

117TH CONGRESS
1ST SESSION

S. 1008

To require the Secretary of the Interior to develop a modeling tool, conduct a study, and issue reports relating to the tax equivalent amount of payments under the payment in lieu of taxes program.

IN THE SENATE OF THE UNITED STATES

MARCH 25, 2021

Mr. LEE (for himself, Mr. RISCH, and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To require the Secretary of the Interior to develop a modeling tool, conduct a study, and issue reports relating to the tax equivalent amount of payments under the payment in lieu of taxes program.

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 “Making Obligations
5 Right by Enlarging Payments In Lieu of Taxes Act” or
6 the “MORE PILT Act”.

7 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

8 (a) FINDINGS.—Congress finds that—

1 (1) Congress agreed with recommendations of a
2 Federal commission that, if Federal land is to be re-
3 tained by the Federal Government and not con-
4 tribute to the tax bases of the units of general local
5 government within the jurisdictions of which the
6 land is located, compensation should be offered to
7 those units of general local government to make up
8 for the presence of nontaxable land within the juris-
9 dictions of those units of general local government;

10 (2)(A) units of general local government rely on
11 the stability of property tax revenues; and

12 (B) Federal programs that are subject to the
13 annual appropriations process, such as the payment
14 in lieu of taxes program, offer far less certainty than
15 property taxes as a form of revenue for units of gen-
16 eral local government;

17 (3) Federal agencies have determined that pay-
18 ments to units of general local government under the
19 payment in lieu of taxes program are far lower than
20 what would be due to units of general local govern-
21 ment under tax equivalency;

22 (4) payments under the payment in lieu of
23 taxes program help units of general local govern-
24 ment carry out vital services, such as firefighting,
25 police protection, public education, construction of

1 public schools, construction of roads, and search-
 2 and-rescue operations; and

3 (5) the technology exists to more accurately ap-
 4 proximate what the taxable value of land held by the
 5 Federal Government would be if that land were tax-
 6 able by units of general local government.

7 (b) SENSE OF CONGRESS.—It is the sense of Con-
 8 gress that the Federal Government should—

9 (1) determine the amount that payments under
 10 the payment in lieu of taxes program would be if
 11 those payments were equivalent to the tax revenues
 12 that units of general local government would other-
 13 wise receive for the same land; and

14 (2) compensate those units of general local gov-
 15 ernment accordingly.

16 **SEC. 3. DEFINITIONS.**

17 In this Act:

18 (1) ENTITLEMENT LAND.—The term “entitle-
 19 ment land” has the meaning given the term in sec-
 20 tion 6901 of title 31, United States Code.

21 (2) HIGHEST AND BEST USE.—

22 (A) IN GENERAL.—The term “highest and
 23 best use”, with respect to a parcel of entitle-
 24 ment land, means the potential use described in

subparagraph (B) that would result in the highest value of the land.

(B) POTENTIAL USES DESCRIBED.—A potential use referred to in subparagraph (A) is any use of a parcel of land that, in the absence of Federal ownership of the land, would be—

(i) physically possible;

(ii) reasonably probable;

(iii) legal;

(iv) appropriately supported; and

(v) financially feasible.

(3) MARKET VALUE.—The term “market value”, with respect to a parcel of entitlement land, means the value that the land would have in a fair and open market—

(A) disregarding any limitation on economic development and any other development restriction due to Federal ownership of the land or any Federal designation; and

(B) calculated within an appropriate margin of error, as determined by the Secretary.

(4) PAYMENT IN LIEU OF TAXES PROGRAM.—

The term “payment in lieu of taxes program” means the payment in lieu of taxes program established under chapter 69 of title 31, United States Code.

1 (5) SECRETARY.—The term “Secretary” means
2 the Secretary of the Interior.

3 (6) TAX EQUIVALENT AMOUNT.—The term “tax
4 equivalent amount”, with respect to payments under
5 the payment in lieu of taxes program, means the ap-
6 proximate amount of property tax revenues that
7 would be generated for units of general local govern-
8 ment with respect to entitlement land—

9 (A) if that land were—

10 (i) privately owned; and

11 (ii) subject to—

12 (I) local zoning laws (including
13 regulations);

14 (II) local tax laws (including reg-
15 ulations); and

16 (III) any other relevant law, rule,
17 or authority; and

18 (B) taking into account any maximum or
19 minimum taxable value of land that is imposed
20 by a State or unit of general local government.

