

United States Senate

WASHINGTON, DC 20510-4404

COMMITTEES:

JUDICIARY

ENERGY AND
NATURAL RESOURCES

COMMERCE, SCIENCE,
AND TRANSPORTATION

JOINT ECONOMIC
COMMITTEE

Dear Colleague:

Rural counties across the nation are grappling with the COVID-19 pandemic and its economic impacts. While they do not have the same financial resources as urban cities, they still must provide emergency medical services, health and human services, law enforcement, jail management, coroners, and medical examiners in addition to operating schools, maintaining critical infrastructure, and other crucial functions. Many of these same counties rely heavily on funding provided through both the Secure Rural Schools and Community Self-Determination Act (SRS) and Payments in Lieu of Taxes (PILT) programs. I respectfully request that we deliberate over critical reforms to these programs to find sustainable long-term solutions.

Though the PILT program is meant to compensate local governments for their inability to collect taxes on lands owned by the federal government (606.9 million acres in FY2016), the program has never paid what would truly be due if the land were owned by any other title holder. Many of these lands, which are open to the public for recreation and other uses, bring swaths of visitors from all over the world. Local governments must provide infrastructure for these crowds but receive miniscule recompense from their federal partner. I believe many of these lands would be better managed for both conservation and responsible industry by their local governments. But until that time, PILT should be made permanent and increased to more accurately reflect the tax revenues that would be generated if not for federal ownership.

In the case of SRS, the program developed from a decline in timber sales related to changing federal forest management policies and practices and increased planning and procedural requirements. It, too, is in need of reforms; but until Congress can review federal management of our nation's forests and the lost revenue associated with the burdensome regulation of this land, SRS funding must continue.

I have been thoroughly engaged in efforts to better align PILT payments with forgone tax revenue and to reduce regulatory and administrative burdens to protect multiple-use management. As I continue to pursue these reforms, I ask that we place additional emphasis on debating the future of vital PILT and SRS funding and ensure these payments are received timely, particularly as our rural counties face the health and economic implications of the spread of COVID-19.

Thank you for your consideration,



Senator Michael S. Lee