

TESTIMONY OF

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SWAIN COUNTY, NORTH CAROLINA

ON BEHALF OF

THE NATIONAL ASSOCIATION OF COUNTIES
&
THE COUNTY COMMISSIONERS ASSOCIATION OF NORTH CAROLINA

BEFORE THE

SUBCOMMITTEES
ON
PUBLIC LANDS & FORESTS
FORESTS & FOREST HEALTH
&
FISHERIES CONSERVATION, WILDLIFE & OCEANS

OF THE

COMMITTEE ON RESOURCES

UNITED STATES HOUSE OF REPRESENTATIVES

JULY 25, 2002

Mr. Chairman, and distinguished Subcommittee Members, it is indeed a pleasure and honor to present this

testimony in support of H.R. 1811, “The PILT and Refuge Revenue Sharing Permanent Funding Act”. My Name is Linda Cable. For the past 19 years I have served as County Administrator for Swain County, North Carolina. Swain County is a relatively small, rural county in the Southern Appalachian Mountains of far Western North Carolina. Most of you know this area as the Great Smokies. At 81%, our county may well represent the highest federal control of any jurisdiction in the eastern United States. Of the 339,000 acres in Swain County, the US Park Service and US Forest Service together own 239,747 acres, the Eastern Cherokee Indian Reservation another 29,466, and Tennessee Valley Authority 7,337 acres. Taking away another 4% of our land base held by the State of North Carolina Department of Transportation, and by exempt organizations such as churches, we are left with a mere 50,000 acres, or 14% of total acres, as our tax base.

Passage of H.R. 1811 would assure our small county of the necessary resources to provide services not only for the citizens of Swain County, but to the millions of visitors that annually flock to our county to see the Great Smokies, the most visited National Park in the United States. Swain County is fortunate to have such a beautiful backdrop to our community, but is concurrently plagued with the lack of tax base that exists due to this huge federal land control.

Swain County is one of only 2 counties in North Carolina designated as “distressed” by the Appalachian Regional Commission. Further we are designated a “tier one” county by the State of North Carolina. These designations relate to the severely depressed economic condition of our county. Thirty-three percent of our citizens live below the poverty rate. Characteristic of our extremely steep mountainous terrain, there is very little private land that is considered suitable for development. Swain County is, therefore, considered unattractive to most industrial, job-producing prospects.

Swain County is not so different than other small, rural counties across the nation, in that we struggle each year to meet the needs of the citizens that we serve. The one main difference in Swain County is the exceedingly high percentage of federal control, and the resulting sliver of taxable private property. For instance, a one cent tax increase brings in only 1/3 the cost of the new ambulance that we need. In fact, if we could rationally and politically tax at the full \$1.50 allowed by NC law, we would raise less than \$5 million, much short of the total needed to operate Swain County. Most expenditures in our county budget are mandated by either the federal government or the state government, examples being schools, Medicaid, jail and solid waste disposal. The federal and state checks attached to these mandates are woefully insufficient. Local governments are left with the responsibility of securing the resources

to finance these mandated services.

Raising the property tax rate is not a good solution in a county with such a high poverty rate. At some point the local elected officials have to be realistic as to what people can pay, and still feed and shelter their families.

PILT payments are critically important for the operation of local government programs within eligible counties. Permanent, full funding of PILT payments to counties with federal land holdings is the **“fair” and “right”** thing to do. The Federal Government should be as responsible as private property owners are expected to be. Private property owners cannot look at their annual budgets and decide how much they will “appropriate” to property taxes each year. If that were the case, there would be no local governments left standing to implement federal and state mandates. There should be no question as to how much these counties should expect to receive each year in PILT payments. These payments should be funded at the **full formula amounts** adopted by Congress. It is unfortunate that our local governments can't impose penalties and interests on delinquent PILT payments, as the federal government would do if the situation were reversed.

The fully funded formula allots \$445,060 to Swain County. Last year we received only \$189,128 in PILT payments, just 42% of the amount we were due. The \$247,932 we didn't receive represents a 7.5% local property tax burden. PILT payments assist in providing services such as emergency response, solid waste disposal and law enforcement for visitors to the federal lands in our county.

While the Federal Government controls 81% of Swain County, it contributes a mere 3% of our annual revenues. Conversely, our tiny 14% private property base provides 35% of our annual revenue stream. I should clarify and give due credit that the Tennessee Valley Authority, as one of the mentioned federal land owners, does contribute fully and fairly to our revenue stream. TVA holds just 2% of the land but contributes 5% of Swain County's annual revenue.

In closing, and on behalf of all counties that receive PILT payments, I want to express appreciation to those Members of Congress who stepped forward last year to restore funding after the President's proposed cuts. Without your support our counties would have suffered a devastating loss. I sincerely hope you will support H.R. 1811 to solidify this funding stream for our counties.

Thank you for your attention