



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

DEC 23 2015

The Honorable Nikki Haley
1205 Pendleton Street
Columbia, South Carolina 29201

Dear The Honorable Haley,

We are currently in the process of collecting the information necessary to make the 2016 annual payment under Chapter 69, Title 31, United States Code (31 U.S.C. §6901-6907), as amended, commonly referred to as the Payments in Lieu of Taxes (PILT) Act.

To keep the Department of the Interior's commitment to provide the highest level of service to our local government constituents and to assist them in their budget and planning process, PILT payments are scheduled to be issued on or before July 1, 2016. Payments for the 2015 PILT program were disbursed on June 24, 2015, and October 30, 2015. Local governments within your state should receive their payment on time, provided the information we are requesting is furnished by January 29, 2016. The enclosed materials contain the instructions and forms your staff will need to report this information to us.

Should there be any questions concerning the information requested, please have a member of your staff contact Ms. Dionna Kiernan of the Department's Office of Budget at (202) 513-7783 or via email at dionna_kiernan@ios.doi.gov. Copies of this letter and the enclosures are also being sent to the office in your state that provided us the information last year.

We appreciate the excellent cooperation that you and your staff provide to us each year. Your efforts are instrumental in making the program a success.

Sincerely,

Kristen J. Sarri
Principal Deputy Assistant Secretary
Policy, Management and Budget

Enclosures

in.
J. H. H.

INSTRUCTIONS FOR PROVIDING PILT DATA TO THE DEPARTMENT OF THE INTERIOR

Section 6903(b)(2) of the Payments in Lieu of Taxes (PILT) Act, 31 U.S.C. 6901-6907 (copy available at www.doi.gov/pilt/), specifies that the Chief Executive Officer of each State shall furnish the Secretary of the Interior with a listing of the amounts transferred by the State to each unit of local government out of amounts received under 11 revenue sharing laws specified in section 6903(a)(1) of the Act. The revenue sharing amounts passed through to local units of government in your State during the period October 1, 2013 through September 30, 2014 should be entered on Enclosure 3. Any amounts received but not passed through to local units of government during the period should be noted and included in next year's report.

Enclosure 2 details Federal payments made to either the State or to local units directly. It should be used as a guide to ensure that amounts reported on Enclosure 3 as actually received by local units are for the proper time period as indicated above.

In addition, please note that Enclosure 2 contains a column heading entitled "FS/MMS Timber Payment." The column is necessary because ONRR is now responsible for making some of the timber payments formerly made by the U.S. Forest Service. The timber payments made by ONRR are made by wire transfer and are included with the monthly ONRR mineral leasing payments to States under the heading "NFF" (National Forest Fund).

You should also be aware that timber payments made by the Forest Service under the Secure Rural Schools and Community Self-Determination Act of 2000 law should be included on this report. A summary of that law is as follows:

Title I requires a county that elects to receive its share of the "full payment amount", and would receive \$100,000 or more, to spend no less than 80 and no more than 85 percent of the funds in the same manner as the original timber fund payment was expended (for schools and roads with the amount to independent schools not being deducted from PILT). The county is also required to reserve the remaining 15 to 20 percent of its share for one or more of the following purposes: projects under Title II; projects under Title III; or both. A county that elects to receive its share of the "full payment amount" and that will receive less than \$100,000 may elect to spend all of its funds in the same manner as the original twenty-five percent funds are expended.

As a result of some counties electing to receive payment under the Secure Schools and Roads Act and other counties electing to continue receiving their payment under the old 25% Timber Act the amounts reported on Enclosure 3 under the "FS Timber Title I" column should include the following:

1. The roads portion of both the old FS Timber payments (if the county has elected to continue this method) and Title I payments under the new Secure Schools and Roads Act (if the county has elected this method) and;
2. The roads portion of any timber payments made by ONRR.

Payments received by counties under Title II of the Secure Schools and Roads Act should not be reported, since they are not deductible for PILT purposes.

