

**FEDERAL AND STATE
LAND-BASED PAYMENTS
IN NEVADA**



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PAYMENTS IN NEVADA

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EXECUTIVE SUMMARY

This study was commissioned by the Nevada Association of Counties and addresses revenues generated at the county and state government levels within Nevada. Revenues described in the report arise specifically from federal and state lands. The objective of the study is to give information of various federal and state land-based payments such as how they are derived and then distributed.

INTRODUCTION

- Almost one-third of total U.S. acreage is federal with federal lands primarily in the Western U.S.
- Approximately 84 percent of Nevada is federal lands with 0.37 percent state lands.
- Both federal and state governments make payments to local Nevada governments to provide vital services such as: fire and police protection, search and rescue operations, natural resource conservation/preservation programs, support of public schools, and road construction.

FEDERAL REVENUE SHARING PROGRAMS

- The Mineral Lease Act of 1920 specifically provides revenues collected from oil, gas, geothermal or mineral developments on federal lands.

Of the gross revenues from the Mineral Lease Act, forty percent goes to the Reclamation Fund, ten percent is kept by the federal government for administrative purposes, and fifty percent is paid by the U.S. Treasury to state treasuries.

Of the total \$7,600,576 sent to the Nevada State Treasury in fiscal year 1994, all was deposited directly in the Nevada State Distributive School Account.

- The Taylor Grazing Act of 1934 established grazing districts and created an avenue by which income generated from those districts are returned to the State, counties and grazing districts.

The Act allows State Legislative discretion in the allocation of 12.5 percent from Section 3 and 50 percent from section 15, as long as it benefits the county where the revenue was generated.

During fiscal year 1994, the Act provided \$357,583 in revenue to the state of Nevada.

- The Department of Agriculture Appropriations Act of 1908 directed 25 percent of gross receipts from National Forest Service lands be returned to the state of origin.

The Act earmarked revenues for the advancement of schools and roads at the county level.

During 1994, the Toiyabe and Humboldt National Forest provided \$483,885 to the state of Nevada.

- The U.S. Fish and Wildlife Service has made annual revenue payments to counties since the passage of the Refuge Revenue Sharing Act in 1935.

The state of Nevada received a total of \$134,454 in 1994 from the Refuge Revenue Sharing Act.

- The Santini-Burton Act, passed in 1980 and adopted in 1986, was drafted to provide for orderly disposal of federal lands in Clark County and to provide for acquisition of environmentally sensitive land in the Lake Tahoe Basin.

The Santini-Burton Act provided \$288,000 to the state of Nevada during 1994.

- Payments in Lieu of Taxes began in 1976 following the enactment of Public Law 94-565. Federal “PILT” payments were designed to supplement other Federal land receipt sharing payments and are made to local government units who are allowed to spend it for any government purposes.

The state of Nevada received \$6,849,893 in fiscal year 1994 in PILT payments. Of the individual county payments, Washoe County received the highest at \$1.17 million followed by Clark County at \$.98 million.

The PILT Act was amended by Congress in October 1994. These changes were developed to address problems of post PILT legislation; that is, not keeping up with the rate of inflation, payments fluctuating widely and no mechanism to monitor disbursements at the state level.

Though PILT payments have been made consistently since 1976, they are not guaranteed.

- On January 1983, the Nuclear Waste Policy Act was enacted under which evolved the Payment Equal to Taxes program.

Payments Equal to Taxes (“PETT”) are administered by the Department of Energy.

For PETT payments, the DOE must have a geographic presence in the county.

Under the NWPA, PETTs are provided to Nevada under two programs:

- 1) The Settlement Agreement Between Nye County and the USDOE.
- 2) The Payments *Equal* to Taxes provided to Clark, Esmeralda and Lincoln Counties. Since the payments are titled as *equal* to taxes, the federal government does not classify PETT revenues the result of a true tax.

During fiscal 1994, these four counties received approximately \$4.4 million in PETT payments.

- Lands owned by the state of Nevada also generate revenues to the state.

Property which is owned and administered directly by the Nevada Division of Lands generated funds which are deposited annually to the State General Fund Account. During fiscal year 1994, Nevada State Division of Land provided \$178,391 to the general fund.

Revenue is generated from a variety of activities in the 24 State Parks. During fiscal year 1994, \$832,729 was provided from park user fees, \$30,077 from concessions, \$9,920 from the Tahoe Water Sewer Fund and \$2,504 from state grazing fees. All funds are deposited in a separate State Parks Account of the General Fund.

CONCLUSIONS

- Western states receive a majority of federal-land based payments primarily due to large federal land acreage.
- For the thirteen western states, PILT payments were \$80,856,304 which amounted to 81 percent of total PILT payments.
- Nevada ranked seventh highest in PILT payments receipts receiving \$6,849,893. The state of New Mexico received the largest PILT payments in 1994 amounting to \$10,631,758, even though New Mexico has 34.3 million less entitlement acres than the Nevada. The disparity in payments is a result of the PILT formula which incorporates resident populations, entitlement acres and the previous years revenue sharing payments.
- Federal land payments such as PILT, PETT, USFS and USFW receipts make significant contributions to county budgets. However, these payments have fluctuated which causes uncertainty in the county budgeting processes. Payment fluctuations arise from individual program formulas as well as a reflection of fluctuating federal budgets.

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OVERVIEW OF PUBLIC LANDS

Almost one-third of total U.S. acreage is federal lands with the largest percentage in the western states. Of the total federal land acreage in 1991, approximately 93 percent was located in the thirteen western states. Not only are most public lands located in the West, the federal government is also the dominant landowner of those lands (Table 1). Because of this vast public land management of western lands, the federal government plays an important role in economic activity of rural western states' economies.

For the state of Nevada, approximately 84 percent of the total land area was federal lands in 1994 (Table 2). A much smaller percentage, only 0.37 percent, was the state lands. Over 90 percent of the total land acreage was federal lands in Nye, Esmeralda, Lander, Lincoln and White Pine counties. Accordingly, counties which have extensive public lands may experience fiscal burdens since federal lands are tax exempt.

This report, which is the first of three reports, specifically examines the source and dispersion of federal and state land-based payments and provides a brief overview of the economic importance of these payments to the state of Nevada and its counties. The reader should keep in mind, a greater percentage of the state's total budget is derived from other federal programs, such as grants and transfer payments, which are not land-based payments. For this study, only payments which are land-based, or those directly attributable to public acres in Nevada are considered.

Table 1. Total Land and Federal Acreage in Thirteen Western States, 1991.

State	Total Acreage	Federal Lands	Percentage of Total Acreage Which Is Federal
	(1,000 acres)	(1,000 acres)	(%)
Alaska	365,482	248,021	67.9
Arizona	72,688	34,308	47.2
California	100,207	44,707	44.6
Colorado	66,486	24,154	36.3
Hawaii	4,106	634	15.5
Idaho	52,933	32,614	61.6
Montana	93,271	26,142	28.0
Nevada	70,264	58,265	82.9
New Mexico	77,766	25,203	32.4
Oregon	61,599	32,291	52.4
Utah	52,697	33,661	63.9
Washington	42,694	12,080	28.3
Wyoming	62,343	30,477	48.9
TOTAL	1,122,536	602,557	53.7
Eleven Contiguous Western States	752,948	353,902	47.0
United States	2,271,343	649,346	28.6

Source: U.S. General Service Administration. Inventory Report on Real Property Owned by the United States Throughout the World. 1991.

Table 2. Federal and State Lands in Nevada

County	BLM		FS		Other Federal		Total Federal		Indian Res.		State Gov.		Local Gov. & Pvt		Total Acreage
	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	
Clark	3,048,337	58.91%	59,223	1.14%	1,414,819	27.34%	4,522,379	87.40%	75,806	1.47%	60,405	1.17%	515,643	9.97%	5,174,233
Story	14,641	8.92%	0	0.00%	1,331	0.81%	15,972	9.73%	1	0.00%	0	0.00%	148,202	90.27%	164,175
Carson City	42,676	43.57%	8,673	8.85%	0	0.00%	51,349	52.42%	3,575	3.65%	4,874	4.98%	38,151	38.95%	97,949
Eureka	2,019,505	75.45%	144,152	5.39%	20,302	0.76%	2,183,958	81.59%	0	0.00%	6,401	0.24%	486,356	18.17%	2,676,715
Nye	6,697,875	57.93%	1,750,050	15.14%	2,265,195	19.59%	10,713,120	92.66%	9,301	0.08%	20,602	0.18%	818,970	7.08%	11,561,993
Esmeralda	2,196,229	96.71%	43,977	1.94%	3,220	0.14%	2,243,426	98.79%	0	0.00%	4,428	0.19%	23,045	1.01%	2,270,899
Douglas	162,811	34.09%	82,845	17.35%	605	0.13%	246,261	51.56%	60,310	12.63%	1,647	0.34%	169,370	35.46%	477,588
Lander	2,978,121	81.84%	292,799	8.05%	29,567	0.81%	3,300,487	90.70%	692	0.02%	256	0.01%	334,809	9.20%	3,639,102
Lyon	594,121	45.86%	273,622	21.12%	16	0.00%	867,759	66.98%	51,025	3.94%	6,885	0.53%	369,804	28.55%	1,295,474
Pershing	2,910,670	75.40%	0	0.00%	27,320	0.71%	2,937,990	76.11%	55	0.00%	691	0.02%	921,423	23.87%	3,860,158
White Pine	4,362,182	76.53%	840,874	14.75%	87,908	1.54%	5,290,964	92.83%	70,706	1.24%	10,501	0.18%	327,529	5.75%	5,699,699
Mineral	1,652,642	66.10%	374,947	15.00%	142,328	5.69%	2,169,917	86.79%	228,244	9.13%	42,159	1.69%	59,749	2.39%	2,500,069
Lincoln	5,660,396	83.04%	30,703	0.45%	1,009,188	14.80%	6,700,287	98.29%	0	0.00%	18,802	0.28%	97,509	1.43%	6,816,597
Elko	6,783,518	61.72%	1,068,877	9.73%	5,930	0.05%	7,858,326	71.50%	164,714	1.50%	26,518	0.24%	2,940,628	26.76%	10,990,186
Churchill	2,648,492	84.22%	0	0.00%	27,572	0.88%	2,676,063	85.10%	50,730	1.61%	7,149	0.23%	410,644	13.06%	3,144,586
Humboldt	4,321,865	69.58%	268,523	4.32%	371,831	5.99%	4,962,219	79.89%	27,702	0.45%	8,101	0.13%	1,213,102	19.53%	6,211,124
Washoe	2,672,757	63.96%	72,175	1.73%	177,719	4.25%	2,799,235	69.94%	371,660	8.89%	44,748	1.07%	839,590	20.09%	4,178,649
State Total	48,766,839	68.92%	5,311,439	7.51%	5,584,850	7.89%	59,539,712	84.14%	1,114,521	1.58%	264,166	0.37%	9,714,525	13.73%	70,759,197

Notes:

1. BLM = Bureau of Land Management, FS = US Forest Service
2. Other Federal includes Department of Defense, Department of Energy, US Fish and Wildlife Service
3. Private property interests include corporations, partnerships, and individuals.

Table 3 lists several acts designed to compensate local government budgets for loss of revenue due to federal lands that have been passed by Congress. Bureau of Land Management Director, Jim Baca, stated: "while federal lands provide important local recreational and economic opportunities, their tax exempt status can have fiscal impacts on the governmental units that surround them. These payments are beneficial to local governments, especially for sparsely populated counties that contain large acreage of tax exempt Federal lands. These payments help provide vital services such as fire and police protection, search and rescue operations and road construction."¹ Table 3 also lists two Nevada State Acts which provide income from various State agencies.

