



WRITTEN STATEMENT FOR THE RECORD

**The Honorable D.L. Wilson
Chairman, La Paz County, Arizona**

On Behalf of the National Association of Counties (NACO)

Public Lands Renewable Energy Development Act of 2013, H.R. 596

**Before the House Committee on Natural Resources
Subcommittee on Energy and Mineral Resources**

**July 29, 2014
Washington, D.C.**

Good morning and thank you Chairman Lamborn, Ranking Member Holt, and Members of the Subcommittee, for the opportunity to appear before you today to testify on H.R. 596, the Public Lands Renewable Energy Development Act of 2013.

My Name is D. L. Wilson and I am the Chairman of the La Paz County Board of Supervisors in Arizona and the Past President and Chief Executive Officer of the La Paz Economic Development Corporation. Today, I represent both La Paz County, Arizona and the National Association of Counties (NACO). Prior to serving in public office, I spent 34 years working for the Arizona Public Service (APS) company, Arizona's largest utility. My combination of over three decades of energy sector experience and serving as a rural Arizona county supervisor has given me a unique perspective on our need for a multi-platform portfolio of renewable energy generation and the associated economic opportunities, as well as the potential cost to taxpayers when these projects are built on tax-exempt Federal public land.

NACO is the only national organization that represents county governments in the United States, including Alaska's boroughs and Louisiana's parishes. Founded in 1935, NACO assists America's 3,069 counties in pursuing excellence in public service to produce healthy, vibrant, safe and resilient counties.

NACo promotes sound public policies, fosters county solutions and innovation, promotes intergovernmental and public-private collaboration and provides value-added services to save counties and taxpayers money.

Today I would like to speak about the positive implications that the enactment of H.R. 596 will have in speeding up the process to create renewable energy projects, creating and sharing revenue and helping to move America toward a more sustainable energy program. A future powered by renewable energy will provide a cleaner environment and lower the cost of energy to everyone.

La Paz County is comprised of 4,514 square miles (2.9 million acres) in western Arizona, adjacent to the Colorado River, and serves a population of nearly 21,000 persons with a median income of \$29,382. Most of La Paz County—77.2 percent—is comprised of federal lands that are both non-tribal and tax-exempt. La Paz County is reliant on tourism on federal public lands as its main source of economic activity. Counties across America, like La Paz County, enjoy the benefits of tourism but this also places added pressures on counties. While tourism helps the local economy, it also taxes local infrastructure and services including roads and bridges, emergency rescue and law enforcement. Those collective costs represent a significant and added burden for counties.

And La Paz County is not the only county facing these challenges. All fifteen counties in Arizona have public land as do over half of the counties in the U.S. As federal land is not taxable by local governments, public land counties have struggled to provide adequate services to the public in light of the annual losses in tax revenue. Despite this loss of tax revenue, counties are still responsible to provide services to federal employees and families, the public and to the users of public lands. These include education, solid waste disposal, law enforcement, search and rescue, health care, environmental compliance, firefighting, parks and recreation and other important community services.

H.R. 596 will help counties by creating a straightforward permitting process tailored to the unique characteristics of renewable energy projects that can be used by public land management agencies. It will also establish a revenue sharing mechanism that ensures fair compensation to help make up for the millions of acres of that the U.S. government pays no local taxes on. Since federal lands are not taxable, state and local governments deserve a share of the revenue from the sale of energy production on lands within their borders. This bill would provide 25 percent of wind and solar revenues to the state, 25 percent to counties, 15 percent to state offices of the Bureau of Land Management (BLM) and the Forest Service, and 10 percent to the federal government.

La Paz County is in a unique position to take advantage of the provisions included in H.R. 596—particularly those that would allow for more streamlined permitting. According to a 2012 study by the National Renewable Energy Laboratory (NREL), Arizona’s total technical potential for solar energy (includes Utility scale PV, Rooftop PV, and CSP) is 8,742,000MW. The Quartzite Solar project, already approved on BLM land, is estimated to generate 100MW of power and will add 50 new, non-construction jobs to the economy. With the intended streamlined permitting provisions within the bill, I am hopeful that the permitting process will lead to faster turnaround. There is no reason why the BLM should take several years to permit a one mile power line project when La Paz County can do permits in three weeks.