21 (7) TOOL.—The term “tool” means the tool or
22 combination of tools developed and maintained
23 under section 4(a)(1).

24 (8) UNIT OF GENERAL LOCAL GOVERNMENT.—
25 The term “unit of general local government” has the

1 meaning given the term in section 6901 of title 31,
 2 United States Code.

3 **SEC. 4. MODELING TOOL, STUDY, AND REPORTS RELATING**
 4 **TO THE TAX EQUIVALENT AMOUNT OF PAY-**
 5 **MENTS UNDER THE PAYMENT IN LIEU OF**
 6 **TAXES PROGRAM.**

7 (a) MODELING TOOL.—

8 (1) IN GENERAL.—Not later than 2 years after
 9 the date of enactment of this Act, the Secretary, in
 10 consultation with the Secretary of Agriculture and
 11 the head of any other Federal agency that the Sec-
 12 retary determines to be appropriate, shall develop
 13 and maintain a market analysis tool, mass appraisal
 14 tool, or other appropriate modeling tool (or combina-
 15 tion of tools), as determined to be appropriate by the
 16 Secretary, that—

17 (A) accounts for—

18 (i) reasonable and customary valu-
 19 ation factors; and

20 (ii) if, in the determination of the Sec-
 21 retary, data are inadequate to calculate a
 22 sufficiently precise estimate of the market
 23 value of the applicable parcel of entitle-
 24 ment land, assumptions of those factors;
 25 and

1 (B) calculates, in a timely manner—

2 (i) the approximate market value of
3 entitlement land; and

4 (ii) the approximate tax equivalent
5 amount of payments under the payment in
6 lieu of taxes program for that land.

7 (2) REQUIREMENTS.—The tool shall—

8 (A) calculate, in a timely manner, the ap-
9 proximate market value of entitlement land;

10 (B) enable an employee or agent of the
11 Department of the Interior to manually modify
12 factors relating to the valuation model used by
13 the tool to calculate, in a timely manner, the
14 market value of entitlement land based on new
15 assumptions relating to that land;

16 (C) to the maximum extent practicable,
17 provide technical anchors relating to market
18 data—

19 (i) to ensure the ongoing integrity of
20 the tool; and

21 (ii) to ensure that the land values de-
22 termined by the tool are defensible and
23 based on sound and generally accepted
24 valuation methodologies;

1 (D) to the maximum extent practicable, as-
2 simulate, in a visual interface—

3 (i) market data, including the avail-
4 ability of mineral extraction, energy pro-
5 duction, water management, timber man-
6 agement, agricultural uses, and rec-
7 reational uses with respect to the applica-
8 ble land; and

9 (ii) geospatial data relating to all enti-
10 tlement land;

11 (E) as frequently as practicable, automati-
12 cally adjust to reflect current market condi-
13 tions, as reflected in readily available market
14 sources, as determined by the Secretary, in con-
15 sultation with the Secretary of Agriculture;

16 (F) allow a user of the tool—

17 (i) to estimate the value of entitle-
18 ment land as that land is currently used;
19 and

20 (ii) to estimate changes in that value
21 due to future uses under various scenarios
22 under private ownership; and

23 (G) provide a variety of estimates of the
24 value of any entitlement land for which there is
25 no comparable non-Federal land from which to

1 derive the information necessary to accurately
2 calculate the market value of the entitlement
3 land, including an estimate based on the high-
4 est and best use of the entitlement land if the
5 entitlement land were privately owned.

6 (b) STUDY AND REPORTS.—

7 (1) IN GENERAL.—Not later than 2 years after
8 the date of enactment of this Act, and annually
9 thereafter for 4 years, the Secretary, in consultation
10 with the Secretary of Agriculture and the head of
11 any other Federal agency that the Secretary deter-
12 mines to be appropriate, shall—

13 (A) conduct a study—

14 (i) to evaluate all entitlement land;

15 (ii) to determine, to the maximum ex-
16 tent practicable, the market value of that
17 land; and

18 (iii) to determine, to the maximum ex-
19 tent practicable, the tax equivalent amount
20 of payments under the payment in lieu of
21 taxes program for that land; and

22 (B) submit to Congress and make publicly
23 available a report describing—

24 (i) the results of the study conducted
25 under subparagraph (A); and

1 (ii) how payments under the payment
2 in lieu of taxes program could more accu-
3 rately reflect the tax equivalent amount.