Federal Revenue Sharing Programs

Several programs exist which provide revenue to government agencies resulting from economic activity on Federal lands. For example, payments are made to the states from the Bureau of Land Management, the U.S. Forest Service, and the U.S. Fish and Wildlife Service based on revenues from mineral extraction, grazing fees, timber sales and various other land based activities. Table 4 lists the major Acts and the resulting payments to Nevada during fiscal year 1994. The federal payments from the seven acts outlined in Table 4 totaled approximately \$20 million to the state of Nevada. Approximately \$14.5 million were from the Mineral Lease Revenue Act and Payments in Lieu of Taxes. A few Acts provide revenue specifically to a branch of government, such as schools or roads, while others are specific to the county or State level with freedom to spend the income on any governmental purpose.

Table 3. Federal Land Payments

Title	Agency Making Payment	Types of Receipts	Disposition of Receipts
Act of 5/23/08; Dept. of Agricultural Appropriation Act; 35 Stat. 251; 16 U.S.C. 500 PL 94-588	U.S. Forest Service	Moneys received from each National Forest	65% to Treasury 25% of gross to counties 10% to Forest Roads for appropriation
Act of 2/25/20 (Section 35) Mineral Lands Leasing Act; 41 Stat. 450; 30 U.S.C. 191	Bureau of Land Management	Moneys received from mineral leasing	50% to States 40% to Bureau of Reclamation 10% to U.S. Treasury
Federal Power Act (Section 17); 41 Stat. 1072; 16 U.S.C. 810	Federal Energy Regulatory Commission	Occupancy and use of National Forests and Public Lands	50% to Bureau of Reclamation 37.5% to U.S. Treasury 12.5% to States for counties
Taylor Grazing Act (section 10); 43 U.S.C. 315i	Bureau of Land Management	Proceeds from Section 3 grazing receipts Proceeds from Section 15 grazing receipts	50% to Range Improvement Fund 37.5% to U.S. Treasury 12.5% to States for counties 50% to States for counties 50% to Range Improvement Fund
Act of 6/22/56 to amend Act of 6/22/48; 70 Stat. 328; 61 U.S.C. 577g-1	U.S. Forest Service	Percentage of fair appraised value	3/4 of 1% of appraised value paid in addition to act of 5/23/08
Mineral Leasing Act for Acquired Lands (Section 6); 61 Stat. 95; 30 U.S.C 355	Bureau of Land Management U.S. Forest Service	Moneys received from mineral leasing	50% to States 40% to Bureau of Reclamation 10% to U.S. Treasury
Material Disposal Act (Section 3); 61 Stat. 681	Bureau of Land Management U.S. Forest Service	Net revenues from sale of land and materials	Varies depending upon type of receipt and agency
Santini-Burton Act P.L. 96-586	Bureau of Land Management	Revenues from the sale of BLM Lands in Clark County	85% for Federal purchase of lands 10% to Clark County or City of Las Vegas 5% Nevada State Gvt.
PILT, PL 94-565	Bureau of Land Management	Appropriated by Congress	100% to Counties
Nuclear Waste Policy Act P.L 97-425	Department of Energy	Appropriated by Congress	100% to Counties
Refuge Revenue Sharing Act as amended; 92 Stat. 1321; 16 U.S.C. 715s(c)(2)	U.S. Fish and Wildlife Service	Revenues from sale of timber, grazing, and minerals on reserve area lands and sale of carcasses of certain animals	25% of net receipts to counties 75% to Revenue Sharing Fund

Nevada State Land Payments

Provisions of Law	Agency Making Payment	Types of Receipts	Disposition of Receipts
NRS 322.003	Nevada State Lands	Income from the lease of State Lands, buoys & piers.	State General Fund
NRS 407.0762	Nevada Division of Parks	Revenues from user fees, concessions and grazing fees.	Special "State Parks" account to be used only to repair and maintain State Parks

Table 4. Fiscal Year 1994 Federal Land Payments to Nevada.

Mineral Lease Revenue	\$7,600,576
Department of Interior (PILT)	\$6,849,893
Department of Energy (PETT)	\$4,400,000
Forest Service Receipts	\$483,885
Taylor Grazing Act	\$357,583
Santini-Burton Act	\$288,000
Refuge Revenue Sharing	\$134,454
TOTAL	\$20,114,391

Source: State of Nevada, Office of the State Controller, General Ledger Trial Balance Sheets.

USDA, U.S. Forest Service, Region 4 Office, 25% Report, Payments to States 1994.

USDI, U.S. Fish and Wildlife Service, FY 94 payments Counties, Refuge Revenue Sharing Act.

USDI, BLM Public Land Statistics, 1994. Individual county contacts for Nuclear Waste Policy Act, 1995.

Mineral Lease Act

The Mineral Lease Act of 1920 specifically obligates revenues collected from oil, gas, geothermal or mineral development on federal land. Forty percent of gross revenues are returned to the Reclamation Fund. Ten percent of the total is kept by the Federal Government for administrative purposes. Fifty percent is paid from the U.S. Treasury directly to the State Treasury.² States are authorized discretionary use of the money with the stipulation that first priority is given to social or economic rehabilitation of areas impacted by mineral development. Of the total \$7,600,576 sent to the Nevada State Treasury in fiscal year 1994, all was directly deposited in the Nevada State Distributive School Account (DSA).³ The DSA represents the state level financial support for the 17 school districts. The DSA also receives deposits from: the Legislatively Approved General Fund Appropriation, the Slot Tax, Interest from the Permanent School Fund, and Out-of-State Local School Support Tax. The DSA is pooled with locally generated revenue and the total is then distributed to each school district according to a Legislatively designed formula which reflects the number of students, number of teachers, staff cost, operating costs, etc. During Fiscal Year 1993, the Mineral Leases Act represented 1% of the total Nevada School District's Revenue.⁴ Mineral lease revenues represented nearly one third of the total Federal land payments to the State and have been a stable revenue source for the state of Nevada (see Table 5).⁵

Taylor Grazing Act

The Taylor Grazing Act of 1934 established grazing districts and created an avenue by which income generated from those districts are returned to the state, counties and grazing

Table 5. Mineral Lease Revenues Paid to Nevada, 1988 - 1994.

1988	\$6,049,679
1989	\$8,447,803
1990	\$9,357,134
1991	\$9,871,770
1992	\$7,616,682
1993	\$8,430,806
1994	\$7,600,576

Source: State of Nevada, Office of the State Controller,
General Ledger Trial Balance Sheets.

districts (see Figure 1 and Table 6). As administered by the BLM, revenue is generated from the federal grazing fee formula which is multiplied by head months (actual grazing use) within each grazing district. Gross receipts are sent to the U.S. Treasury then redistributed, at the discretion of the Secretary of Treasury, to the states.

Taylor Grazing Act receipts are categorized by two sections ⁶:

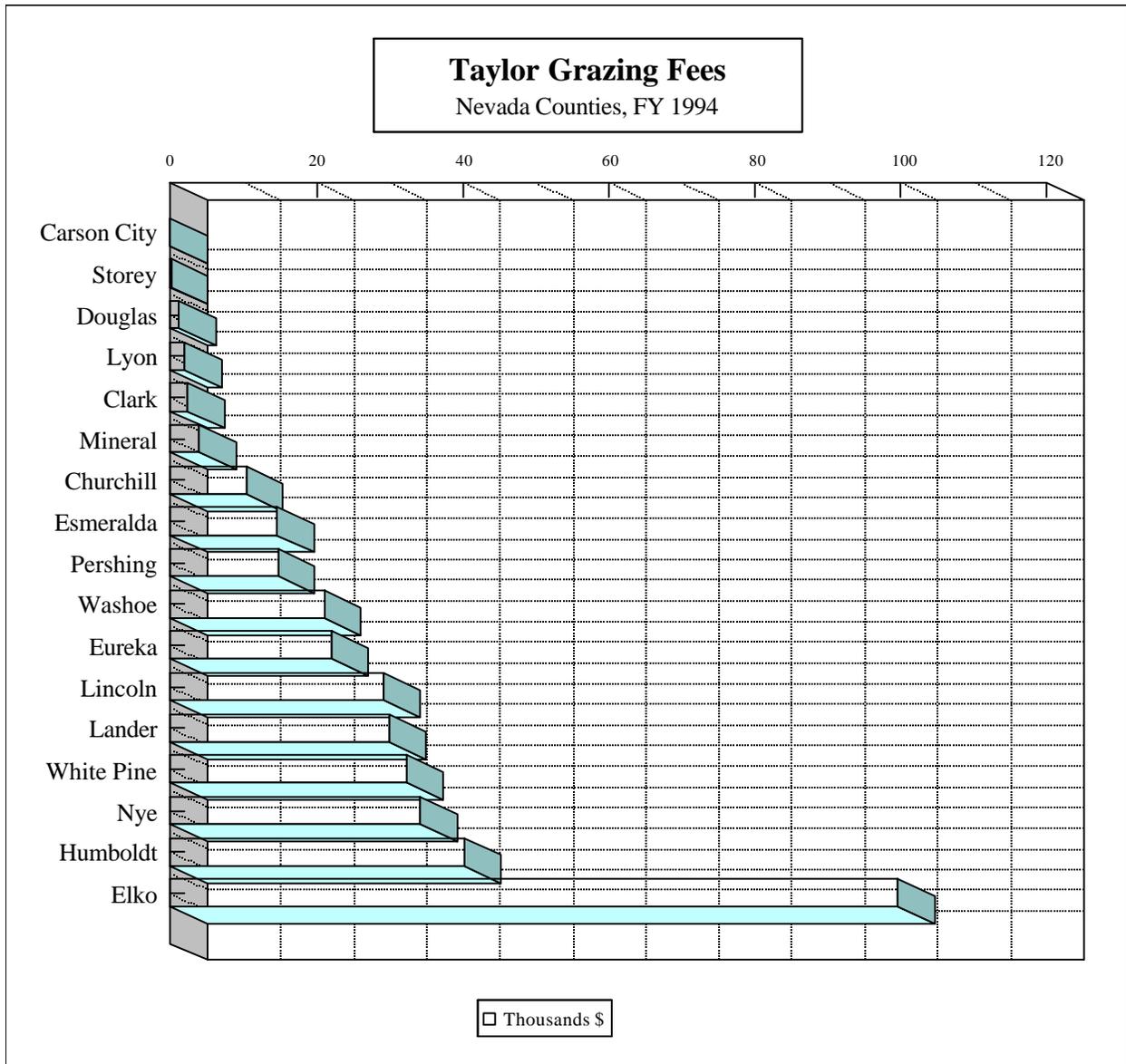
Section 3

- Accounts for roughly 95 percent of revenues generated from the Act.
- Arise from grazing districts.
- 12.5% goes to the state legislature which then disperse to counties from which the revenue was generated.
- 50% go directly to the grazing districts for construction and maintenance of range improvements.
- 37.5% is held within the federal government for administrative purposes.

Section 15

- Arise from isolated grazing units.
- 25% returned to the grazing units solely for range improvements.
- 50% returned to the state level which is then distributed by the legislature.
- 25% remains with US. Treasury for administrative purposes.

Figure 1



Source: State of Nevada, Office of the Controller, Distribution of Taylor Grazing Fees, Fiscal Year Ended September 30, 1994.

