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

Mrs. Boebert introduced the following bill; which was referred to the Committee on

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Making Obligations Right by Enlarging Payments In Lieu of Taxes Act” or the “MORE PILT Act”.

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SEC. 2. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—Congress finds that—

(1) Congress agreed with recommendations of a Federal commission that, if Federal land is to be retained by the Federal Government and not contribute to the tax bases of the units of general local government within the jurisdictions of which the land is located, compensation should be offered to those units of general local government to make up for the presence of nontaxable land within the jurisdictions of those units of general local government;

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

(B) Federal programs that are subject to the annual appropriations process, such as the Payments in lieu of taxes program, offer far less certainty than property taxes as a form of revenue for units of general local government;

(3) Federal agencies have determined that payments to units of general local government under the Payments in lieu of taxes program are far lower than what would be due to units of general local government under tax equivalency;

(4) payments under the Payments in lieu of taxes program help units of general local government carry out vital services, such as firefighting,
police protection, public education, construction of public schools, construction of roads, and search-and-rescue operations; and

(5) the technology exists to more accurately approximate what the taxable value of land held by the Federal Government would be if that land were taxable by units of general local government.

(b) Sense of Congress.—It is the sense of Congress that the Federal Government should—

(1) determine the amount that payments under the Payments in lieu of taxes program would be if those payments were equivalent to the tax revenues that units of general local government would otherwise receive for the same land; and

(2) compensate those units of general local government accordingly.

SEC. 3. DEFINITIONS.

In this Act:

(1) ENTITLEMENT LAND.—The term “entitlement land” has the meaning given the term in section 6901 of title 31, United States Code.

(2) HIGHEST AND BEST USE.—

(A) IN GENERAL.—The term “highest and best use”, with respect to a parcel of entitlement 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) Payments in lieu of taxes program.—The term “Payments in lieu of taxes program” means the Payments in lieu of taxes program estab-
lished under chapter 69 of title 31, United States Code.

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

(6) TAX EQUIVALENT AMOUNT.—The term “tax equivalent amount”, with respect to payments under the Payments in lieu of taxes program, means the approximate amount of property tax revenues that would be generated for units of general local government with respect to entitlement land—

(A) if that land were—

(i) privately owned; and

(ii) subject to—

(I) local zoning laws (including regulations);  

(II) local tax laws (including regulations); and

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

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

(7) TOOL.—The term “tool” means the tool or combination of tools developed and maintained under section 4(a)(1).
(8) **UNIT OF GENERAL LOCAL GOVERNMENT.**—

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

**SEC. 4. MODELING TOOL, STUDY, AND REPORTS RELATING TO THE TAX EQUIVALENT AMOUNT OF PAYMENTS UNDER THE PAYMENTS IN LIEU OF TAXES PROGRAM.**

(a) **Modeling Tool.**—

(1) **IN GENERAL.**—Not later than 2 years after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Agriculture and the head of any other Federal agency that the Secretary determines to be appropriate, shall develop and maintain a market analysis tool, mass appraisal tool, or other appropriate modeling tool (or combination of tools), as determined to be appropriate by the Secretary, that—

(A) accounts for—

(i) reasonable and customary valuation factors; and

(ii) if, in the determination of the Secretary, data are inadequate to calculate a sufficiently precise estimate of the market 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 approximate 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 determined by the tool are defensible and
based on sound and generally accepted
valuation methodologies;

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

(i) market data, including the avail-
ability of mineral extraction, energy pro-
duction, water management, timber man-
agement, agricultural uses, and recre-
reational uses with respect to the applica-
able land; and

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

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

(F) allow a user of the tool—

(i) to estimate the value of entitlement
land as that land is currently used;

and

(ii) to estimate changes in that value
due to future uses under various scenarios
under private ownership; and
(G) provide a variety of estimates of the value of any entitlement land for which there is no comparable non-Federal land from which to derive the information necessary to accurately calculate the market value of the entitlement land, including an estimate based on the highest and best use of the entitlement land if the entitlement land were privately owned.

(b) Study and Reports.—

(1) In general.—Not later than 2 years after the date of enactment of this Act, and annually thereafter for 4 years, the Secretary, in consultation with the Secretary of Agriculture and the head of any other Federal agency that the Secretary determines to be appropriate, shall—

(A) conduct a study—

(i) to evaluate all entitlement land;

(ii) to determine, to the maximum extent practicable, the market value of that land; and

(iii) to determine, to the maximum extent practicable, the tax equivalent amount of payments under the Payments in lieu of taxes program for that land; and
(B) submit to Congress and make publicly available a report describing—

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

(ii) how payments under the Payments in lieu of taxes program could more accurately reflect the tax equivalent amount.

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

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

(A) describes the progress of the Secretary in—

(i) developing the tool; and

(ii) conducting the study under paragraph (1)(A);
(B) contains an assessment of the accuracy with which the Secretary will be able to determine—

(i) the market value of entitlement land; and

(ii) the tax equivalent amount of payments under the Payments in lieu of taxes program for that land;

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

(i) the market value of entitlement land; and

(ii) the tax equivalent amount of payments under the Payments in lieu of taxes program for that land; and

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

(i) the efficacy of the tool;

(ii) the determination of—

(I) the market value of entitlement land; or
(II) the tax equivalent amount of payments under the Payments in lieu of taxes program for that land; or

(iii) the effects of providing payments under the Payments in lieu of taxes program that more accurately reflect the tax equivalent amount.

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

(d) DATA COLLECTION AND REPORTING.—

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

(A) property tax values of land;

(B) zoning restrictions; and

(C) mill levies.

(2) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to units of general local government with respect to the reporting of information under paragraph (1).
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(c) Availability of Information.—

(1) Request for Information.—Any individual or entity may submit to the Secretary a request for information relating to the method used by the Secretary to determine—

(A) the market value of entitlement land; or

(B) the tax equivalent amount of payments under the Payments in lieu of taxes program for that land.

(2) Information Provided.—The Secretary shall provide to each individual or entity that submits a request for information under paragraph (1)—

(A) any data and models used by the Secretary to determine, as applicable—

(i) the market value of any entitlement land for which a unit of general local government receives payments under the Payments in lieu of taxes program; or

(ii) the tax equivalent amount of payments under the Payments in lieu of taxes program for that land; and

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

(3) Response deadline for certain requests.—Not later than 30 days after receiving a request under paragraph (1) from a unit of general local government pertaining to entitlement land for which the unit of general local government receives payments under the Payments in lieu of taxes program, the Secretary shall provide to that unit of general local government the information described in paragraph (2) with respect to that land.

(f) Funding.—Section 200306 of title 54, United States Code, is amended by adding at the end the following:

“(e) Tax equivalency of PILT payments modeling tool, study, and report.—For each of the first 6 fiscal years beginning after the date of enactment of the MORE PILT Act, there shall be made available to the Secretary, out of amounts made available for expenditure under section 200303, $9,000,000 to carry out that Act.”