All Title III payments received by the county under the Secure Schools and Roads Act are deductible under PILT and should be entered, in total, on Enclosure 3 under the column entitled "USFS Secure Schools Title III". Questions about how or what to report for these two columns should be directed to Ryan Brown on (202) 208-3078.

Enclosure 3 should be submitted by the appropriate State office and should be accompanied by copies of applicable State laws that govern how amounts received (including those that do not flow through the State but are received by the local units directly) should be used. If the amounts shown on Enclosure 3 are a percentage of the total receipts received by a unit, please be sure to footnote how the amount shown ties back to the total. A sample submission, including a properly completed form, is included. If there is no State law that governs how these amounts are to be used please indicate so. Enclosure 3 and all supplementary information should be forwarded to the following address:

Attn: Ryan Brown
DOI Office of Budget
1849 C St., N.W., MS-7413
Washington, D.C. 20240

The "pass through" amounts reported by your State should take into consideration Comptroller General's Decision number B-167553 and other related opinions (B-202123, B214267 and B-221248). Decision number B-167553 may be summarized to say:

1. Payments to units of local government under section 6903(a)(1) of the Payments in Lieu of Taxes Act of 1976, 31 U.S.C. 6901-6906, are to be reduced only by the amounts of payments actually received by the units of local government under the statutes specified in section 6903(a)(1) of the Act, 31 U.S.C. 6903(a)(1). Thus, Federal revenues paid to a State under the statutes in section 6903(a)(1) and distributed by the State directly to a politically and financially independent school district or other independent districts should not be deducted from payments to that unit of local government under section 6903(b)(1)(A). Payments to other single or special purpose districts should be treated in a similar manner.

2. Federal revenues paid to a State under the statutes in section 6903(a)(1) of the Payments in Lieu of Taxes Act of 1976, 31 U.S.C. 6903(a)(1), and distributed by the State to a unit of local government, which unit is required by State law to pass these revenues directly to a politically and financially independent school district, should not be considered "received" by the unit of local government, and should not be deducted from payments to that unit of local government under section 6903(b)(1)(A) of the Act, unless that unit is legally responsible for provision of school services and has collected other tax revenues for that purpose. Payments passed through to other special or single purpose districts should be treated in a like manner.

A complete copy of Comptroller General Decision number B-167553 and the related opinion is available from Ryan Brown on (202) 208-3078.

Please note that the amounts reported by your State as being passed through to local governments will be used to calculate the in-lieu payments to local governments within your State in accordance with section 6903 of the Act.

Please furnish us with a copy of any State legislation that may have been enacted since July 30, 2014, directing the State to reallocate PILT payments to other smaller units of local government. We will need this information to determine if and when Federal payment should be made to the State government.

The Paperwork Reduction Act of 1980 requires that when we ask you for information, we must tell you:

- a. Our legal right to ask for the information.
- b. What major purpose we have in asking for it, and how it will be used.
- c. What could happen if we do not receive it?
- d. Whether your response is voluntary, required to obtain a benefit or mandatory under the law.

Our legal right to ask for this information is cited in Chapter 69, Title 31 U.S. Code, commonly referred to as the Payments in Lieu of Taxes Act (31 U.S.C. 6901-6907) (copy available at www.doi.gov/pilt/). Section 6903(b)(2) of the Act states that the Chief Executive Officer of a State must furnish this information so we can compute the in-lieu payments to local governments in your State.

Failure to furnish this information would make it impossible for us to compute the in-lieu payments to local governments within your State and, therefore, payments could not be made.

If you have any questions concerning this information request, please call Mr. Ryan Brown of the DOI Office of Budget on (202) 208-3078.