Table 6. Distribution of Taylor Grazing Fees, Nevada Counties, FY 1994

Counties	Grazing Districts	Amount	Total
Churchill	Winnemucca	\$597.86	
	Carson City	\$9,591.05	
	Battle Mountain	\$229.36	\$10,418.27
Clark	Arizona Strip	\$152.83	
	Carson City	\$137.61	
	Las Vegas	\$2,057.44	\$2,347.88
Douglas	Carson City	\$1,150.88	\$1,150.88
Elko	Boise	\$947.63	
	Burley	\$25.65	
	Elko	\$98,012.48	
	Battle Mountain	\$363.33	
	Section 15, Battle Mt.	\$257.40	\$99,606.49
Esmeralda	Section 15, Battle Mt.	\$14,614.97	\$14,614.97
Eureka	Elko	\$9,272.36	
	Ely	\$29.21	
	Battle Mt.	\$12,503.83	
	Section 15, Battle Mt.	\$198.99	\$22,004.39
Humboldt	Susanville	\$104.92	
	Elko	\$870.29	
	Winnemucca	\$37,791.29	
	Battle Mt.	\$701.66	
	Burns	\$127.85	
	Vale	\$590.43	\$40,186.44
Lander	Elko	\$1,789.51	
	Winnemucca	\$322.25	
	Carson City	\$782.86	
	Battle Mt.	\$27,006.49	\$29,901.11
Lincoln	Ely	\$11,582.33	
	Las Vegas	\$17,239.04	
	Battle Mt.	\$8.41	
	Cedar City	\$298.45	\$29,128.23
Lyon	Winnemucca	\$9.27	
	Carson City	\$1,991.67	\$2,000.94
Mineral	Carson City	\$3,780.36	
	Battle Mt.	\$127.96	\$3,908.32
Nye	Carson City	\$917.49	
	Ely	\$7,572.92	
	Battle Mt.	\$23,587.08	
	Section 15, Las Vegas	\$137.64	
	Section 15, Battle Mt.	\$1,978.76	\$34,193.89
Pershing	Winnemucca	\$13,667.08	
	Carson City	\$183.40	
	Battle Mt.	\$849.99	\$14,700.47
Storey	Carson City	\$75.69	\$75.69
Washoe	Susanville	\$14,313.84	
	Winnemucca	\$2,648.94	
	Carson City	\$4,080.46	\$21,043.24
White Pine	Elko	\$172.23	
	Ely	\$32,050.59	
	Battle Mt.	\$50.00	
	Richfield	\$29.65	\$32,302.47
Total			\$357,583.68

Source: Nevada State Controllers Office, 1994. Note: Section 15 denotes payment that arise through Section 15 of the Taylor Grazing Act, otherwise Sections 3 of the Act.

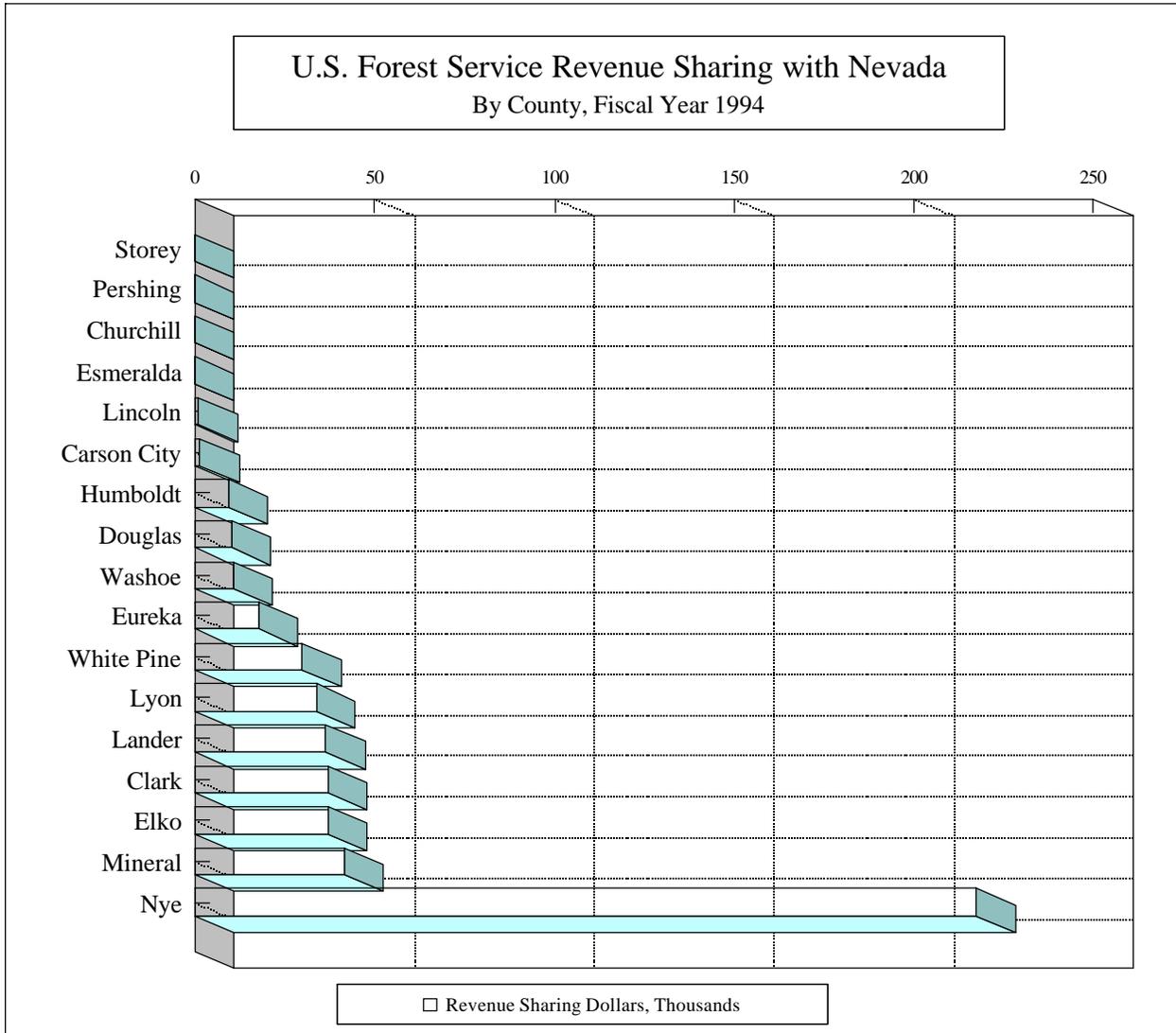
The Act allows state legislative discretion in the allocation of the 12.5 percent from Section 3 and the 50 percent from Section 15, as long as it is for the benefit of the county from which the revenue was derived. In Nevada, the BLM provides annual payments to the State Controllers Office who distributes income to each grazing district. Grazing Advisory Boards from the districts then spend the money on range improvements and range related activities.⁷ Public Law 95-914, Section 5a, provides for payments from the federal government to the states in the event of a short fall of revenue. State total receipts are reported to the State Controllers Office annually. During fiscal year 1994, the Act provided \$357,583 in revenues to the state of Nevada.

Department of Agriculture Appropriations Act

In May of 1908, Congress passed the Department of Agriculture Appropriations Act which directed 25 percent of gross receipts from National Forest Service lands be returned to the state of origin. The Act earmarked revenues for the advancement of schools and roads at the county level.⁸ Receipts are generated from a number of activities including: timber sales, grazing fees, special use permits, recreation, collections from the Bureau of Land Management for mineral leases on National Forest Lands, and income from the Department of Energy for power leases on National Forest Lands (see Figure 2 and Table 7). These payments are not bound by any maximum or minimum amount.⁹

The Act is designed to provide income to all counties geographically connected with the National Forest, regardless of where the economic activity took place. Even counties which generate no federal forest receipts benefit from a percentage of the total receipts from that forest.

Figure 2



Source: USDA, U.S. Forest Service, Inter mountain Region, Ogden Office, "25 Percent Report; Payments to States, Fiscal Year 1994".

Table 7. National Forest Receipt-Sharing Payments to Nevada, FY 1994

County	Acres	County Share	Payment Per Acre
		\$	\$
Storey	0	0	0
Pershing	0	0	0.00
Churchill	0	0	0.00
Esmeralda	0	0	0.00
Lincoln	30,672	1,067	0.03
Carson City	11,069	1,363	0.12
Humboldt	271,532	9,444	0.03
Douglas	83,769	10,317	0.12
Washoe	87,058	10,722	0.12
Eureka	144,139	17,752	0.12
White Pine	859,429	29,893	0.03
Lyon	273,200	33,648	0.12
Lander	296,187	36,479	0.12
Clark	300,922	37,062	0.12
Elko	1,068,148	37,152	0.03
Mineral	338,018	41,631	0.12
Nye	1,942,943	217,355	0.12
STATEWIDE	5,707,086	483,885	

Source USDA, U.S. Forest Service, Intermountain Region, Ogden Office: "25 Percent Report, Payments to States, 1994".

During 1994, the Toiyabe and Humboldt National Forest provided \$483,314 to the State of Nevada.

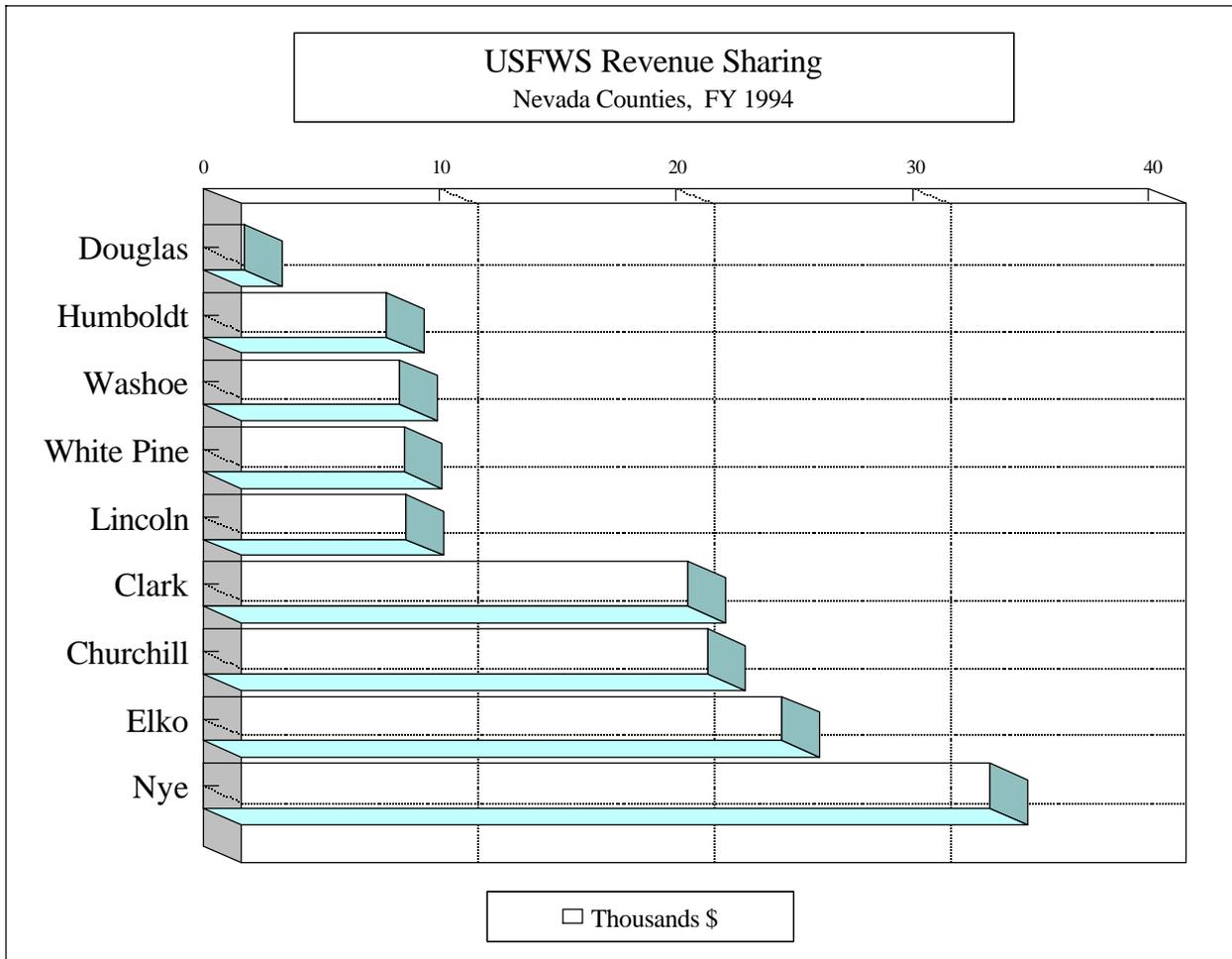
Refuge Revenue Sharing

The U.S. Fish and Wildlife Service has made annual revenue payments to counties since the passage of the Refuge Revenue Sharing Act (U.S.C. 715s(c)(2)) in 1935. As the Act was originally written, payments were made dependent upon net proceeds from the sale of various products from the refuge located within the county. Revenues were then allocated for schools and roads. Problems arose when some refuges generated little or no proceeds from the sale of products. Three amendments of the Act ensued with the following notable changes:

