1379 - PAYMENTS IN LIEU OF TAXES

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.01 Purpose. The purpose of this Manual Section is to provide policy and procedures for carrying out the program payments implemented by Public Law 97-258, the Payments in Lieu of Taxes Act.

.02 Objective. The primary objective of this program is to provide payments on a fiscal year basis to each unit of local government in which entitlement lands (as defined in section 6901 of the Act) are located, and such other payments as may be specified by the Act, as amended.

.03 Authority.

A. Payments in Lieu of Taxes Act, P.L. 97-258, as amended, (96 Stat. 1032, as amended; 31 U.S.C. 6901-6907).

B. Payments in Lieu of Taxes, 43 CFR 1881.

.04 Responsibility.

A. The Director. The Director, Bureau of Land Management, is responsible for administering section 6902 and sections 6904/6905 of the Act of October 20, 1976, as amended, (96 Stat. 1031, as amended; 31 U.S.C. 6901).

B. Deputy Director. The Deputy Director exercises leadership, direction, and authority from a Bureauwide perspective for the management of this program in the Bureau. The Deputy Director also provides Bureauwide policy guidance, program direction, leadership, and line management responsibility for the Payments in Lieu of Taxes (PILT) program. In this capacity, the Deputy Director serves as the authorized officer responsible for reviewing appeals by units of general local government of amounts paid.

C. Assistant Director for Management Services. The Assistant Director, for Management Services has responsibility for developing and implementing procedures for carrying out this program. This responsibility is exercised through the Chief, Division of Finance.

D. Chief, Division of Finance. Management of the program is performed by the Chief, Division of Finance, who is responsible for:

1. Development and implementation of the PILT program directives.

2. Accuracy and timeliness of payments.

3. Monitoring the status of funds.

4. Development of the necessary information system for calculating PILT payments and for maintaining liaison with all concerned Federal agencies, State and local government officials, and other interested parties.

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.05 References. (Reserved).

.06 Policy. The policy of the Bureau is to ensure that payments due each unit of local government in which entitlement lands are located are to be computed, and subsequently paid during September of each year.

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.1 Procedures for Assembling and Using Data.

.11 Data Collection. The Bureau of Land Management is responsible for carrying out the provisions of the Act including collection of necessary data from Federal and non-Federal sources. Data and other necessary information is obtained by the Division of Finance, Washington Office (WO 820), from the involved agencies and offices listed below.

A. Federal Sources. Federal agencies involved are:

1. Department of Interior. In the Department of Interior the Bureau of Land Management, National Park Service, U. S. Fish and Wildlife Service, and the Bureau of Reclamation all administer qualifying "entitlement lands" as defined by section 6901 of P.L. 97-258. Data is requested from these Bureaus and provided to the Director (820). The types of data needed include the following:

a. Acreage data is provided to BLM by the Bureau of Reclamation, the National Park Service, and the U.S. Fish and Wildlife Service. These figures must be as of September 30 of the fiscal year immediately prior to the fiscal year for which payment is being made. All BLM State Offices submit their PILT acreage to Director (820).

b. Data pertaining to revenue receipt sharing payments (section 6903 of the Act) is provided to the Director (820) by the U.S. Fish and Wildlife Service, the Bureau of Reclamation, and the Minerals Management Service on a request basis. The information is used as a deduction in the calculation of the PILT payments. Bureau of Land Management revenue receipt sharing payment data are obtained by officials of the Division of Finance (820) from records maintained within the division. Section 6903 payment data must be for those payments made during the fiscal year immediately preceding the fiscal year for which PILT payments are being computed. These include payments made to both State and local units of government.

2. Department of Agriculture. The U. S. Forest Service of the Department of Agriculture provides both acreage and prior year payment data. It also provides information on payments made under Sections 6904 and 6905 of the Act.

3. Department of the Army and Corps of Engineers. The U.S. Department of the Army and the U.S. Army Corps of Engineers provide acreage figures based on data as of September 30 of the fiscal year immediately preceding the fiscal year in which PILT payments are being made.

4. Federal Energy Regulatory Commission. The Federal Energy Regulatory Commission provides prior year payment data used in the current year calculation of PILT payments.

5. Department of Commerce. The Department of Commerce's Census Bureau provides data on population. These population figures must be the latest official published figures. They are submitted on magnetic tape which is used to update the ADP data file for the PILT program.