Developing solar energy projects on public lands will create jobs, but will also create additional demands on our county infrastructure. Roads need additional maintenance, water resources are depleted, viewsheds are modified and wildlife is displaced. As a county supervisor, it is my responsibility to consider how every proposed project will affect my county—from job creation to the effects on local resources. I will feel much more confident that renewable energy development will be a net benefit to my county if I know we will receive the revenues we need to offset those costs. H.R. 596 dedicates 25 percent of royalty revenue from public lands to the county where the project is located.

The responsible development of renewable energy projects will result in job growth and infrastructure development in La Paz County, to the benefit of our residents and visitors through direct investment and increased county services. The shared revenue from renewable energy developments will also enhance our efforts to improve access to federal lands and waters in our county for hunting, fishing and other forms of outdoor recreation in a manner that conserves fish and wildlife habitats, all of which are crucial to our tourism based economy.

If H.R. 596 is enacted, it is estimated that Arizona counties will receive \$2,274,547 based on current and approved projects. La Paz County alone is estimated to receive \$224,394, which is the equivalent of a 10-cent property tax rate, or nearly five percent of La Paz County’s general fund property tax rate. This revenue sharing will give La Paz County tax payers some additional relief from the costs associated with tax-exempt Federal land—and provide the county with the much needed resources to provide the infrastructure and services that our citizens depend on.

Currently 13 percent of the La Paz County budget is funded through Payment in Lieu of Taxes program or PILT. As long as we have federal land within our borders, we will continue to rely on PILT funding. PILT is a critical program for our county and nearly 2,000 counties nationwide as it provides payments to

counties and other local governments to offset losses in tax revenues due to the presence of substantial acreage of federal land in their jurisdictions. Therefore, we must be assured that any funds that are derived from H.R. 596 will supplement and not displace PILT funding. We appreciate Rep. Gosar's assurances that this will be the case and also ask for the same commitment from the administration. Establishing a new source of revenue through renewable energy development will help our county and many others diversify our funding base.

Counties nationwide have Federal lands within their boundaries that have been developed or are suitable for alternative energy development. Future revenue sharing dollars will contribute to the delivery of critical governmental services and the development of much needed capital improvement projects such as road maintenance, public safety and law enforcement, conservation easements, capital for leveraging federal and state resources, and the critical stabilization of operations budgets in tough economic times.

As this nation moves closer to securing a balanced domestic energy portfolio, counties are committed to working with the states and the federal government as equal partners in the promotion of alternative energy development. The expansion of green energy industries will lead to the creation of high paying jobs and sustainable economic development.

In conclusion, it is critical for not just La Paz County, but public land counties throughout the country that H.R. 596 passes. This bill offers an opportunity to expand renewable energy projects throughout Arizona and La Paz County by taking advantage of the unique environment of the southwest, allowing rural Arizona to diversify its economic portfolio while reimbursing local tax payers and counties for the increased cost associated with these projects and reinvesting revenues back into the community.

La Paz County is proud to support H.R. 596. The bill has support from the NACo and individual counties all over the West. Statewide county associations in Arizona, Utah, Colorado, Idaho, Montana, Nevada and Oregon have all passed resolutions or issued statements of support for the bill.

Chairman Lamborn, I want to thank you once again for holding this hearing and examining how a revenue sharing, renewable energy leasing program can benefit all parties involved and encourage the development of renewable energy in the southwest and throughout America.

Congressman Gosar, I would like to thank you for bringing this bill forward and for being a champion for rural Arizona. Your hard work and dedication are greatly appreciated in La Paz County and throughout the state.

Mr. Chairman, that concludes my prepared testimony, I am happy to answer any questions the committee may have.