

Committee on Resources, Full Committee

- - Rep. James V. Hansen, Chairman

U.S. House of Representatives, Washington, D.C. 20515-6201 - - (202) 225-2761

Witness Statement

HR 701 Conservation & Reinvestment Act
Testimony by Commissioner Randy Johnson
Emery County, Utah
Before the House Resources Committee
On behalf of
Rural Public Lands County Council
And Utah Association of Counties
June 20, 2001

Mr. Chairman, I am pleased to be here today and am grateful for the opportunity to testify about the Payments in Lieu of Taxes (PILT) provisions of Title VIII of this bill. Section 802 of this legislation earmarks up to \$320,000,000 for annual PILT payments to counties, essentially fulfilling the longtime promise to public lands counties that the federal government would help pay for the services it imposes upon counties in the form of mandates. A full PILT payment is in essence Congress keeping its word, providing a portion of the funds necessary to comply with that mandate. I'll discuss this in more detail in a moment.

May I say that there is some irony to the fact that I am here to testify in regards to fully funding PILT payments in connection with legislation which may well create an increase in the loss of tax revenues to counties from private lands, and a corresponding increase in cost to those counties for infrastructure requirements on federal lands. In fact, in order for counties to support HR 701 in any significant way they must believe that the Federal Government recognizes the fiscal impacts to counties as a result of Federal Lands, and that it recognizes it's responsibility to make the counties as whole as possible for the burden they carry. Truly, full and ongoing funding of PILT becomes integral to the success of HR 701.

To begin, let me put this issue of Payments in Lieu of Taxes in perspective. Since the late 1940s, most public lands counties concluded that they would prefer that the lands owned by the federal government within their borders be returned to them as the legal subdivision of their respective states. In other words, counties would prefer that they be removed from federal ownership. There are legitimate arguments to be made about maintaining federal ownership of National Parks and Monuments and perhaps some areas within our National Forests and Wildlife Preserves. Congress can debate this and decide. But, those lands which were not included in these designations, the remaining Bureau of Land Management (BLM) lands should by all rights be placed on the local tax roles and removed from federal ownership and control. This is not radical thinking, but rather common sense in the 21st Century. Until now, Congress has ignored this concept even though it solves numerous problems for the people who are left to eke out a subsistence in the public lands states and the people of the United States as a whole. Just imagine what the American taxpayers could do with the \$1.8 billion earmarked for BLM in the FY 2002 budget. The fact that PILT payments to counties are only \$320 million as proposed in this bill (and \$200 million in the FY 2002 Interior Appropriations bill) illustrates why counties believe they are shortchanged even with full PILT funding.

As a stopgap measure, Congress did enact the Payment in Lieu of Taxes (PILT) Act in 1976 and began funding it at about 35% of its authorized level in 1977. Counties have worked hard to increase that level over the past seven years after Congress increased the PILT authorization in 1994. Despite its miserly 1977-1995 funding of the PILT Act, Congress made a solemn commitment to counties that the federal government would begin to pay-if only a fraction-for services it demanded from county governments. These services include basic health and safety actions such as police, search & rescue, fire control, road maintenance, jail operation, and garbage collection and disposal.

I chair the Rural Public Lands County Council (RPLCC), and am also on the Executive Board of the Utah Association of Counties (UAC). These two organizations from the state of Utah have been by far the two most active voices in working to get PILT fully funded. Often, we were the only two voices being heard. We were often coolly received even by some who would normally be our allies. Their reasoning was usually that we should be happy with what we were already receiving, and that we should not forget that PILT is really a form of Government welfare. I would like to speak to that, by giving you an example from my own county which illustrates what counties face in dealing with large areas of public lands.

In Emery County, we have approximately 3,000,000 acres, roughly the size of the state of Connecticut, with just under 11,000 residents. Over 80% of our lands are owned by the Federal Government. Another 10% is state owned. Obviously, very little land is privately owned.

We receive approximately \$370,000.00 in annual PILT payments based on the formula and at the current funding level. As you know, the formula is based on population, land mass, and other factors, but in no way does the formula account for impacts to the county as a result of federal land use.

For instance, Interstate-70 bisects Emery County from east to west across the San Rafael. Hundreds of thousands of people cross our public lands yearly and have free access to those lands without passing through our towns. We only know visitors are there if we arrest them, rescue them, retrieve them, or find their trash. Yearly, we average between 50 and 100 rescues on the San Rafael alone, most lasting at least one day, and some as long as 7- 10 days. For example, in 2000, we had two drownings in the Black Box. This is a very high and narrow canyon with the San Rafael River at the bottom. These people attempted to tube the river through this winding canyon based on advice in a travel book. The first body took us 3 days to locate and retrieve, and it all took place inside a Wilderness Study Area (WSA). Total cost to the county was over \$50,000, and this is just one of many examples. Furthermore, these search and rescue operations are not seasonal, nor are they limited to the San Rafael Swell. We have hikers, fishermen, hunters, snowmobilers-public land users of every kind --- all through the year on all areas of our public lands.

