharing programs such as the twenty-five percent timber program or the mineral leasing program

-or-

(B) Twenty-eight cents (in fiscal year 2004) times the number of acres of qualified Federal land in the county, with no deduction for prior-year payments.

Both alternatives explained above are subject to a population ceiling limitation computed by multiplying the county population times a corresponding dollar value (adjusted annually for inflation) contained in the Act.

Section 6904 and 6905 payments are computed by taking one percent of the fair market value of land acquired for addition to the National Forest or National Park systems and comparing the result to the amount of property taxes paid on the land in the year prior to Federal acquisition. The county payment is the lesser of the two.

Section 6904 payments are made annually for a period of five years. The first payment begins in the Federal fiscal year following the fiscal year in which the land was acquired by the Federal Government, unless mandated otherwise by law.

Section 6905 payments are also made annually but continue until five percent of the fair market value is fully paid. The first payment begins in the Federal fiscal year following the fiscal year in which the land was acquired by the Federal Government, unless mandated otherwise by law. However, the yearly payment may not exceed the lesser of one percent of the fair market value or the property taxes that were assessed prior to Federal acquisition.

Congress sets annual funding limitations that may also affect the amount of PILT payments. Funding limitations are equitably applied to all payments under the program. Any PILT payment or portion of a payment that is not made as a result of funding limitations is not carried forward to future years.

Inflation

Are payments adjusted for inflation?

The law, as amended in 1994, uses the Consumer Price Index to adjust the population limitations and the per acre dollar amounts used to calculate alternatives "A" and "B" under section 6902.

Deductions

What are "prior-year payments"?

Prior-year payments are Federal payments to local government under programs other than PILT during the previous fiscal year. These payments include those made under the Refuge Revenue Sharing Fund, the National Forest Fund, the Taylor Grazing Act, the Mineral Leasing Act for acquired lands, and the Federal Power Act. The PILT Act requires the governor of each state to report these payments to BLM each year.

Payment Method

How are payments made?

The BLM distributes PILT payments either by check or wire transfer. The agency sends checks to the county address of record and wire transfers to the county bank account of record.

New Laws Affecting Pilt

Have there been any new laws enacted within the last year that may affect PILT payments?

On October 30, 2000, the Secure Rural Schools and Community Self-Determination Act of 2000 (P. L. 106-393) was enacted to restore stability and predictability to the annual payments made to States and counties under authority of the Timber Fund Act. Under this law counties have the option of continuing to receive payments as originally made under the Twenty-five Percent Fund Act, or electing to receive their share of the average of the three highest timber fund payments made to the State during the period of fiscal year 1986 through fiscal year 1999.

PILT payments are computed in accordance with a formula contained in Section 6903(b)(1) of the PILT Act (P.L. 97-258, as amended, copy enclosed). The Act requires the Governor of each State, or his designee, to furnish BLM with a listing of payments that have been made to local governments by the State on behalf of the Federal government under eleven statutes described in Section 6903(a). The amounts reported by the State are used as a deduction in the computation of PILT payments made to local governments. The Secure Rural Schools and Community Self-Determination Act was added by amendment to the statutes listed in Section 6903 of the PILT Act. For an explanation of the deduction impact of the Secure Rural Schools and Community Self-Determination Act on county PILT payments call BLM at (202) 208-3157.

Pilt Contacts

Who do I contact concerning changes to my payment address/bank account number or if I have questions about the PILT acreage contained in my county?

For FY 2004, you should contact the BLM Denver Help Desk office at the following telephone number to make corrections to your address or bank account number: BLM Denver National Business Center Help Desk: (303) 236 - 4176.

A list of PILT "entitlement land" by state, county and Federal agency for fiscal year 2004 is available by clicking on the following title:

[Fiscal Year 2004 PILT Entitlement Land](#)

Questions concerning a description (location, type, parcel size, etc.) of PILT entitlement land should be directed to the agency that owns or administers the land. The following is a list, by agency, of people to contact concerning PILT entitlement land:

Bureau of Land Management

<u>State</u>	<u>Name/Office</u>	<u>Phone</u>
Alaska	Linda Resseguie (973-B)	(907) 271-5422
Arizona	Debra Stevens (912)	(602) 417-9215
California	Sue Mello (943)	(916) 978-4412
Colorado	Andi Senti (935)	(303) 239-3713
Idaho	Cathie Foster (933)	(208) 373-3863
Montana/N.Dak./S. Dak.	Tammi Lorenz (954)	(406) 896- 5053
Nevada	Maxine Shane (912)	(775) 861-6588
N. Mex/KS/OK/TX	Cynthia Sandoval (943B)	(505) 438-7602
Oregon/Washington	Pam Chappel (958)	(503) 808-6170
Utah	Angela Williams (942)	(801) 539-4107
Wyoming/Nebraska	Susan Bennett (956)	(307) 775- 6131
All other States	Ted Laird (930)	(703) 440-1723
Army/Corps of Engineers	Rhonda Johnson (AL)	(251) 694-3674
Fish and Wildlife Service	Tom Hawkins (D.C.)	(703) 358-1811
Forest Service	Beverly Thackery (CA)	(707) 562-8690
National Park Service	Earlene Malloy (D.C.)	(202) 565-1094
Bureau of Reclamation	Theresa Pugh (Denver)	(303) 445-2277

Current Events**What upcoming events related to the PILT program should I be aware of?**

The FY 2003 PILT payments were sent out on June 18, 2003.

The FY 2004 PILT payments will be made on June 17, 2004

Additional Information**Where can I obtain additional information?**

For FY 2004, additional information may be obtained by writing to Budget Group, BLM, 1849 C Street, NW. (Room 1025, L.S.), Washington, D.C. 20240; or calling BLM at (202) 208-3157.

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Office of Public Affairs
1849 C Street, Room 406-LS
Washington, DC 20240
Phone: (202) 452-5125
Fax: (202) 452-5124

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