

107TH CONGRESS  
2D SESSION

# H. R. 5081

To provide full funding for the payment in lieu of taxes program for the next five fiscal years, to protect local jurisdictions against the loss of property tax revenues when private lands are acquired by a Federal land management agency, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2002

Mr. RADANOVICH (for himself, Mr. CANNON, Mr. HASTINGS of Washington, Mr. JONES of North Carolina, Mr. OTTER, Mr. SIMPSON, and Mr. WALDEN of Oregon) introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide full funding for the payment in lieu of taxes program for the next five fiscal years, to protect local jurisdictions against the loss of property tax revenues when private lands are acquired by a Federal land management agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Property Tax Endow-  
5 ment Act of 2002”.

1 **SEC. 2. FULL FUNDING FOR PAYMENTS IN LIEU OF TAXES.**

2 Section 6906 of title 31, United States Code, is  
3 amended—

4 (1) by striking “Necessary” and inserting “(a)  
5 IN GENERAL.—Necessary”;

6 (2) by striking “Amounts” and inserting “Ex-  
7 cept as provided in subsection (b), amounts”; and

8 (3) by adding at the end the following new sub-  
9 section:

10 “(b) FULL FUNDING.—For fiscal years 2003 through  
11 2007, amounts necessary to carry out this chapter shall  
12 be made available to the Secretary of the Interior, out of  
13 any funds in the Treasury not otherwise appropriated and  
14 without further appropriation, for obligation and expendi-  
15 ture in accordance with this chapter.”.

16 **SEC. 3. PROTECTION OF LOCAL TAX BASE AS PART OF FED-  
17 ERAL LAND ACQUISITION.**

18 (a) ELECTION OF PAYMENT TO OFFSET REVENUE  
19 LOSS.—

20 (1) NOTIFICATION OF LOCAL GOVERNMENTS.—

21 Whenever a Federal land management agency ac-  
22 quires privately owned land by purchase, exchange,  
23 or donation, the head of the agency shall notify the  
24 unit of general local government within whose juris-  
25 diction the land lies.

1           (2) ELECTION.—If a unit of general local gov-  
2           ernment is notified by a Federal agency under para-  
3           graph (1) regarding an acquisition of land by the  
4           Federal agency, the elected officials with authority  
5           under State law to govern the unit may, within 90  
6           days after that notification, elect to receive from the  
7           Federal land management agency a one-time pay-  
8           ment in an amount sufficient to offset the long term  
9           revenue loss to the local government that will result  
10          from the acquisition of the land by the Federal  
11          agency.

12          (b) TREATMENT OF LAND AFTER ONE-TIME PAY-  
13          MENT.—

14               (1) IN GENERAL.—If a unit of general local  
15               government receives, pursuant to an election under  
16               subsection (a), a one-time payment with respect to  
17               land acquired by a Federal land management agen-  
18               cy, the land shall not be treated as entitlement land  
19               for purposes of chapter 69 of title 31, United States  
20               Code, notwithstanding any changes that may there-  
21               after occur in the value of the land, interest rates,  
22               taxation rates, or any other economic factor.

23               (2) CONFORMING AMENDMENT.—Section  
24               6901(1) of title 31, United States Code, is amended  
25               by adding at the end the following:

1 “Such term does not include any land with respect to  
2 which a unit of local government receives a one-time pay-  
3 ment under the Property Tax Endowment Act of 2002.”.

4 (c) APPLICATION.—

5 (1) IN GENERAL.—This section shall apply to  
6 any land acquisition by a Federal land management  
7 agency completed after September 30, 1998.

8 (2) APPLICATION TO PRIOR ACQUISITIONS.—  
9 For purposes of the application of this section to an  
10 acquisition of land by a Federal agency before the  
11 date of the enactment of this Act, the head of the  
12 agency is deemed to have notified the unit of general  
13 local government concerned in accordance with para-  
14 graph (1) on the date of the enactment of this Act.

15 (3) NO EFFECT ON TITLE.—This subsection  
16 shall not affect any right, title, or interest of the  
17 United States in or to land.