B. Non-Federal Sources. The Governors of the 50 States, Guam, Puerto Rico, and the Virgin Islands, and the Mayor of the District of Columbia provide revenue receipt sharing payment data to the Director (820). This data represents revenue receipt sharing payments made to the States and Territories by Federal agencies under the provisions of section 6903 of the Act which are passed through to units of local government eligible to receive payments under the Act. Data provided must be as of the date passed through by the States for the period from October 1 through September 30 of the fiscal year immediately preceding the fiscal year in which PILT payments are being computed.

.12 Processing Data. All the data received by the Director (820) from both Federal and non-Federal sources is processed as follows:

A. Review and Corrections. Data is reviewed and corrected. Apparent problems or discrepancies are resolved through contacts with the Federal and non-Federal agencies and offices responsible for submitting data. All corrections are made before further action is taken.

B. Data Coding. After data is reviewed and corrected, it is coded and entered into the PILT ADP system which is maintained on the U.S. Geological Survey's AMDAHL 5890 computer.

C. Preliminary Printouts. After entry into the PILT ADP system preliminary payment printouts are obtained. Prior payments are compared to proposed payments and causes of variance investigated and corrected if necessary. Amounts of payments required, as indicated in these preliminary printouts, are compared with the funds available and a proration rate is developed, if needed, so payments do not exceed the available funds.

D. Final Schedules and Payments. Final payment schedules and tapes are prepared and transmitted to the Treasury Department Disbursing Center. Payments are mailed directly by the Disbursing Center to the recipients. Other notifications are prepared and transmitted by the Director (820). Letters, memoranda, and copies of the payment schedules are sent to Members of Congress, Governors of States, Guam, the Virgin Islands, the Mayor of the District of Columbia, BLM State Directors, and other involved Bureau heads as well as other interested parties.

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.2 Reporting Requirements. All reporting procedures required by the Treasury Department and the Office of Management and Budget are followed in expending funds. Obligation and payment data is transmitted by the Director (820) to the General Accounting Branch (SC-615) for inclusion in Treasury Department and Office of Management and Budget reports.

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.3 Annual Time Sequence for Preparation and Issuance of Payments and Related Data.

.31 Requests and Receipt of Data. Data directly concerned with the computation of payments must be requested from each source with sufficient lead time to allow for receiving, correcting, and coding of data into the PILT ADP system so year-end payments can be computed and issued before the end of the fiscal year in which they are due. The following schedule must be met so that payments are made when due. (All dates are approximate.)

Date for Accomplishment	Task to be Accomplished
December 31	Protest period ends for payments made in the immediate fiscal year just ended.
January 1 - March 30	Research protests, and, if appropriate, prepare payment schedules for adjustments.
February 28	Send letters/memoranda to Federal agencies requesting acreage figures and sections 6904 and 6905 payment data. This includes data on withdrawn lands.
	Send letters to the Governors and the Mayor of the District of Columbia requesting data on "prior year" payments made to units of local government (section 4 of the Act).
March 31	Receive acreage data from Federal agencies, including BLM State Offices.
May 15	Receive "prior year" payment data from State Governors and Mayor.
	Receive sections 6904 and 6905 payment information and withdrawn acreage data from Federal agencies.
	Obtain magnetic tape from Bureau of Census with population figures.
June 1 - September 30	Update data base, produce final printouts, and issue checks and notifications to all concerned parties as listed in .12D.

.32 Responses to Inquiries. All correspondence is responded to in writing in the shortest possible time. If a delay is anticipated in preparing a formal written response, the person initiating the correspondence should be called to explain the delay and be reassured that a response is being prepared. Some correspondence, such as Congressional inquiries will have deadlines stipulated for responding. These deadlines must be met as indicated. Telephone inquiries are answered as received unless data must be assembled for a proper response. In this latter case, the return telephone response must be made as quickly as practicable.

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.4 Fund Control. All Bureau of Land Management fund allotments, including PILT, are made to the Chief, Office of Budget (880). The Director (820) is responsible for monitoring the status of funds, approving obligations and disbursements, retaining source documents, and reconciling source documents to reports received from the Service Center (SC-615). No obligations or disbursements may be charged to PILT without the authorization of the Division of Finance. The Service Center, utilizing the Financial Management System, provides the Division of Finance with a monthly Object Class Report by subactivity and other appropriate reports which are used to monitor fund status and reconcile PILT administrative and program fund balances.

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Glossary of Terms

-A-

appeals: requests for review before the Interior Board of Land Appeals made by any affected unit of local government whose protest has been rejected by the Authorized Officer. These appeal rights are provided for in 43 CFR Part 4.

authorized officer: the official within the Bureau of Land Management delegated authority to carryout the provisions of the Act.