ENCLOSURE 2

[illegible]

During The Period October 1, 2014 through September 30, 2015

EXPIRES: 12/31/2015

FEDERAL AGENCY MAKING PAYMENT AND TYPE OF PAYMENT

[illegible]

**PRIOR YEAR PAYMENTS RECEIVED BY THE STATE AND LOCAL GOVERNMENTS
DURING THE PERIOD OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

ENCLOSURE 2

STATE	FS TIMBER PAYMENT TITLE I, III AND 25% PAYMENT **	FS/ONRR TIMBER PAYMENT *	FS BANKHEAD JONES	ONRR/BLM MINERAL LEASING *	BLM SEC 3 TAYLOR GRAZING *	BLM SEC 15 TAYLOR GRAZING *	BLM BANKHEAD JONES	BLM SALE OF MATERIALS *	FERC POWER SALES *	FW REF REVENUE SHARING RESERVE AREAS ONLY	TOTAL
NJERSEY	0	0	0	0	0	0	0	0	0	0	0
N MEXICO	9,303,467	0	2,832	497,127,949	179,187	121,309	7,378	154,123	17	53	506,896,315
NYORK	17,239	0	568	0	0	0	0	0	628	0	18,435
NCAROLINA	1,754,868	110	0	0	0	0	0	0	1,701	0	1,756,679
NDAKOTA	507	0	22,638,562	38,602,030	0	4,633	0	10	0	2,657	61,248,399
OHIO	254,166	43,685	5,195	5,056	0	0	0	0	0	0	308,102
OKLAHOMA	874,762	14,145	1,116,322	4,702,945	0	60	0	0	84	13,686	6,722,004
OREGON	58,492,229	0	17,918	65,010	118,104	21,766	0	19,267	436,986	764	59,172,044
PENNSYLVANIA	2,449,398	13,981	2,150	0	0	0	0	0	6,186	0	2,471,715
PUERTO RICO	135,471	0	0	0	0	0	0	0	181	0	135,652
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0
SCAROLINA	1,662,638	515	0	0	0	0	0	0	6,906	0	1,670,059
SDAKOTA	1,699,129	222	137,738	1,303,127	28	104,921	0	208	0	51	3,245,424
TENNESSEE	1,091,800	0	0	0	0	0	0	0	0	0	1,091,800
TEXAS	2,102,843	1,198,166	1,354,715	830,527	0	0	0	0	227	0	5,486,478
UTAH	9,275,829	0	0	115,662,868	130,142	0	0	30,218	2,469	72	125,101,598
VERMONT	308,630	0	0	0	0	0	0	0	0	0	308,630
VIR ISLAND	0	0	0	0	0	0	0	0	0	0	0
VIRGINIA	1,474,151	15,268	0	0	0	0	0	0	54,103	0	1,543,522
WASHINGTON	17,596,646	0	0	879	0	18,856	0	347	1,928,826	933	19,546,487
WVIRGINIA	1,660,771	124,935	0	0	0	0	0	0	1,059	0	1,786,765
WISCONSIN	1,612,810	0	0	0	0	0	0	2,582	2,739	9	1,618,140
WYOMING	3,868,775	0	1,004,538	887,022,549	138,674	304,613	0	70,556	176	275	892,410,156
ADJUSTMENTS											0
TOTAL	262,748,002	5,359,476	27,518,032	1,784,981,340	1,139,530	859,744	547,342	581,113	4,279,949	37,787	2,088,052,315

* NOTE: AMOUNTS SHOWN ON THIS TABLE REPRESENT PAYMENTS MADE TO STATE OR LOCAL GOVERNMENTS DURING THE TIME PERIOD OF OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015. PAYMENTS MADE DIRECTLY TO THE STATE GOVERNMENT ARE MARKED WITH AN (*), PAYMENTS MADE DIRECTLY TO LOCAL GOVERNMENT UNITS ARE NOT MARKED.

PLEASE BE SURE THAT PAYMENTS MARKED WITH AN (*) WERE ACTUALLY DISTRIBUTED BY THE STATE TO LOCAL GOVERNMENTS AND WERE DISTRIBUTED OR RECEIVED BY THE LOCAL GOVERNMENT DURING THE OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015 TIME PERIOD.