- 1) Payments will be made of the greater of 25 percent of net receipts, or 3/4 of 1 percent of the adjusted purchase price of the land.
- 2) Congress was authorized to appropriate money to accommodate a shortfall in the fund.
- 3) All lands administered by the Fish and Wildlife Service qualify for refuge sharing.
- 4) Payments could be used for any governmental purpose.

Additionally, payments may not be less than \$0.75 per acre for all lands administered by the USFWS. Table 8 lists refuges located within Nevada and Figure 3 shows the resulting payments made to each county during Fiscal Year 1994. Nevada received a total of \$134,454 in 1994 from the Refuge Revenue Sharing Act. ¹⁰

Figure 3



Source: U.S.. Fish and Wildlife Service, Division of Realty, Portland Oregon

Table 8. U.S. Fish and Wildlife Service, 1994 Refuge Revenue Sharing to Nevada Counties

County	Refuge	Amount
Churchill	Stillwater NWR	\$21,321
Clark	Desert NWR	\$17,495
	Moapa Valley NWR	\$3,042
Douglas	Lahontan NFH	\$1,723
Elko	Ruby Lake NWR	\$24,457
Humboldt	Sheldon NWR	\$7,730
Lincoln	Desert NWR	\$480
	Pahrnagat NWR	\$8,097
Nye	Ash Meadows NWR	\$33,264
Washoe	Anaho Island NWR	\$0
	Sheldon NWR	\$8,334
White Pine	Ruby Lake NWR	\$8,511
STATE TOTAL		\$134,454

Source: U.S. Fish and Wildlife Service, Division of Realty, Portland, Or.

Santini-Burton Act

Passed in 1980 and adopted in 1986, the purpose of this Act was to: "provide for orderly disposal of Federal lands in Clark County, Nevada, and to provide for acquisition of environmentally sensitive lands in the Lake Tahoe Basin".¹¹ Provisions of the Act require no more than 700 acres per year may be sold and annual revenues to be deposited at the U.S. Treasury. The money is then distributed for the purchase of land in the Tahoe Basin with 5 percent of the total returned to the state for use in "general education programs". Ten percent is returned directly to the county in which the sale occurred for the purchase and development of recreational lands. When approved by the Bureau of Land Management, as much as a quarter of the total may be used for erosion control and pollution prevention efforts within the Tahoe Basin. The Santini-Burton Act provided \$288,000 to Nevada during 1994.¹²

Payment in Lieu of Taxes

The Payment in Lieu of Taxes ("PILT") program began in 1976 following the enactment of Public Law 94-565. Federal PILT payments were designed to supplement other federal land receipt sharing payments and are made to local government units who are allowed to spend it for any governmental purpose. Due to its distinction as the largest federal land management agency, the BLM was chosen by the Secretary of Interior to administer the PILT program.

The Act has undergone several changes since 1976. In September 1982, it was amended and recorded as Chapter 69, 31 U.S.C. In July 1983, it was amended to clarify the definition of "unit of general local government," and authorized state governments to redistribute payments to smaller units of governments through legislation. The most recent changes occurred following the passage of an Act in 1994 which increased payments to each county. There are three sections in

the Act that distribute money to the states: Section 6904, Section 6905 and Section 6902. Table 9 shows the distribution of funds by section for counties in the state of Nevada. Also, figure 4 shows the distribution of 1994 fiscal year PILT payments by county for the state of Nevada and entitlement acreage in each county.

Section 6904

Section 6904 authorized payments for lands acquired after December 31, 1970 which were additions to the National Park System or National Forest Wilderness Areas. These lands must have been subject to local real property taxes within the five year period preceding the acquisition by the Federal government. Payments are made annually for five years following the acquisition and are one percent of the fair market value of the lands at the time of acquisition. The annual payments may not exceed the amount of taxes levied on the property during the year previous to the purchase.¹³ The Act stipulates Section 6904 payments must be distributed to local governments and school districts which have incurred losses of real property taxes prior to the acquisition of these lands. Payments are distributed proportional to tax revenues which were levied by local governments and school districts in the year prior to the acquisition of these lands.¹⁴

Section 6905

This Section specifically applies to land within the Redwood National Park or the Lake Tahoe Basin. Payments are figured the same as Section 6904, but continue until the total amount equals 5 percent of the fair market value of the lands at the time of acquisition. These payments may be used for any governmental purpose.¹⁵

Section 6902

Section 6902 payments are calculated using one of two equations based on "entitlement lands" within the respective county. Entitlement lands refer to lands owned by the United States Government and include lands in the National Park System, the National Forest System, lands administered by the Bureau of Land Management, or lands involved in Government water resource development projects. Other lands included are: semi-active installations used for non-industrial purposes, dredge disposal areas under the jurisdiction of the Secretary of the Army. National Wildlife Reserve areas withdrawn from the public domain, semi-active Army installations used for non-industrial purposes, and some lands donated to the United States Government by State and local governments.

The payment is figured by taking the higher of the following two formulas. Formula A is seventy-five cents times the number of entitlement land acreage in the county minus the payment made last year. The BLM PILT report clarifies that: "only the amount of Federal land payments actually received by units of government in the prior fiscal year are deducted. If a unit of government receives a Federal land payment, but is required by State law to pass all or part of this payment to financially and politically independent school districts, or other single or special purpose district, such redistributed payments are considered to have not been received by the unit

of local government and are not deducted from the in-lieu payment. The amounts to be deducted are reported to the Bureau of Land Management each year by the Governor of each State or his delegate." ¹⁶ The formula value is restricted by a population payment ceiling figured by multiplying the county's population by the appropriate figure. Populations are based on the most recent census figures. A government may not be credited with a population greater than 50,000 and populations between 5,000 and 50,000 are rounded to the nearest 1,000. ¹⁷ If the calculated value of seventy five cents times the number of entitlement acres exceeds the ceiling, the ceiling value minus last year's payment is the result of Formula A.

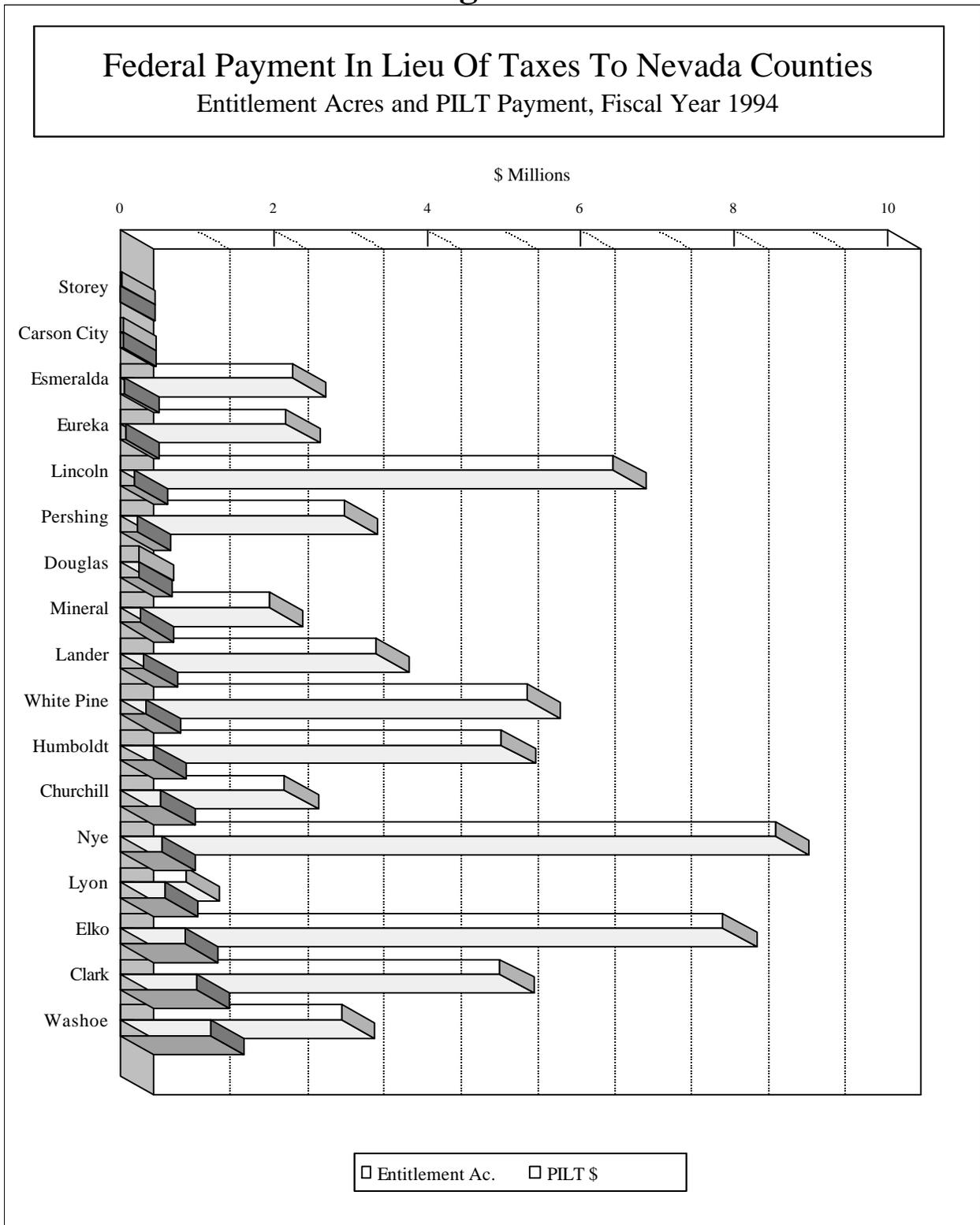
Formula B is much simpler and figured by taking ten cents times the number of entitlement acres. As with Formula A, the population payment ceiling is binding.

Tables 9, 10, and 11 show values used in determining 1994 Nevada PILT payments. Figure 4 shows the county PILT payments and entitlement acres for fiscal year 1994. Table 12 provides an example how PILT payments were derived for two Nevada counties.