-E-

entitlement lands: those lands owned by the United States which are:

1. within the National Park System, including wilderness areas.
2. within the National Forest System.
3. administered by the Bureau of Land Management.
4. water resources development projects administered by the Bureau of Reclamation and the U. S. Army Corps of Engineers.
5. dredge disposal areas administered by the U. S. Army Corps of Engineers.
6. semi-active and inactive installations, not including industrial installations, retained by the Army for mobilization purposes and for support of reserve component training.

-G-

government: an organized entity having substantial autonomy and whose officers are either elected or appointed by publicly elected officials. Other indications of governmental character include: a high degree of responsibility to the public for performance of duties of a governmental nature; power to levy taxes; and power to incur debt and pay interest that is exempt from Federal taxation.

1. general government: A unit of government, which within its State, is the principal provider of governmental services affecting the use of entitlement lands.
2. local government: a county, parish, township, municipality, or organized borough in Alaska as of October 20, 1976, or other unit of government below the State which is a unit of general government. It is this unit of government that is eligible to receive payments under the provisions of the Act.

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-P-

population: the number of citizens residing in a particular area as of a certain date. Population for this program is determined by the figures furnished by the Bureau of Census and is based on current population data used for general statistical purposes. For this program population is a determining factor in setting limits for payments made to units of local government.

protests: challenges made by an affected unit of government or a person or group representing that unit of government, to the authorized officer. The protest may challenge the payment or any element used in computing the payment. All protests must be filed by the first business day of the calendar year following the last day of the fiscal year in which the payment has been made. Protests are made to the authorized officer directly or through any other Bureau official to the authorized officer.

-R-

revenue receipt sharing payments: payments commonly referred to as "prior year payments" specified in section 6903 of the Act, as amended. These are portions of revenue collected from the affected areas by the Federal Government and paid back to the State for redistribution to a local unit of government, or paid directly to the local unit of government. The amount redistributed by the States to local units of government must be reported to BLM by the Governor or his designee. Monies distributed from these sources must be used to decrease the amount of payment to be transmitted under this program, if the monies so distributed have actually been received by the affected units of local government. The Acts listed in section 6903 are as follows:

1. Act of May 23, 1908, Department of Agriculture Appropriation Act (35 Stat. 251; 16 USC 500).

2. Act of June 20, 1910, Enabling Act of New Mexico and Arizona (36 Stat. 557).

3. Section 35 of the Act of February 25, 1929, Mineral Lands Leasing Act (41 Stat. 450; 30 USC 191).

4. Section 17 of the Federal Power Act (41 Stat. 1072; 16 USC 810).

5. Section 10 of the Taylor Grazing Act (48 Stat. 1273; 43 USC 315i).

6. Section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 526; 7 USC 1012).

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7. Section 5 of the Superior National Forest Act of June 22, 1918 (62 Stat. 570; 16 USC 577g).

8. Section 6 of the Mineral Leasing Act for Acquired Lands (61 Stat. 915; 30 USC 355).

9. Section 5 of the Superior National Forest Act of June 22, 1918, as amended, June 22, 1956 (70 Stat. 366; 16 USC 577g-1).

10. Section 3 of the Minerals Disposal Act (6 Stat. 681; 30 USC 603).

11. Refuge Revenue Sharing Act, as amended (92 Stat. 1321; 16 USC 715s(C)(2)).

-S-

section 6902 payments: the payments authorized under section 6902 of the Act are based on the number of entitlement acres, population, and the amount of prior year payments (section 6903) received by the unit of local government during the previous fiscal year. Section 6902 payments are computed according to the formula in section 6903 of the Act.

section 6904 payments: the payments authorized by section 6904 of the Act are made for lands or interests therein, acquired by the United States for the Redwood National Park as provided in the Act of October 2, 1918 (82 Stat. 931), or acquired for additions to the National Park System or National Forest Wilderness Areas after December 31, 1970. These lands must have been subject to local property taxes within the 5 years preceding such acquisition. The Secretary is authorized to make section 6904 payments in addition to section 6902 payments.

section 6905 payments: the payments authorized by section 6905 of the Act are made for lands or interest in land owned by the Government in the Redwood National Park or acquired in the Lake Tahoe Basin under the Act of December 23, 1980 (P.L. 96-586, 94 Stat. 3383). Section 6905 payments will continue until the total amount paid equals 5 percent of the fair market value of the lands at the time of acquisition. However, the payment for each year cannot exceed the actual property taxes assessed and levied on the property during the last full fiscal year before the fiscal year in which the property was acquired by the Federal government.