IF ANY PAYMENTS MADE TO THE STATE WERE NOT DISTRIBUTED TO LOCAL GOVERNMENTS AT ALL OR WERE NOT DISTRIBUTED TO LOCAL GOVERNMENTS DURING THE OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015 TIME PERIOD THEN THEY SHOULD NOT BE INCLUDED IN THE REPORT THAT WE ARE REQUESTING. PLEASE CHECK WITH YOUR STATE TREASURER'S OFFICE TO DETERMINE IF STATE RECEIVED PAYMENTS WERE DISTRIBUTED AND WHEN.

** NOTE: AMOUNTS SHOWN UNDER "FS TIMBER PAYMENTS" INCLUDE PAYMENTS MADE UNDER THE NEW SECURE SCHOOLS AND ROADS LAW.

Payments in Lieu of Taxes (PILT Act)
Statement of Federal Land Payments, (43 CFR 44)
During The Period October 1, 2014 through September 30, 2015

ENCLOSURE 3
OMB NO. 1093-0005
EXPIRES: 12/31/2015

FEDERAL AGENCY MAKING PAYMENT AND TYPE OF PAYMENT

[illegible]

Payments in Lieu of Taxes (PILT Act)
Statement of Federal Land Payments, (43 CFR 44)
During The Period October 1, 2014 through September 30, 2015

ENCLOSURE 3
OMB NO. 1093-0005
EXPIRES: 12/31/2015

FEDERAL AGENCY MAKING PAYMENT AND TYPE OF PAYMENT

ALABAMA COUNTIES	FS TIMBER TITLE I*	SECURE SCHOOLS TITLE III	FS BANKHEAD JONES	ONRR/BLM MINERAL LEASING*	BLM SEC 3 TAYLOR GRAZING	BLM SEC 15 TAYLOR GRAZING	BLM BANKHEAD JONES	BLM SALE OF MATERIALS	FERC POWER SALES*	FW REFUGE REVENUE SHARING	TOTAL	REC ADJ	REC FOR ACCEPT
TALLADEGA COUNTY													
TALLAPOOSA COUNTY													
TUSCALOOSA COUNTY													
WASHINGTON COUNTY													
WILCOX COUNTY													
WINSTON COUNTY													
TOTAL													

NOTE: AMOUNTS SHOWN ON THIS TABLE REPRESENT PAYMENTS MADE TO STATE OR LOCAL GOVERNMENTS DURING THE TIME PERIOD OF OCTOBER 2014 THROUGH SEPTEMBER 2015. PAYMENTS MADE DIRECTLY TO THE STATE GOVERNMENT ARE MARKED WITH AN (*) , PAYMENTS MADE DIRECTLY TO LOCAL GOVERNMENT UNITS ARE NOT MARKED.

PLEASE BE SURE THAT PAYMENTS MARKED WITH AN (*) WERE ACTUALLY DISTRIBUTED BY THE STATE TO LOCAL GOVERNMENTS AND WERE DISTRIBUTED OR RECEIVED BY THE LOCAL GOVERNMENT DURING THE OCTOBER 2014 THROUGH SEPTEMBER 2015 TIME PERIOD.

IF ANY PAYMENTS MADE TO THE STATE WERE NOT DISTRIBUTED TO LOCAL GOVERNMENTS AT ALL OR WERE NOT DISTRIBUTED TO LOCAL GOVERNMENTS DURING THE OCTOBER 2014 THROUGH SEPTEMBER 2015 TIME PERIOD THEN THEY SHOULD NOT BE INCLUDED IN THE REPORT THAT WE ARE REQUESTING. PLEASE CHECK WITH YOUR STATE TREASURER'S OFFICE TO DETERMINE IF STATE RECEIVED PAYMENTS WERE DISTRIBUTED AND WHEN.