Recent Changes in the PILT Act

By October of 1994, both the House and Senate passed an amendment to the PILT Act which proposed a number of changes. On the 22nd of the same month, the President enacted the amendment by signing Public Law 103-397. In general, the enactment: "would more than double authorization levels and link authorization levels to future changes in the consumer price index."...because... "The present system of shared receipts bears no relationship to the direct or

Figure 4



Source: United States Department of Interior, Bureau of Land Management. Nevada State Office, "Payment in Lieu of Taxes Report Fiscal Year 1994".

Table 9. Federal Payments in Lieu of Taxes to Nevada by County Fiscal Year 1994

<i>County</i>	Section 6902 Payments						Sec. 6904	<i>Est. Payment To County</i>
	<i>Entitlement Acres</i>	<i>Prior Year Payment</i>	<i>Unit Population</i>	<i>Ceiling</i>	<i>Alternative A</i>	<i>Alternative B</i>	<i>& 6905 Payment</i>	
Storey	12,795	\$0	2,528	\$126,400	\$9,596	\$1,280	\$0	\$9,596
Carson City	43,179	\$498	43,000	\$935,250	\$31,886	\$4,318	\$658	\$32,544
Esmeralda	2,247,863	\$9,891	1,335	\$66,750	\$56,859	\$66,750	\$0	\$66,750
Eureka	2,164,337	\$6,585	1,559	\$77,950	\$71,365	\$77,950	\$0	\$77,950
Lincoln	6,426,871	\$599	3,739	\$186,950	\$186,351	\$186,950	\$0	\$186,950
Pershing	2,929,481	\$0	4,430	\$221,500	\$221,500	\$221,500	\$0	\$221,500
Douglas	253,453	\$4,031	31,000	\$767,250	\$186,059	\$25,345	\$55,949	\$242,008
Mineral	1,942,987	\$22,551	6,000	\$282,000	\$259,449	\$194,299	\$0	\$259,449
Lander	3,336,706	\$13,532	7,000	\$308,000	\$294,468	\$308,000	\$0	\$308,000
White Pine	5,297,529	\$16,881	10,000	\$350,000	\$333,119	\$350,000	\$0	\$350,000
Humboldt	4,969,141	\$5,343	14,000	\$434,000	\$428,657	\$434,000	\$0	\$434,000
Churchill	2,144,414	\$0	19,000	\$532,000	\$532,000	\$214,441	\$0	\$532,000
Nye	8,528,752	\$82,277	20,000	\$550,000	\$467,723	\$550,000	\$0	\$550,000
Lyon	864,520	\$12,482	22,000	\$591,800	\$579,318	\$86,452	\$0	\$579,318
Elko	7,852,905	\$21,192	37,000	\$860,250	\$839,058	\$785,291	\$0	\$839,058
Clark	4,954,411	\$13,755	50,000	\$1,000,000	\$986,245	\$495,441	\$0	\$986,245
Washoe	2,886,831	\$3,510	50,000	\$1,000,000	\$996,490	\$288,683	\$178,035	\$1,174,525
Statewide	56,856,175	\$213,127	322,591		\$6,480,413	\$4,290,700	\$234,642	\$6,849,893

Source: United States Department of the Interior, Bureau of Land Management, Nevada State Office. Payment In Lieu of Taxes Report, Fiscal Year 1994

Table 10. Population of Nevada Counties Used in 1994 PILT Calculations.

County	1990 Population	Population Used in PILT Calculations
Carson City	40,950	43,000
Churchill	18,100	19,000
Clark	770,280	50,000
Douglas	28,070	31,000
Elko	33,770	37,000
Esmeralda	1,350	1,335
Eureka	1,550	1,559
Humboldt	13,020	14,000
Lander	6,340	7,000
Lincoln	3,810	3,739
Lyon	20,590	22,000
Mineral	6,470	6,000
Nye	18,190	20,000
Pershing	4,550	4,430
Storey	2,560	2,528
Washoe	257,120	50,000
White Pine	9,410	10,000
Statewide	1,236,130	322,591

Source: Nevada Statistical Abstract, 1994. United States Department of the Interior, Bureau of Land Management, Nevada State Office, Payments in Lieu of Taxes Report, FY 1994.

Table 11. Population Constraints for Payment in Lieu of Taxes

If population is less than or equal to:	Payments shall not exceed the amount computed by multiplying such population by:
5,000	50.00
6,000	47.00
7,000	44.00
8,000	41.00
9,000	38.00
10,000	35.00
11,000	34.00
12,000	33.00
13,000	32.00
14,000	31.00
15,000	30.00
16,000	29.50
17,000	29.00
18,000	28.50
19,000	28.00
20,000	27.50
21,000	27.20
22,000	26.90
23,000	26.60
24,000	26.30
25,000	26.00
26,000	25.80
27,000	25.60
28,000	25.40
29,000	25.20
30,000	25.00
31,000	24.75
32,000	24.50
33,000	24.25
34,000	24.00
35,000	23.75
36,000	23.50
37,000	23.25
38,000	23.00
39,000	22.75
40,000	22.50
41,000	22.25
42,000	22.00
43,000	21.75
44,000	21.50
45,000	21.25
46,000	21.00
47,000	20.75
48,000	20.50
49,000	20.25
50,000	20.00

Source: United States Department of the Interior, Bureau of Land Management, Nevada State Office. Payments in Lieu of Taxes Report, Fiscal Year 1994.

Table 12. Calculations of Payment In Lieu of Taxes For Two Nevada Counties, FY 1994.

Eureka County	
Population Ceiling: 1,559 X \$50.00	\$77,950
<i>Formula A</i>	
2,164,337 acres X \$.75 per acre =	\$1,623,253
Population payment ceiling is binding	\$77,950
Deductions for prior years payments	-\$6,585
Total Section 6902 =	\$71,635
Total Section 6904/5 =	\$0
Total Formula A =	\$71,365
<i>Formula B</i>	
2,164,337 acres X \$0.10 per acre =	\$216,433
- The population Ceiling is binding -	\$77,950
Total 1994 PILT Payment =	\$77,950

indirect burdens placed on local governments by the presence of federal lands".¹⁸ The catalyst for the enactment was a report written by M. Lynne Corn who recognized PILT payments have not kept pace with inflation.¹⁹ The report also concluded PILTs were no longer a true compensation for taxes, were widely fluctuating, had no mechanism to keep the State level from taking advantage of the system, ceiling limits caused problems, and the current formula provided less income to poor counties and more to rich counties.

Most notable changes include the following:

Formula A:

\$.75/ac change to:	\$.93/ac, 1995
	\$1.11/ac, 1996
	\$1.29/ac, 1997
	\$1.47/ac, 1998
	\$1.65/ac, 1999

"...and thereafter"

Formula B:

\$.10/ac change to:	\$.12/ac, 1995
	\$.15/ac, 1996
	\$.17/ac, 1997
	\$.20/ac, 1998
	\$.22/ac, 1999

"...and thereafter"

Population Ceiling:

A change to the population constraint "...to allow all governments with populations of 5,000 or fewer to receive \$110.00 times the population, and to substantially increase permissible payment levels to all recipients."²⁰ The population

Table 13. Population Constraints for Payment in Lieu of Taxes for Fiscal Year 1995.

If population is less than or equal to:	Payments shall not exceed the amount computed by multiplying such population by:
5,000	62.00
6,000	58.00
7,000	54.00
8,000	51.00
9,000	47.00
10,000	43.50
11,000	42.00
12,000	41.00
13,000	40.00
14,000	38.50
15,000	37.00
16,000	36.50
17,000	36.00
18,000	35.50
19,000	34.50
20,000	34.00
21,000	33.75
22,000	33.50
23,000	33.00
24,000	32.50
25,000	32.25
26,000	32.00
27,000	31.75
28,000	31.50
29,000	31.25
30,000	31.00
31,000	30.75
32,000	30.50
33,000	30.00
34,000	29.75
35,000	29.50
36,000	29.25
37,000	28.75
38,000	28.50
39,000	28.25
40,000	28.00
41,000	27.50
42,000	27.25
43,000	27.00
44,000	26.50
45,000	26.25
46,000	26.00
47,000	25.75
48,000	25.50
49,000	25.00
50,000	24.75

Source: Public Law 103-397, October 22, 1994

Table 14. Population Constraints for Payment in Lieu of Taxes for Fiscal Year 1999.

If population is less than
or equal to:

Payments shall not exceed the amount computed
by multiplying such population by:

5000	_____	110.00
6000	_____	103.00
7000	_____	97.00
8000	_____	90.00
9000	_____	84.00
10000	_____	77.00
11000	_____	75.00
12000	_____	73.00
13000	_____	70.00
14000	_____	68.00
15000	_____	66.00
16000	_____	65.00
17000	_____	64.00
18000	_____	63.00
19000	_____	62.00
20000	_____	61.00
21000	_____	60.00
22000	_____	59.00
23000	_____	59.00
24000	_____	58.00
25000	_____	57.00
26000	_____	56.00
27000	_____	56.00
28000	_____	56.00
29000	_____	55.00
30000	_____	55.00
31000	_____	54.00
32000	_____	54.00
33000	_____	53.00
34000	_____	53.00
35000	_____	52.00
36000	_____	52.00
37000	_____	51.00
38000	_____	51.00
39000	_____	50.00
40000	_____	50.00
41000	_____	49.00
42000	_____	48.00
43000	_____	48.00
44000	_____	47.00
45000	_____	47.00
46000	_____	46.00
47000	_____	46.00
48000	_____	45.00
49000	_____	45.00
50000	_____	44.00

Source: Public Law 103-397, October 22, 1994

ceiling will change in 1995 to an adjusted scale shown in Table 13. The Public Law has provided successive scales for each Fiscal Year through to 1999 (Table 14).

Inflation:

"...the Secretary of the Interior shall adjust each dollar amount"..."to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor, for the 12 months ending the preceding June 30."

Land Exchanges

"A unit of general local government may not receive a payment for land for which payment under this Act otherwise may be received if the land was owned or administered by a state or unit of general local government and was exempt from real estate taxes when the land was conveyed to the United States"...unless: "1) land a State or unit of general local government acquires from a private party to donate to the United States within 8 years of acquisition; 2) land acquired by a State through an exchange with the United States if such land was entitlement land as defined by the chapter." Additional provisions are made specific to the state of Utah.

PILT payments to states are still made at the discretion of the federal government. Once received, PILT income may still be used for any governmental purpose. In general, the changes became effective on October 1, 1994. Table 15 compares amounts from the old formula with an

estimate of FY 1995 amounts resulting from the new formula for two Nevada counties. Figure 5 compares gross 1994 and 1995 PILT payments for 13 western states.

Nuclear Waste Policy Act

On January 7, 1983, the Nuclear Waste Policy Act was enacted. The purpose of the Act was: "To provide for the development of repositories for the disposal of high-level radioactive waste and spent nuclear fuel, to establish a program of research, development, and demonstration regarding the disposal of high level radioactive waste and spent nuclear fuel, and for other purposes".²¹ The Act is of considerable importance to Nevada for the economic, political and environmental consequences of the proposed high-level radio active waste site at Yucca Mountain in Nye County.

The Act is of immediate economic consequence to the state for it's establishment of two programs:

- 1) The "Oversight" program which allows the appropriation of money to "affected" counties to research the potential effects of the repository and for other related purposes. As it stands today, one California and nine Nevada counties (all geographically fixed to Nye County) hold "affected" status and receive annual payments from the Federal Government.
- 2) The Payments Equal to Taxes ("PETT") program. Section 116 (c) (3) (A) of the Act instructs the Secretary of Department of Energy: "...shall grant to the State of Nevada and any affected unit of local government an amount each fiscal year equal to the amount such State of affected unit of local government, respectively, would receive if authorized

to tax site characterization activities at such site, and the development and operation of such repository, as such State or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such State or affected unit of local government".

