

117TH CONGRESS
1ST SESSION

H. R. 2755

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 Payments in Lieu of Taxes program.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2021

Mrs. BOEBERT (for herself, Mr. SMITH of Missouri, Mr. LAMBORN, Mr. NEWHOUSE, Mr. LAMALFA, Mr. SIMPSON, Mr. GOHMERT, Mr. VALADAO, Mr. ROSENDALE, and Mr. FULCHER) introduced the following bill; which was referred to the Committee on 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 Payments 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”.

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

2 (a) FINDINGS.—Congress finds that—

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

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

14 (B) Federal programs that are subject to the
15 annual appropriations process, such as the Pay-
16 ments in Lieu of Taxes program, offer far less cer-
17 tainty than property taxes as a form of revenue for
18 units of general local government;

19 (3) Federal agencies have determined that pay-
20 ments to units of general local government under the
21 Payments in Lieu of Taxes program are far lower
22 than what would be due to units of general local
23 government under tax equivalency;

24 (4) payments under the Payments in Lieu of
25 Taxes program help units of general local govern-
26 ment carry out vital services, such as firefighting,

1 police protection, public education, construction of
2 public schools, construction of roads, and search-
3 and-rescue operations; and

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

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

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

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

17 **SEC. 3. DEFINITIONS.**

18 In this Act:

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

22 (2) HIGHEST AND BEST USE.—

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

1 subparagraph (B) that would result in the high-
2 est value of the land.

3 (B) POTENTIAL USES DESCRIBED.—A po-
4 tential use referred to in subparagraph (A) is
5 any use of a parcel of land that, in the absence
6 of Federal ownership of the land, would be—

7 (i) physically possible;

8 (ii) reasonably probable;

9 (iii) legal;

10 (iv) appropriately supported; and

11 (v) financially feasible.

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

16 (A) disregarding any limitation on eco-
17 nomic development and any other development
18 restriction due to Federal ownership of the land
19 or any Federal designation; and

20 (B) calculated within an appropriate mar-
21 gin of error, as determined by the Secretary.

22 (4) PAYMENTS IN LIEU OF TAXES PROGRAM.—
23 The term “Payments in Lieu of Taxes program”
24 means the Payments in Lieu of Taxes program es-

1 tablished under chapter 69 of title 31, United States
2 Code.

3 (5) SECRETARY.—The term “Secretary” means
4 the Secretary of the Interior.

5 (6) TAX EQUIVALENT AMOUNT.—The term “tax
6 equivalent amount”, with respect to payments under
7 the Payments in Lieu of Taxes program, means the
8 approximate amount of property tax revenues that
9 would be generated for units of general local govern-
10 ment with respect to entitlement land—

11 (A) if that land were—

12 (i) privately owned; and

13 (ii) subject to—

14 (I) local zoning laws (including
15 regulations);

16 (II) local tax laws (including reg-
17 ulations); and

18 (III) any other relevant law, rule,
19 or authority; and

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

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

1 (8) UNIT OF GENERAL LOCAL GOVERNMENT.—

2 The term “unit of general local government” has the
3 meaning given the term in section 6901 of title 31,
4 United States Code.

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

9 (a) MODELING TOOL.—

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

19 (A) accounts for—

20 (i) reasonable and customary valu-
21 ation factors; and

22 (ii) if, in the determination of the Sec-
23 retary, data are inadequate to calculate a
24 sufficiently precise estimate of the market
25 value of the applicable parcel of entitle-

ment land, assumptions of those factors;
and

(B) calculates, in a timely manner—

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

(ii) the approximate tax equivalent
amount of payments under the Payments
in Lieu of Taxes program for that land.

(2) REQUIREMENTS.—The tool shall—

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

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

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

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

(ii) to ensure that the land values de-
termined by the tool are defensible and

1 based on sound and generally accepted
2 valuation methodologies;

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

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

11 (ii) geospatial data relating to all enti-
12 tlement land;

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

18 (F) allow a user of the tool—

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

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

1 (G) provide a variety of estimates of the
2 value of any entitlement land for which there is
3 no comparable non-Federal land from which to
4 derive the information necessary to accurately
5 calculate the market value of the entitlement
6 land, including an estimate based on the high-
7 est and best use of the entitlement land if the
8 entitlement land were privately owned.