Paperwork Reduction Act Statement The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that this information is being used to compute payments due units of general local government under the PILT Act (31 U.S.C. 6901-6907). Response to this request is required to obtain a benefit. The public reporting burden for this collection of information is estimated to average 53 hours per response, including the time required for gathering the data needed and completing and reviewing the collection of information form. Send comments on the burden estimate or on any other aspect of this information collection, including suggestions for reducing this burden, to Department of the Interior, Office of Budget, MS 4116 MIB, 1849 C St. NW, Washington, DC 20240. Under the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

Transmitted via e-mail

March 11, 2015

Mr. Ryan Brown, Budget Analyst
Office of Budget
Office of the Secretary of Interior
U.S. Department of the Interior
1849 C Street, N.W., MS-7413
Washington, D.C. 20240

Dear Mr. Brown:

In compliance with Chapter 69, Title 31, United States Code, commonly referred to as the Payments in Lieu of Taxes (PILT) Act, we are enclosing Attachment A: Statement of Federal Land Payments for the period October 1, 2013 through September 30, 2014.

The following disbursements of federal funds are not included in this report: (1) Bureau of Land Management, Sale of Materials; (2) Federal Energy Regulatory Commission Power Sales; and (3) Fish and Wildlife Service Refuge, Revenue Sharing. These funds are not reportable distributions under the U.S. Department of the Interior instructions and PILT regulations.

If you have any questions regarding this report, please contact Kimberly Tarvin, Manager, at (916) 322-2985.

Sincerely,

Richard R. Sierra, CPA
Chief, Office of State Audits and Evaluations

Attachment

cc: Ms. Dionna Kiernan, Budget Analyst, Office of Budget, Office of the Secretary of Interior,
U.S. Department of the Interior
Honorable Betty T. Yee, State Controller
Ms. Casandra Moore-Hudnall, Division Chief, Division of Accounting and Reporting, State
Controller's Office
Ms. Kathy Rios, Bureau Chief, Bureau of Payments, Division of Accounting and Reporting,
State Controller's Office
Mr. Jim Reisinger, Section Manager, Local Apportionments, Division of Accounting and
Reporting, State Controller's Office

State of California
Payments in Lieu of Taxes (PILT Act)
Statement of Federal Land Payments (43 CFR 44)
During the Period October 1, 2013 through September 30, 2014

California Counties	FS Timber Title I ¹	Secure Schools Title III ²	ONRR/BLM Mineral Leasing ³	Taylor Grazing Section 3 ⁴	Taylor Grazing Section 15 ⁵	Total	Adjustments	Recommended for Acceptance
Alpine	\$ 198,832	\$ 32,749	\$ 0	\$ 66	\$ 0	\$ 231,647	\$ 0	\$ 231,647
Amador	130,785	46,159	0	0	94	177,038	0	177,038
Butte	173,016	30,278	0	0	0	203,294	0	203,294
Calaveras	69,981	24,699	0	0	214	94,894	0	94,894
Colusa	51,798	0	0	0	25	51,823	0	51,823
Del Norte	608,811	0	0	0	0	608,811	0	608,811
El Dorado	829,801	136,673	0	0	59	966,533	0	966,533
Fresno	565,051	93,067	0	0	10,709	668,827	0	668,827
Glenn	138,809	24,292	0	0	71	163,172	0	163,172
Humboldt	432,375	71,215	0	0	1,342	504,932	0	504,932
Imperial	0	0	29,222	0	0	29,222	0	29,222
Inyo	221,050	0	191,920	38	877	413,885	0	413,885
Kern	88,960	14,652	0	692	6,728	111,032	0	111,032
Kings	0	0	0	89	1,076	1,165	0	1,165
Lake	203,754	33,559	726,686	0	185	964,184	0	964,184
Lassen	795,907	131,091	13,118	6,157	0	946,273	0	946,273
Los Angeles	698,662	0	0	0	0	698,662	0	698,662
Madera	228,685	37,666	0	0	258	266,609	0	266,609
Mariposa	129,323	45,644	0	0	1,315	176,282	0	176,282
Mendocino	142,047	23,396	588	0	116	166,147	0	166,147
Merced	0	0	0	0	381	381	0	381
Modoc	686,572	48,464	0	2,854	449	738,339	0	738,339
Mono	250,133	0	54,244	1,140	0	305,517	0	305,517
Monterey	8,698	0	0	0	215	8,913	0	8,913