Payments Equal To Taxes

Originally, this program was dubbed "Grants Equal to Taxes" but is now more commonly recognized as "Payments Equal to Taxes". Similar to the PILT program, the DOE must have a geographic presence in the county for that county to receive a PETT. Only Nye, Clark, Esmeralda and Lincoln counties are currently eligible to receive PETFs (see Table 16). Since the enactment of the Act, four events have complicated the PETF program:²² 1) Nevada's "possessory use tax" was ruled as unconstitutional when the Arcata decision was upheld. 2) The 1993 Nevada State Legislature reenacted the "possessory use tax" with new terminology, effected July 1, 1993. 3) The U.S. Department of Justice challenged the reenactment of "possessory use tax". 4) The Department of Justice instructed the Department of Energy to withhold "possessory use tax" payments until a decision is reached. If Nevada prevails, a tax will be levied on the *use* of equipment by private contractors while accomplishing tasks related to the Yucca Mountain Project. If the Department of Justice prevails, only PETFs will be paid on actual property.²³ This is an important distinction since the DOE relies heavily on private contracting. In either event, PETFs will be paid to the four counties. The possessory use issue has caused fluctuations in amounts paid to the counties and to remain consistent, only PETFs

Table 15. Estimates of 1995 PILT Payments for Two Nevada Counties, FY 1995

Douglas County

Population Ceiling: 31,000 X \$30.75	\$953,250
<i>Formula A</i>	
254,451 acres X \$.93 per acre =	\$236,639
- The population payment ceiling is not binding -	
Deductions for prior years payments	<u>-\$3,305</u>
Total Section 6902 =	\$233,334
Total Section 6904/5 =	\$30,611
Total Formula A =	\$263,945
<i>Formula B</i>	
254,451 acres X \$0.12 per acre =	\$30,534
- The population Ceiling is not binding -	
Estimate 1995 PILT Payment =	\$263,945

Table 15. Estimates of 1995 PILT Payments for Two Nevada Counties, FY 1995

Eureka County

Population Ceiling: 1,559 X \$62.00 =	\$96,658
<i>Formula A</i>	
2,162,840 acres X \$.93 per acre =	\$2,011,441
- The population payment ceiling is binding -	\$96,658
Deductions for prior years payments	<u>-\$5,284</u>
Total Section 6902 =	\$91,374
Total Section 6904/5 =	\$0
Total Formula A =	\$91,374
<i>Formula B</i>	
2,162,840 acres X \$0.12 per acre =	\$259,540
- The population Ceiling is binding -	\$96,658
Estimate 1995 PILT Payment =	\$96,658

Figure 5

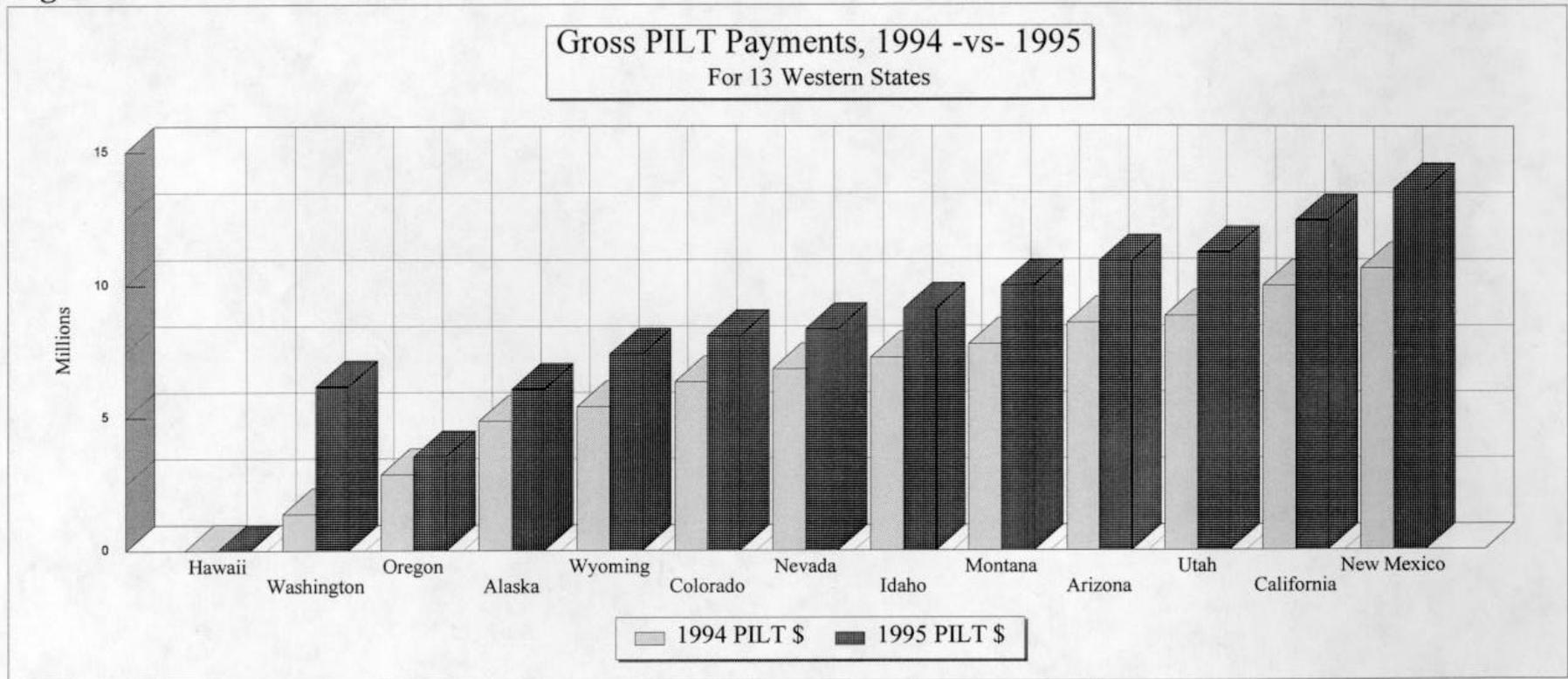


Figure 6. Federal Payment in Lieu of Taxes by State, Fiscal Year 1994

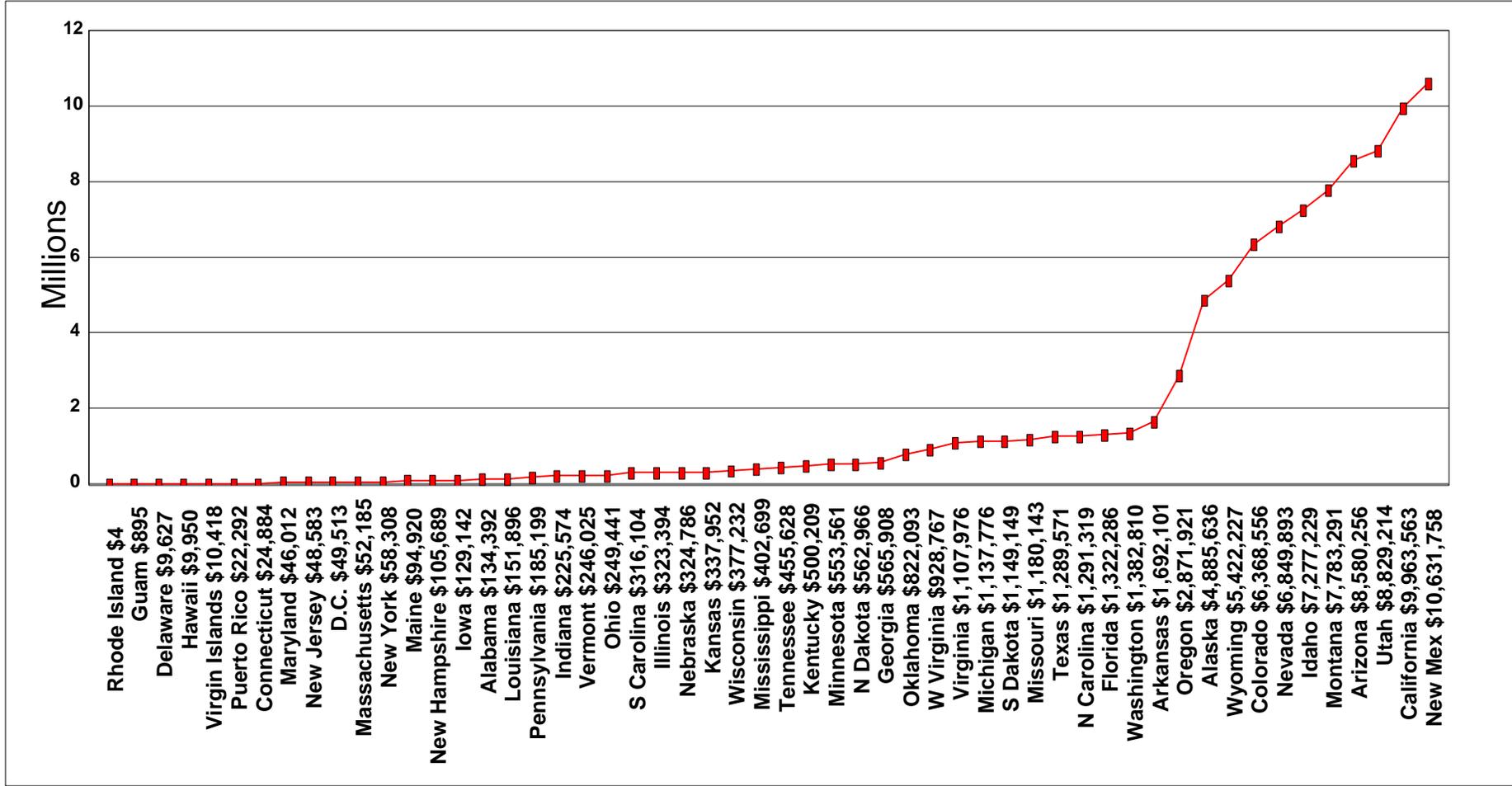


Table 16. Payments Equal to Taxes for Nevada Counties, FY 1989-1994

<i>County</i>	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>County Total</i>
Nye	Years Prior to Settlement Agreement			\$2,000,000	\$2,000,000	\$4,400,000	\$8,400,000
Clark	\$2,404	\$22,967	\$6,722	\$49,556	\$89,377	\$7,744	\$178,770
Lincoln	\$1,030	\$1,064	\$1,022	\$1,893	\$1,068	\$991	\$7,068
Esmeralda	\$576	\$534	\$480	\$461	\$434	\$399	\$2,884
State Total	\$4,010	\$24,565	\$8,224	\$2,051,910	\$2,090,879	\$4,409,134	\$8,588,722

Source: Clark County Department of Comprehensive Planning, Nuclear Waste Division
 Nuclear Waste Oversight Program, Lincoln County, Nuclear Waste Oversight Program, Esmeralda County,
 Civilian Radioactive Waste Management Systems

have been recorded in Table 16. At the time of this writing, another amendment of the Act was being debated in Congress.

The DOE has maintained that PETTs are payments *equal* to taxes and therefore not a true tax. This distinction has led to the label “Grant” Equal to Taxes. In either event, PETTs are not discretionary since the act is written the Secretary *shall* make payments to the state.

In Clark, Esmeralda and Lincoln counties, PETT amounts are derived by each county applying their respective assessment formulas on DOE lands. The three counties received their first PETT payments during Fiscal Year 1989, and payments have continued through Fiscal Year 1994. Payments made during one fiscal year may have been derived from one or several years prior to the payment (see Table 16).