18 **SEC. 4. ONE-TIME PAYMENT.**

19 (a) IN GENERAL.—If a unit of general local govern-  
20 ment elects under section 3(a)(2) to receive a one-time  
21 payment with respect to land acquired by a Federal land  
22 management agency—

23 (1) the head of the Federal agency shall deter-  
24 mine and make such payment in accordance with  
25 this section; and

1           (2) such acquisition may not occur before the  
2 date the payment is made.

3           (b) AMOUNT OF PAYMENT.—

4           (1) IN GENERAL.—The amount of such  
5 payment—

6           (A) shall be sufficient to yield a revenue  
7 stream in perpetuity equal to the property taxes  
8 currently required to be paid with respect to the  
9 land, determined as an annuity amount based  
10 on an interest rate equal to the current average  
11 yield on outstanding obligations of the United  
12 States with remaining periods of maturity of 10  
13 years on the date of acquisition of the land by  
14 the Federal agency;

15           (B) shall be determined based on the rate  
16 of tax and land valuation in effect for the land  
17 under the property tax laws of the unit of gen-  
18 eral local government that apply in the local tax  
19 year in which the land is acquired by the Fed-  
20 eral land management agency; and

21           (C) shall include amounts to offset prop-  
22 erty taxes that were attributable to—

23           (i) improvements on the acquired  
24 lands; or

1                   (ii) the use of the lands for business  
2                   enterprise.

3                   (2) FEDERAL ACQUISITIONS FROM TAX-EXEMPT  
4                   ENTITIES.—If a Federal land management agency  
5                   acquires lands by purchase, donation, exchange, or  
6                   other means from a nongovernmental organization  
7                   or other entity that is exempt from local taxation,  
8                   paragraph (1) shall apply as if the lands were ac-  
9                   quired from the last person that owned the lands  
10                  that was not exempt from such taxation.

11                  (3) DEDUCTION OF PILT PAYMENTS.—In the  
12                  case of a payment under this section to a unit of  
13                  general local government with respect to land that  
14                  was acquired by a Federal land management agency  
15                  before the date of the enactment of this Act, the  
16                  head of the agency shall deduct, from the amount  
17                  otherwise required to be paid, the amount of any  
18                  payment made to the unit with respect to the land  
19                  after September 30, 1998, under chapter 69 of title  
20                  31, United States Code.

21                  (c) TIME FOR PAYMENT.—The payment required  
22                  under subsection (a) in connection with a land acquisition  
23                  shall be made before the Federal land management agency  
24                  takes possession of the land.

25                  (d) USE OF PAYMENT.—

1           (1) IN GENERAL.—Amounts paid to a unit of  
2           general local government under this section shall be  
3           deposited into a trust fund established and adminis-  
4           tered by the unit of general local government.

5           (2) RESTRICTION ON USE OF PRINCIPAL.—The  
6           principal of the trust fund may not be expended.

7           (3) USE OF INTEREST.—Interest generated by  
8           the trust fund shall be available to the unit of gen-  
9           eral local government for any governmental purpose.

10 **SEC. 5. RELATIONSHIP OF ONE-TIME PAYMENTS TO PAY-**  
11 **MENTS IN LIEU OF TAXES.**

12           A one-time payment received by a unit of general  
13           local government under this Act shall not be deducted or  
14           in any way used to offset payments required to be made  
15           to the unit under chapter 69 of title 31, United States  
16           Code.

17 **SEC. 6. DEFINITIONS.**

18           In this section:

19           (1) DONATION.—The term “donation” includes  
20           any conveyance of land to the Federal Government  
21           that is required as a condition of receipt of any ben-  
22           efit under Federal law.

23           (2) FEDERAL LAND MANAGEMENT AGENCY.—  
24           The term “Federal land management agency”  
25           means each of the following:

1 (A) The Forest Service.

2 (B) The Bureau of Land Management.

3 (C) The National Park Service.

4 (D) The United States Fish and Wildlife  
5 Service.

6 (3) UNIT OF GENERAL LOCAL GOVERNMENT.—

7 The term “unit of general local government” has the  
8 meaning given the term in section 6901(2) of title  
9 31, United States Code.

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