9 (b) STUDY AND REPORTS.—

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

16 (A) conduct a study—

- 17 (i) to evaluate all entitlement land;
18 (ii) to determine, to the maximum ex-
19 tent practicable, the market value of that
20 land; and
21 (iii) to determine, to the maximum ex-
22 tent practicable, the tax equivalent amount
23 of payments under the Payments in Lieu
24 of Taxes program for that land; and

1 (B) submit to Congress and make publicly
2 available a report describing—

3 (i) the results of the study conducted
4 under subparagraph (A); and

5 (ii) how payments under the Pay-
6 ments in Lieu of Taxes program could
7 more accurately reflect the tax equivalent
8 amount.

9 (2) REQUIREMENT.—In conducting the study
10 under paragraph (1)(A), the Secretary shall consider
11 any studies conducted by States, counties, or other
12 taxing jurisdictions pertaining to the tax equivalent
13 amount of payments under the Payments in Lieu of
14 Taxes program.

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

21 (A) describes the progress of the Secretary
22 in—

23 (i) developing the tool; and

24 (ii) conducting the study under para-
25 graph (1)(A);

1 (B) contains an assessment of the accuracy
2 with which the Secretary will be able to deter-
3 mine—

4 (i) the market value of entitlement
5 land; and

6 (ii) the tax equivalent amount of pay-
7 ments under the Payments in Lieu of
8 Taxes program for that land;

9 (C) describes the models and data that the
10 Secretary has developed or collected, or intends
11 to develop or collect, as applicable, and plans to
12 use in determining—

13 (i) the market value of entitlement
14 land; and

15 (ii) the tax equivalent amount of pay-
16 ments under the Payments in Lieu of
17 Taxes program for that land; and

18 (D) includes any other information that, in
19 the determination of the Secretary, is relevant
20 to—

21 (i) the efficacy of the tool;

22 (ii) the determination of—

23 (I) the market value of entitle-
24 ment land; or

1 (II) the tax equivalent amount of
2 payments under the Payments in Lieu
3 of Taxes program for that land; or
4 (iii) the effects of providing payments
5 under the Payments in Lieu of Taxes pro-
6 gram that more accurately reflect the tax
7 equivalent amount.

8 (c) CONTRACTS AND CONSULTANTS.—The Secretary
9 may contract or consult with any public or private entity
10 to analyze data, conduct research, or develop a model that
11 would contribute to the reports under subsection (b) or
12 the tool.

13 (d) DATA COLLECTION AND REPORTING.—

14 (1) IN GENERAL.—The Secretary may develop
15 reporting methods to allow units of general local
16 government to self-report, not more frequently than
17 annually, data, including, as the Secretary deter-
18 mines to be necessary—

19 (A) property tax values of land;
20 (B) zoning restrictions; and
21 (C) mill levies.

22 (2) TECHNICAL ASSISTANCE.—The Secretary
23 may provide technical assistance to units of general
24 local government with respect to the reporting of in-
25 formation under paragraph (1).

1 (e) AVAILABILITY OF INFORMATION.—

2 (1) REQUEST FOR INFORMATION.—Any indi-
3 vidual or entity may submit to the Secretary a re-
4 quest for information relating to the method used by
5 the Secretary to determine—

6 (A) the market value of entitlement land;
7 or

8 (B) the tax equivalent amount of payments
9 under the Payments in Lieu of Taxes program
10 for that land.

11 (2) INFORMATION PROVIDED.—The Secretary
12 shall provide to each individual or entity that sub-
13 mits a request for information under paragraph
14 (1)—

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

17 (i) the market value of any entitle-
18 ment land for which a unit of general local
19 government receives payments under the
20 Payments in Lieu of Taxes program; or

21 (ii) the tax equivalent amount of pay-
22 ments under the Payments in Lieu of
23 Taxes program for that land; and

24 (B) a description of how the data and
25 models described in subparagraph (A) are used

1 to make the determinations described in that
2 subparagraph.

3 (3) RESPONSE DEADLINE FOR CERTAIN RE-
4 QUESTS.—Not later than 30 days after receiving a
5 request under paragraph (1) from a unit of general
6 local government pertaining to entitlement land for
7 which the unit of general local government receives
8 payments under the Payments in Lieu of Taxes pro-
9 gram, the Secretary shall provide to that unit of
10 general local government the information described
11 in paragraph (2) with respect to that land.

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

15 “(e) TAX EQUIVALENCY OF PILT PAYMENTS MOD-
16 ELING TOOL, STUDY, AND REPORT.—For each of the first
17 6 fiscal years beginning after the date of enactment of
18 the MORE PILT Act, there shall be made available to
19 the Secretary, out of amounts made available for expendi-
20 ture under section 200303, \$9,000,000 to carry out that
21 Act.”.

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