As host county for the Yucca Mountain Project, Nye County holds a "Settlement Agreement Between Nye County and the United States Department of Energy for Payments-Equal-To-Taxes for the Yucca Mountain Site Characterization Project".²⁴ This Settlement, entered into agreement on July 19, 1994, set a schedule for PETT payments, plus interest, to Nye County. As a separate agreement, PETTs in Nye County do not arise from annual tax assessments.

Counties are allowed to spend PETT income for any governmental purpose. During Fiscal Year 1994, PETTs to the four counties equaled \$4,409,134.

Nevada State Land Payments

Nevada State Lands Revenue

Property which is owned and administered directly by the Nevada State Division of Lands generate funds which are deposited annually in the State General Fund Account. Funds are created by the lease of these lands to entities such as power and phone companies who are annually charged 10 percent of the fair marked value. Additional funds are derived through fees for various activities such as anchoring buoys and fixing piers on shores.²⁵ Proceeds of the fees must be accounted for by the State Registrar and, if not derived from land granted to the State by the Federal Government, are paid to the general fund at the State Treasury and then expended to carry out duties of the State Registrar, the Division of State Lands and the Department of Conservation and Natural Resources.²⁶ During fiscal year 1994, Nevada State Division of Lands provided \$178,391 to the general fund (see Table 17).

Nevada Division of Parks

Revenue is generated from the 24 State Parks through a variety of activities. During Fiscal Year 1994, \$832,729 was provided from park user fees, \$30,077 from concessions, \$9,920 for the Tahoe Water Sewer Fund, and \$2,504 in grazing fees. This income is to be deposited in an separate State Parks account of the general fund and may be used only to repair and maintain State parks, monuments and recreational areas.²⁷

Table 17. Revenues Generated from Nevada State Land Agencies, FY 1994

<i>Managing Department</i>	<i>Ownership/leased Acreage</i>	<i>FY 1994 Revenue</i>	<i>Source</i>
Nevada Dept. of Lands	234,950	\$178,391	Leases
Nevada Division of Parks	148,568	\$800,148 \$30,077 \$9,920 \$2,504 \$842,649	User Fee Concessions Tahoe Sewer & Water Fund Grazing Fee Dept. Total
Total	383,518	\$1,863,689	

Sources: Nevada Division of Lands
Nevada Division of Parks
Nevada Department of Wildlife

Conclusion

Though all fifty states plus the District of Columbia, Guam, the Virgin Islands, and Puerto Rico are eligible to receive Federal land-based payments, western states receive the majority due to substantially greater percentages of Federal land ownership (see Figure 6 and Table 18). For example, the thirteen western states received \$80,856,304 in Payments in Lieu of Taxes which comprised 81 percent of the total PILT payments made during 1994 (Figure 7). At \$6,849,893, Nevada ranked seventh highest in the nation in receipt of PILT payments. The state of New Mexico receives the highest PILT payments in fiscal year 1994 of \$10,631,758 even though New Mexico has approximately 34.3 million less entitlement acres than Nevada. This disparity between overall payments to the states is a result of the PILT formula. While providing more overall revenue, the new PILT formula apparently has caused little change in payments between states (Figure 5).

Federal land payments such as PILT, PETT, USFS and USFWS receipts which are specifically assigned to counties, make a significant contribution to most county budgets, but fluctuation in annual amounts causes budgeting uncertainty. Revenue sharing receipts result from intermittent economic activity on federal land. Though PILT payments are intended to compensate for the loss of some revenue sharing receipts, the reimbursement lags two years. If, for example, USFWS receipts dropped in 1993, revenue sharing payments will fall in 1994. The PILT will compensate in 1995 (assuming the population payment ceiling isn't binding). Through the last ten years, PILT payments have fluctuated up to 30 percent from year to year (see Table 19). The recent changes in PILT payments may not relieve this problem. However, though

Table 18. Payment in Lieu of Taxes by State Fiscal Year 1994

State	Entitlement Acres	Rev. Sharing Payments	Payments Sec 6902	Payments Sec 6904/5	Total PILT
Rhode Island	5	\$0	\$4	\$0	\$4
Guam	1,193	\$0	\$895	\$0	\$895
Delaware	12,835	\$0	\$9,627	\$0	\$9,627
Hawaii	13,267	\$0	\$9,950	\$0	\$9,950
Virgin Islands	13,877	\$0	\$10,408	\$10	\$10,418
Puerto Rico	29,723	\$0	\$22,292	\$0	\$22,292
Connecticut	11,771	\$0	\$8,830	\$16,054	\$24,884
Maryland	42,203	\$3,716	\$29,242	\$16,770	\$46,012
New Jersey	39,632	\$0	\$29,726	\$18,857	\$48,583
Dist of Columbia	7,044	\$0	\$5,283	\$44,230	\$49,513
Massachusetts	39,505	\$0	\$29,638	\$22,547	\$52,185
New York	56,611	\$1,755	\$40,706	\$17,602	\$58,308
Maine	116,314	\$23,223	\$64,016	\$30,904	\$94,920
New Hampshire	741,405	\$454,151	\$100,623	\$5,066	\$105,689
Iowa	172,188	\$0	\$129,142	\$0	\$129,142
Alabama	757,317	\$1,881,983	\$134,370	\$22	\$134,392
Louisiana	707,947	\$1,944,342	\$135,963	\$15,933	\$151,896
Pennsylvania	652,661	\$1,234,683	\$154,348	\$30,851	\$185,199
Indiana	303,541	\$11,859	\$215,801	\$9,773	\$225,574
Vermont	357,691	\$15,525	\$233,505	\$12,520	\$246,025
Ohio	333,885	\$132,988	\$117,435	\$132,006	\$249,441
South Carolina	760,706	\$1,701,257	\$279,897	\$36,207	\$316,104
Illinois	455,819	\$20,392	\$321,477	\$1,917	\$323,394
Nebraska	519,416	\$45,922	\$324,707	\$79	\$324,786
Kansas	540,884	\$485,277	\$337,952	\$0	\$337,952
Wisconsin	1,354,290	\$952,686	\$333,244	\$43,988	\$377,232
Mississippi	1,599,220	\$3,073,628	\$388,882	\$13,817	\$402,699
Tennessee	1,152,796	\$511,875	\$448,960	\$6,668	\$455,628
Kentucky	1,112,239	\$381,875	\$497,497	\$2,712	\$500,209
Minnesota	2,883,093	\$1,855,941	\$521,174	\$32,387	\$553,561
North Dakota	1,735,108	\$4,045,683	\$562,966	\$0	\$562,966
Georgia	1,265,240	\$612,936	\$533,037	\$32,871	\$565,908
Oklahoma	1,381,244	\$269,137	\$821,236	\$857	\$822,093
West Virginia	1,210,118	\$48,569	\$859,027	\$69,740	\$928,767
Virginia	2,152,049	\$549,879	\$1,070,823	\$37,153	\$1,107,976
Michigan	2,137,203	\$491,179	\$1,112,687	\$25,089	\$1,137,776
South Dakota	2,888,918	\$1,491,502	\$1,149,149	\$0	\$1,149,149
Missouri	2,028,741	\$342,835	\$1,178,733	\$1,410	\$1,180,143
Texas	2,524,080	\$1,873,579	\$1,264,609	\$24,962	\$1,289,571
North Carolina	1,696,387	\$0	\$1,272,295	\$19,024	\$1,291,319
Florida	2,354,783	\$831,795	\$1,237,540	\$84,746	\$1,322,286
Washington	11,485,941	\$28,809,332	\$1,367,179	\$15,631	\$1,382,810
Arkansas	3,227,553	\$757,242	\$1,689,351	\$2,750	\$1,692,101
Oregon	28,733,148	\$103,111,429	\$2,870,874	\$1,047	\$2,871,921
Alaska	104,823,543	\$1,271,282	\$4,885,130	\$506	\$4,885,636
Wyoming	29,933,836	\$4,437,199	\$5,422,227	\$0	\$5,422,227
Colorado	23,617,846	\$8,024,010	\$6,361,437	\$7,119	\$6,368,556
Nevada	56,856,175	\$213,127	\$6,615,251	\$234,642	\$6,849,893
Idaho	32,328,703	\$10,290,997	\$7,276,767	\$462	\$7,277,229
Montana	27,210,659	\$8,451,567	\$7,783,025	\$266	\$7,783,291
Arizona	27,539,895	\$3,556,203	\$8,580,256	\$0	\$8,580,256
Utah	32,440,085	\$982,587	\$8,828,863	\$351	\$8,829,214
California	42,839,428	\$32,822,915	\$8,292,567	\$1,670,996	\$9,963,563
New Mexico	22,571,110	\$1,587,648	\$10,605,625	\$26,133	\$10,631,758
Total	479,770,871	\$229,605,710	\$96,576,248	\$2,766,675	\$99,342,919

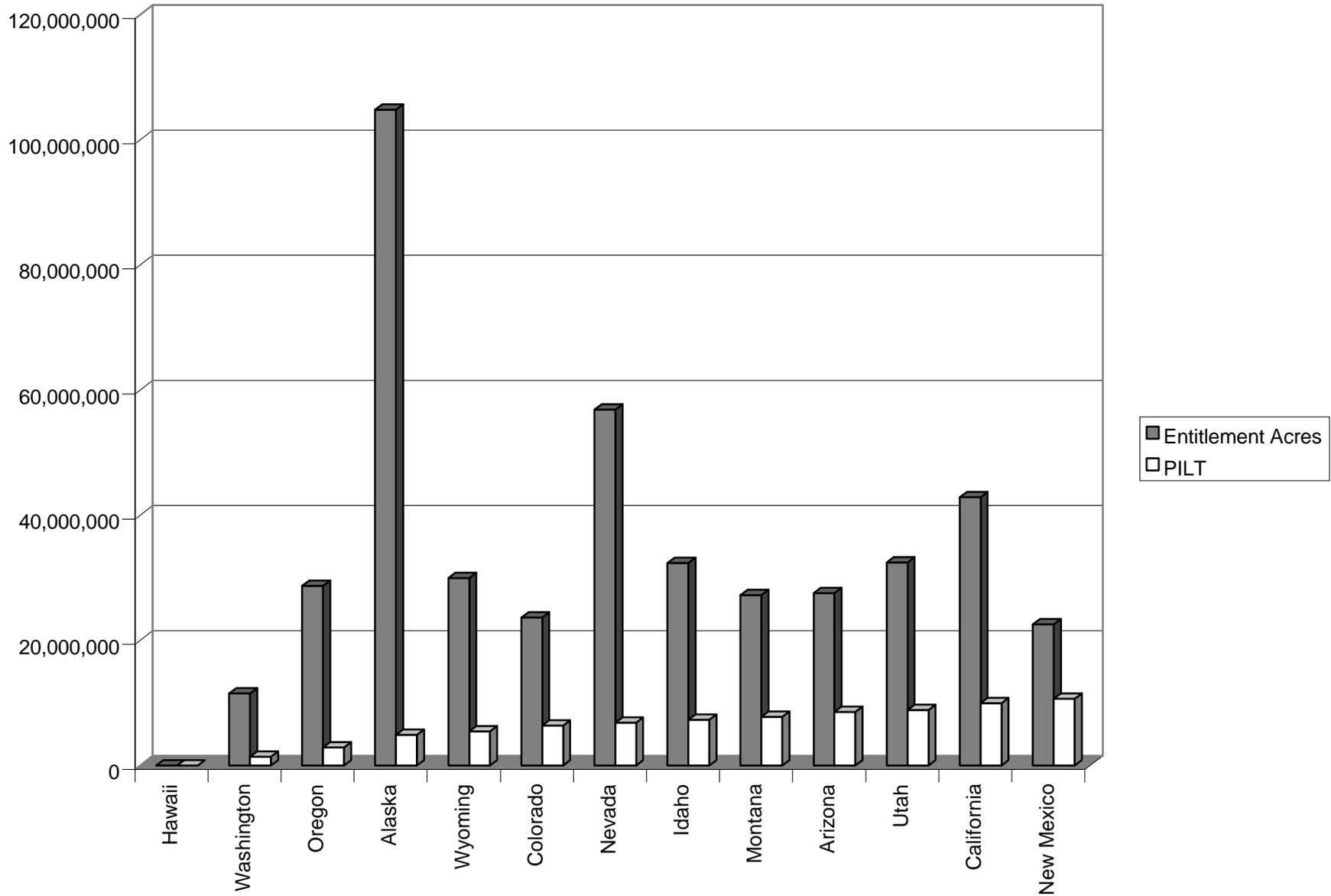


Figure 7 Payment in Lieu of Taxes, Thirteen Western States, Fiscal Year 1994

Table 19. Federal Payments in Lieu of Taxes to Nevada by County, Years 1985 to 1994