4 (2) REQUIREMENT.—In conducting the study
5 under paragraph (1)(A), the Secretary shall consider
6 any studies conducted by States, counties, or other
7 taxing jurisdictions pertaining to the tax equivalent
8 amount of payments under the payment in lieu of
9 taxes program.

10 (3) PRELIMINARY REPORT.—Not later than 1
11 year after the date of enactment of this Act, the
12 Secretary, in consultation with the Secretary of Ag-
13 riculture and the head of any other Federal agency
14 that the Secretary determines to be appropriate,
15 shall submit to Congress a report that—

16 (A) describes the progress of the Secretary
17 in—

18 (i) developing the tool; and

19 (ii) conducting the study under para-
20 graph (1)(A);

21 (B) contains an assessment of the accuracy
22 with which the Secretary will be able to deter-
23 mine—

24 (i) the market value of entitlement
25 land; and

1 (ii) the tax equivalent amount of pay-
2 ments under the payment in lieu of taxes
3 program for that land;

4 (C) describes the models and data that the
5 Secretary has developed or collected, or intends
6 to develop or collect, as applicable, and plans to
7 use in determining—

8 (i) the market value of entitlement
9 land; and

10 (ii) the tax equivalent amount of pay-
11 ments under the payment in lieu of taxes
12 program for that land; and

13 (D) includes any other information that, in
14 the determination of the Secretary, is relevant
15 to—

16 (i) the efficacy of the tool;

17 (ii) the determination of—

18 (I) the market value of entitle-
19 ment land; or

20 (II) the tax equivalent amount of
21 payments under the payment in lieu
22 of taxes program for that land; or

23 (iii) the effects of providing payments
24 under the payment in lieu of taxes pro-

1 gram that more accurately reflect the tax
2 equivalent amount.

3 (c) CONTRACTS AND CONSULTANTS.—The Secretary
4 may contract or consult with any public or private entity
5 to analyze data, conduct research, or develop a model that
6 would contribute to the reports under subsection (b) or
7 the tool.

8 (d) DATA COLLECTION AND REPORTING.—

9 (1) IN GENERAL.—The Secretary may develop
10 reporting methods to allow units of general local
11 government to self-report, not more frequently than
12 annually, data, including, as the Secretary deter-
13 mines to be necessary—

14 (A) property tax values of land;

15 (B) zoning restrictions; and

16 (C) mill levies.

17 (2) TECHNICAL ASSISTANCE.—The Secretary
18 may provide technical assistance to units of general
19 local government with respect to the reporting of in-
20 formation under paragraph (1).

21 (e) AVAILABILITY OF INFORMATION.—

22 (1) REQUEST FOR INFORMATION.—Any indi-
23 vidual or entity may submit to the Secretary a re-
24 quest for information relating to the method used by
25 the Secretary to determine—

1 (A) the market value of entitlement land;
2 or

3 (B) the tax equivalent amount of payments
4 under the payment in lieu of taxes program for
5 that land.

6 (2) INFORMATION PROVIDED.—The Secretary
7 shall provide to each individual or entity that sub-
8 mits a request for information under paragraph
9 (1)—

10 (A) any data and models used by the Sec-
11 retary to determine, as applicable—

12 (i) the market value of any entitle-
13 ment land for which a unit of general local
14 government receives payments under the
15 payment in lieu of taxes program; or

16 (ii) the tax equivalent amount of pay-
17 ments under the payment in lieu of taxes
18 program for that land; and

19 (B) a description of how the data and
20 models described in subparagraph (A) are used
21 to make the determinations described in that
22 subparagraph.

23 (3) RESPONSE DEADLINE FOR CERTAIN RE-
24 QUESTS.—Not later than 30 days after receiving a
25 request under paragraph (1) from a unit of general

1 local government pertaining to entitlement land for
2 which the unit of general local government receives
3 payments under the payment in lieu of taxes pro-
4 gram, the Secretary shall provide to that unit of
5 general local government the information described
6 in paragraph (2) with respect to that land.

7 (f) FUNDING.—Section 200306 of title 54, United
8 States Code, is amended by adding at the end the fol-
9 lowing:

10 “(e) TAX EQUIVALENCY OF PILT PAYMENTS MOD-
11 ELING TOOL, STUDY, AND REPORT.—For each of the first
12 6 fiscal years beginning after the date of enactment of
13 the MORE PILT Act, there shall be made available to
14 the Secretary, out of amounts made available for expendi-
15 ture under section 200303, \$9,000,000 to carry out that
16 Act.”.

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