As an example, in 1998, the Forest Service did an impact study on a 3-4 mile stretch of road in the Manti LaSalle National Forest. During the 3 month summer high-use period, over 28,000 people visited this small area of our county. 47% of the visitors came from Utah's Wasatch front, where over 80% of the population of the state reside, and another 41 % came from other Utah areas or from out of state. Only 12% of the visitors to this area were from Emery county. Ironically, many of the residents of the urban areas support programs which threaten the economic health of our rural communities, but when they get tired of the city life, they are the first to seek our little towns and rural areas to refresh and recreate.

As another example, in 2000 we wrote off more than \$380,000.00 in uncollectible ambulance bills --- most of which originated with people who were enjoying our public lands most from out of state and some from out of the country.

Often, there are more people visiting our public lands than actually reside in the county. On Easter weekend, our population triples as over 30,000 people make their way to the San Rafael Swell to go "Easterin". But regardless of how many people visit, the responsibility for their welfare remains entirely on the shoulders of the county. This includes search and rescue, medical emergencies, public access, and so forth. And, we have not even spoken of costs of road maintenance & law enforcement, which are substantial. Some would speak of PILT as government welfare, but all other landowners in our county pay their own way. Only the Federal Government does not. With all due respect, who is the true welfare recipient here?

Summarily, there are approximately 2,299,825 acres of Federal land in Emery County, for which we receive \$369,000. If those same lands were in private ownership under greenbelt status, the lowest tax rate in the county, the revenue to the County would be approximately \$897,069.

So, Mr. Chairman, if we had our way, most representatives of public lands counties believe we could better manage the lands ourselves, much in the same way that over 2500 counties currently do in the United States. Most public lands are in the western states. However there are large pockets of public lands in Wisconsin, Michigan, New Hampshire, Vermont, North Carolina, Tennessee, and Florida. Forty-nine states have some federally owned land inside their borders. Yet, until Congress places these 1739 public lands counties on the same level as the rest of the country, PILT is the only way many of us can financially afford to continue providing these crucial services on behalf of all Americans who use our public lands. The reality is that absent full PILT funding going forward, many counties will simply have to stop providing these services because they lack the means to do so.

Moreover, we believe the record is clear that local governments, with few exceptions are far more efficient users of tax dollars than are federal agencies. We accomplish more for less because our constituents demand that we protect their lands in a frugal, efficient way, not in a gold-plated way. As local elected public officials, we have to stand before the voters and are accountable, whereas unelected federal bureaucrats are not--they come and they go while we are left to live in their wake. And all too often, their management practices are insensitive to the local residents and the challenges they face.

Rural communities face many difficult problems in maintaining economic viability. A big part of the problem, if I may say so, is the all-or-nothing approach to public land management issues used by many in the debate. This has become very harmful. All-or-nothing philosophies are intolerant. They refuse compromise. They are prejudicial and contentious, and it is the way we have been forced to do business on our public lands for the last 20 years. It is deeply concerning that in our zeal to protect land and wildlife, we are not only ignoring one of our most important national treasures, we are actually working to eliminate it. I refer, of course, to the small communities of the rural west. I hope that in the final language of HR 701, as well as in your decisions regarding PILT payments now and in the future, you will work to assure that this important part of our American culture is not only protected and preserved, but is given the opportunity to thrive.

Mr. Chairman, I applaud your efforts to move toward full PILT funding and will leave it to you and your colleagues to determine the best way to accomplish that objective. I would point out that the PILT Act is authorized in a way which ties it to the CPI for annual inflationary adjustments. For fiscal year 2002, the PILT authorization is \$327 million dollars. That level will increase over time. As a recommendation to keep counties whole, I suggest you consider amending your bill so that rather than having a fixed amount of \$320 million (already behind the authorized level), you attach it to the indexing provisions of the PILT Act to always ensure that full funding goes forward.

Thank you again for this opportunity to place PILT in perspective and to focus on the huge financial demands which public lands counties must endure. I also want to personally thank you, Mr. Hansen, Congressman Cannon, and the Committee for what you are doing in behalf of the rural counties of Utah and across the country. The fact that you have addressed the PILT issue demonstrates that Congress intends to find ways to keep its commitments to us. For your assistance on this and many, many other issues, I thank you.

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