

Statement of Congressman John Peterson

Mr. Chairmen:

The Good Neighbor Act of 2002, H.R. 3962, is exactly that - a bill to make sure the Federal Government is a good neighbor in communities where they own the majority of land in a county. A good neighbor is a part of the community and supports the community through taxes from the land base. A good neighbor does not take away more acreage from the tax base, unless there is agreement within the county that is the best for the Agency and for the county.

Let me simply explain how this bill works. If 50% or more of a county's land base is owned, in total, by BLM, NPS, F&WS, and FS, before an agency can acquire more land, the agency must first sell land of equal value. Also, the agency can do land exchanges of equal value. In counties in which these agencies own 50-66% of the land, the agency can still acquire land by giving notice to county, state, and federal elected officials, hold a hearing, and get governor approval. When total agency ownership is above 66%, the elected county officials must approve purchases as well. In all cases, 40-acre inholdings can be purchased by giving notice.

In large measure, counties with high percent of federal land are in less populated, rural areas with small ownerships adjacent to or interdispersed among the larger federal owner. These areas are characteristically strapped for cash and struggling to fund the basic infrastructure crucial to quality of life. This bill is about fairness -- making it fair for counties that have large federal land holdings to maintain a tax roll to provide basic services just like other counties throughout the US. I, personally, do not oppose all land acquisition by the federal government and neither does H.R. 3962. I fully understand that there are many cases in which land acquisition by the federal government is appropriate. I just want the counties to have the option to maintain (not even asking they increase, just maintain) their tax roll base.

I am advocating for the federal government to take greater responsibility for the land acquisition decisions, to work with their neighbors on these decisions, and make more efficient use of those funds! I am promoting greater accountability to congress and to local and state governments when the federal government buys land! My position and the intent of this bill is to leave land on the local property tax rolls and promote cooperative alliances! The federal government needs to be a better neighbor when it comes to federal land acquisitions. The good neighbor act specifically has been designed to only affect counties who have a major federal encroachment while leaving a small regulatory footprint. The bill only affects 171 counties out of a total of 3066, this is less than 6% of all counties. There would be no harness placed on the federal land purchases in the remaining 2895 counties.

Currently, a hole exists in regulation and statute that allows the federal government to buy land without notice or comment provided to local people. A broad cooperation and coordination obligation is specified under current law. This obligation is toothless. When the acquisition happens outside a management plan, no regulation exists that specifies the federal government must give state and local governments notice and comment. The Forest Service does not routinely conduct environmental assessments on land acquisitions that would allow for local input. I acknowledge that some local land managers work well with their communities coordinating land acquisitions. Unfortunately, others do not meaningfully consult with local government, leaving them powerless with such important decisions affecting their tax rolls. Unless, the law is amended, a patchwork will persist with a few bright squares of coordination co-existing with far too many dull patches where counties are locked out of the process.

The president articulated his policy on federal land acquisition in The Fiscal Year 2003, The Interior Budget in Brief. The bill follows tenets of the presidents vision for federal land acquisition programs as outlined in The Budget Brief. The vision is summarized as follows:

I. To make the most efficient use of these funds

II. Promote cooperative alliances and

III. Leave land on state tax rolls

IV. The request emphasizes innovative alternatives to fee title purchases such as conservation easements and land exchanges

Let me take each of these policy standards and apply provisions of the good neighbor act.

- The good neighbor act makes the most efficient use of funds by keeping the tax rolls stable allowing the federal government to use funds to take care of their land while keeping pilt acres stable in those counties.
- H.R. 3962 promotes cooperative alliances by plugging the existing hole in the law and requiring land management agencies to allow for local input. I think most counties and states will be more than willing to work with federal agencies in meeting agency goals through land acquisitions in their county.
- Most importantly the bill is in complete harmony with the president's policy to leave land on the local tax rolls. The land management agencies can still acquire land by exchange or purchase after selling the needed land acreage to maintain the tax base. The bill also provides for an exception where the federal government limits its' power by allowing for state and local governments approval of land acquisition. This places the approval with local lawmakers who know the most about the needs of their communities. They live there, have been elected, and must meet payrolls, provide services, and fund local initiatives on a potentially decreasing tax base. But more importantly, the bill provides for a process where dialogue is needed, and where decisions are weighted with more input.
- Finally, the bill promotes innovative alternatives to fee title purchases by promoting land exchanges. The administration is taking responsible steps and I look forward to working with them on this approach.

When the federal government owns over half the county it can deal a crushing blow to local communities who rely on a solid tax base. Compounding the federal presence is the fact that the government does not pay it's fair share of taxes, the agencies have not been able to provide revenue from timber, minerals, and grazing, and pilt payments continue to be under funded. It is an embarrassment that we pay our arrearages to the United Nations but we do not pay our arrearages to our own people! From 1996 to 2000 the United States Government is approximately 650 million dollars in arrearages to our own citizens who live adjacent to public lands. Historically, "we" the federal government paid less then a quarter per acre. Last year we increased the amount to 33 cents an acre yet if that acre were left on the local tax roll it would valued between \$1.25 and 3.00 dollars an acre. BLM did a study and came up with a nation wide average if land were left on the tax roll of \$1.48 for the same land that we pay 33 cents. A good neighbor does not move into your house and take over, especially when they are not invited.

County commissioners have been forced to increase local millage rates to compensate for the lack of federal funds. In some states increases in the millage rate is not allowed and they are forced to cut vital programs.

An example is found in the statement of a county administrator for Marshall County, Mississippi who recently appeared before a Forest Counties Payments Committee public listening session. He said, "we have approximately 45,000 acres of public land, and 30,000 of those are national forest land and the balance is U.S. Army Corps of Engineers land down in the Tallahatchie River towards the reservoir area. No personal property taxes are collected on these lands, and it is left as a burden to the taxpayers to make up the difference in the form of a millage rate." While federal lands play an important role in preserving our national heritage and our rich environment, the land acquisition process should not occur at the expense of local communities.

I asked you, as a person concerned for rural America, let us work together to be a good neighbor!

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