<i>County</i>	1985	1986	% chng 85,86	1987	% chng 86,87	1988	% chng 87,88	1989	% chng 88,89	1990	% chng 89,90	1991	% chng 90,91	1992	% chng 91,92	1993	% chng 92,93	1994	10 Year average
Carson City	\$36,961	\$36,476	-1.31%	\$37,683	3.31%	\$37,884	0.53%	\$38,068	\$0	\$31,493	-17.27%	\$32,033	1.71%	\$32,307	0.86%	\$31,988	-0.99%	\$32,544	\$34,744
Churchill	\$421,457	\$416,814	-1.10%	\$430,485	3.28%	\$449,952	4.52%	\$450,000	0.01%	\$493,000	9.56%	\$513,000	4.06%	\$513,000	0.00%	\$510,298	-0.53%	\$532,000	\$473,001
Clark	\$969,561	\$958,359	-1.16%	\$989,881	3.29%	\$997,825	0.80%	\$998,230	0.04%	\$997,297	-0.09%	\$996,504	-0.08%	\$997,535	0.10%	\$1,000,000	0.25%	\$986,245	\$989,144
Douglas	\$184,741	\$198,418	7.40%	\$214,281	7.99%	\$253,811	18.45%	\$263,967	4.00%	\$273,057	3.44%	\$275,682	0.96%	\$271,594	-1.48%	\$187,782	-30.86%	\$242,008	\$236,534
Elko	\$516,625	\$528,220	2.24%	\$545,606	3.29%	\$550,000	0.81%	\$591,800	7.60%	\$670,800	13.35%	\$794,354	18.42%	\$793,954	-0.05%	\$794,124	0.02%	\$839,058	\$662,454
Esmeralda	\$58,654	\$66,364	13.14%	\$68,548	3.29%	\$69,100	0.81%	\$65,000	-5.93%	\$59,000	-9.23%	\$67,200	13.90%	\$67,200	0.00%	\$67,200	0.00%	\$66,750	\$65,502
Eureka	\$66,666	\$63,290	-5.06%	\$65,373	3.29%	\$65,900	0.81%	\$60,000	-8.95%	\$70,000	16.67%	\$77,350	10.50%	\$77,350	0.00%	\$77,350	0.00%	\$77,950	\$70,123
Humboldt	\$363,191	\$359,190	-1.10%	\$371,012	3.29%	\$374,000	0.81%	\$374,000	0.00%	\$396,000	5.88%	\$416,000	5.05%	\$416,000	0.00%	\$416,000	0.00%	\$434,000	\$391,939
Lander	\$230,005	\$210,568	-8.45%	\$217,498	3.29%	\$219,250	0.81%	\$210,000	-4.22%	\$240,000	14.29%	\$282,000	17.50%	\$282,000	0.00%	\$282,000	0.00%	\$308,000	\$248,132
Lincoln	\$181,644	\$170,279	-6.26%	\$175,883	3.29%	\$177,300	0.81%	\$170,000	-4.12%	\$175,000	2.94%	\$188,750	7.86%	\$188,750	0.00%	\$188,750	0.00%	\$186,950	\$180,331
Lyon	\$432,248	\$447,016	3.42%	\$461,926	3.34%	\$465,417	0.76%	\$487,645	4.78%	\$505,822	3.73%	\$541,182	6.99%	\$542,541	0.25%	\$541,832	-0.13%	\$579,318	\$500,495
Mineral	\$261,963	\$258,763	-1.22%	\$266,987	3.18%	\$268,695	0.64%	\$271,569	1.07%	\$261,519	-3.70%	\$265,955	1.70%	\$268,880	1.10%	\$268,642	-0.09%	\$259,449	\$265,242
Nye	\$403,978	\$416,814	3.18%	\$430,532	3.29%	\$434,000	0.81%	\$472,000	8.76%	\$472,000	0.00%	\$513,000	8.69%	\$513,000	0.00%	\$513,000	0.00%	\$550,000	\$471,832
Pershing	\$178,003	\$170,903	-3.99%	\$176,528	3.29%	\$177,950	0.81%	\$185,000	3.96%	\$215,000	16.22%	\$216,800	0.84%	\$216,800	0.00%	\$216,800	0.00%	\$221,500	\$197,528
Storey	\$9,170	\$9,024	-1.59%	\$9,321	3.29%	\$9,276	-0.48%	\$9,596	3.45%	\$9,596	0.00%	\$9,596	0.00%	\$9,596	0.00%	\$9,596	0.00%	\$9,596	\$9,437
Washoe	\$990,856	\$985,831	-0.51%	\$1,017,208	3.18%	\$1,055,200	3.73%	\$1,128,721	6.97%	\$1,158,631	2.65%	\$1,177,966	1.67%	\$1,197,754	1.68%	\$996,353	-16.81%	\$1,174,525	\$1,088,305
White Pine	\$332,116	\$315,011	-5.15%	\$325,379	3.29%	\$328,000	0.81%	\$328,000	0.00%	\$328,000	0.00%	\$342,000	4.27%	\$342,000	0.00%	\$342,000	0.00%	\$350,000	\$333,251
Statewide	\$5,637,839	\$5,611,340	-0.47%	\$5,804,131	3.44%	\$5,933,560	2.23%	\$6,103,596	2.87%	\$6,356,215	4.14%	\$6,709,372	5.56%	\$6,730,261	0.31%	\$6,443,715	-4.26%	\$6,849,893	\$6,217,992

Source: United States Department of the Interior, Bureau of Land Management, Nevada State Office. Payments in Lieu of Taxes Report, Fiscal Years 1985-1994

amounts fluctuate and payments are not guaranteed, payments have been made consistently since 1976.

PETTs are approximately equal to PILTs, but litigation concerning the definition of property has caused confusion concerning how the funds are and will be generated. An important distinction between PETTs and PILTs is that PETTs are guaranteed.

How important the various payments are to the state level is difficult to ascertain. For example, the Mineral Leasing Act represents only 1 percent of total Federal Assistance at the state level¹, but all of it is deposited in the Distributive School Account Fund. Once pooled in the DSA, specific tracking of Mineral Lease dollars is nearly impossible. The legislative formula which allocates percentages of all revenue sources is complex. Though most Mineral Lease dollars are generated in rural counties, the majority of revenue supports urban school programs as a result of weight assigned by the formula to student enrollment numbers.

Although PILTs, PETTs and federal revenue sharing programs represent high percentages in the overall county budgets, once dispersed they may be less significant. During Fiscal Year 1994 Washoe County School District received 41 percent of the total PILT to the county. Once received by the district, the PILT income then represented only .30 percent of the total School District revenue. During the same year, Elko County School District obtained 1.82 percent of its total annual budget from Federal land based payments.²⁸ Each county is unique in its discretionary disbursement of funds from the General Fund.

Research for this report revealed numerous federal and state income sources to Nevada. Difficulty arose at many points when deciding if a particular payment was land based or simply as a result of the political presence of an agency. For example, the Department of Defense provides payments to school districts for students who live on base. The payments are made for the

students to compensate for the tax exempt status of DOD land. Federal financial assistance at the State level alone totaled \$716,260,849 during FY 1994.²⁹

Directed by Vice President Al Gore's reinventing Government, agencies are experiencing many changes. Smaller government units are acutely sensitive to shrinking budgets, and Nevada counties are no exception. Incentive exists to closely examine all revenue sources, including federal land based payments. However, as of 1992, information concerning federal land based payments became more difficult due to several changes: the BLM no longer compiles the Progress Report which distinguishes land payment programs from other programs, the Nevada State Department of Taxation no longer compiles a summary budget report, and the U.S.. Bureau of Census no longer collects revenue sharing reports from individual counties. As the push to streamline government agencies continues, information concerning federal land payments will likely become more vague. As a result, the allocation, implementation and effectiveness of federal land payments may become more difficult to evaluate.

ENDNOTES

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- ¹ News release, Bureau of Land Management, 9/27/93.
- ² 30 U.S.C. 191
- ³ Personal correspondence, Fred Ames, Nevada State Controllers Office, July 1995.
- ⁴ The Funding of Schools in Nevada, provided by the Nevada Department of Education.
- ⁵ Nevada State Controllers Office, General Ledger Trial Balance Sheet, Fiscal Year 1994.
- ⁶ Section 10, 43 U.S.C 315i, and the United States Department of Interior, Bureau of Land Management, Nevada State Office.
- ⁷ N.R.S. 568.010 to 568.210.
- ⁸ 16 U.S.C. 500.
- ⁹ Payments to States from National Forest Receipts, Fiscal Year 1994. United States Department of Agriculture, U.S.. Forest Service, Inter mountain Region, Ogden Utah:
- ¹⁰ Refuge Revenue Sharing Act As Amended, FY 94 Payments To Counties, Nevada. United States Department of Interior, U.S.. Fish and Wildlife Service, Division of Reality, Portland OR.
- ¹¹ Public Law 96-586
- ¹² United States Department of Interior, Bureau of Land Management, Public Land Statistics 1994 (Draft)
- ¹³ 31 U.S.C. 6904.
- ¹⁴ 31 U.S.C 6905.
- ¹⁵ U.S. Department of Interior, Bureau of Land Management, Payments in Lieu of Taxes Report, Fiscal Year 1994.
- ¹⁶ Federal Land Payments in Utah, Utah Economic and Business Review, vol. 52, no. 9, Sept. 1992.
- ¹⁷ P.L. 103-397, s-455, pg. 108 Stat. 4156.
- ¹⁸ CRS Report for Congress, M. Lynne Corn; Specialist, Environment and Natural Resources Policy Division, Aug. 12, 1994
- ¹⁹ P.L. 103-397.
- ²⁰ Public Law 97-425

²¹ Department of Comprehensive Planning, Nuclear Waste Division, Las Vegas NV/Clark County Property Information Package for Tax Years 1992-1993, 1993-1994, and 1994-1995.

²² NRS 361, 157, 159, and personal correspondence with Les Bradshaw; Nuclear Waste Program contact for Nye County,

²³ Civilian Radioactive Waste Management Systems, Las Vegas, NV.

²⁴ NRS, Chapter 322.003, pg: 7809-7816 and Nevada State Lands Department.

²⁵ NRS 322.120, NRS 322.160

²⁶ NRS 407.0762

²⁷ State of Nevada, Single Audit Report For the Year Ended June 30, 1994.

²⁸ Washoe and Elko County School District Statement of Revenues, Expenditures, Changes in Fund Balance- Budget and Actual, General Fund for the Year Ended June 30, 1994.

²⁹ State of Nevada, Single Audit Report For the Year Ended June 30, 1994.