State of California
Payments in Lieu of Taxes (PILT Act)
Statement of Federal Land Payments (43 CFR 44)
During the Period October 1, 2013 through September 30, 2014

California Counties	FS Timber Title I ¹	Secure Schools Title III ²	ONRR/BLM Mineral Leasing ³	Taylor Grazing Section 3 ⁴	Taylor Grazing Section 15 ⁵	Total	Adjustments	Recommended for Acceptance
Napa	0	0	0	0	361	361	0	361
Nevada	158,274	26,069	0	0	0	184,343	0	184,343
Orange	60,798	0	0	0	0	60,798	0	60,798
Placer	318,299	55,702	0	0	0	374,001	0	374,001
Plumas	1,490,432	245,483	0	0	180	1,736,095	0	1,736,095
Riverside	161,445	0	3	0	0	161,448	0	161,448
San Benito	0	0	0	0	5,927	5,927	0	5,927
San Bernardino	185,458	0	7	0	2,718	188,183	0	188,183
San Diego	309,953	0	0	0	0	309,953	0	309,953
San Luis Obispo	9,746	0	0	0	4,041	13,787	0	13,787
Santa Barbara	32,151	0	0	0	107	32,258	0	32,258
Shasta	824,041	135,724	0	0	873	960,638	0	960,638
Sierra	379,437	31,248	0	0	62	410,747	0	410,747
Siskiyou	1,903,505	313,519	15,051	0	1,586	2,233,661	0	2,233,661
Sonoma	0	0	1,012,619	0	0	1,012,619	0	1,012,619
Stanislaus	0	0	0	0	7	7	0	7
Tehama	491,738	60,744	0	0	4,923	557,405	0	557,405
Trinity	1,587,150	112,034	0	0	548	1,699,732	0	1,699,732
Tulare	223,162	36,756	0	308	1,095	261,321	0	261,321
Tuolumne	526,320	86,688	0	0	681	613,689	0	613,689
Ventura	30,103	0	0	0	14	30,117	0	30,117
Yolo	0	0	0	0	77	77	0	77
Yuba	49,069	17,318	0	0	0	66,387	0	66,387
Totals	\$15,394,131	\$1,914,889	\$2,043,458	\$ 11,344	\$ 47,314	\$19,411,136	\$ 0	\$19,411,136

State of California
Payments in Lieu of Taxes (PILT Act)
Statement of Federal Land Payments (43 CFR 44)
During the Period October 1, 2013 through September 30, 2014

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- ¹ The USFS/MMS Title I (Schools and Roads) payment receipts of \$30,788,262 were disbursed to counties during the period October 1, 2013 through September 30, 2014. California Government Code section 29484 requires each county receiving these funds to apportion 50 percent to its school fund and 50 percent to its road fund. In accordance with the 1978 Decision of the Comptroller General number B-167553, the amount allocated to school districts is not included in our reported information. Therefore, only \$15,394,131 is reportable.
- ² The USFS/MMS Secure Schools Title III payment receipts of \$1,914,889 were disbursed to counties during the period October 1, 2013 through September 30, 2014. In accordance with the instructions from the U.S. Department of the Interior, the full amount is reportable.
- ³ The state disbursed \$2,043,458 to its counties during the period October 1, 2013 through September 30, 2014. California Public Resources Code sections 2795, 3821, 3822, and 3825 and California Education Code sections 12304 through 12307 and 12320 govern the distribution of federal receipts under the BLM Mineral Leasing Act of February 25, 1920. However, for California, the only amounts reportable are the Geothermal Resource funds disbursed to counties, per the 1978 Decision of the Comptroller General number B-167553.
- ⁴ BLM Taylor Grazing receipts (Section 3) of \$11,344 were distributed during the period October 1, 2013 through September 30, 2014.
- ⁵ BLM Taylor Grazing receipts (Section 15) of \$47,314 were distributed during the period October 1, 2013 through September 30, 2014.