

SMALL COUNTY PILT PARITY ACT

SPONSOR: VICE CHAIR HURD (CO-03)

The Small County PILT Parity Act updates how the federal government distributes Payments in Lieu of Taxes (PILT), which compensate local governments for tax revenue they lose due to federally owned land. The goal is to make the system fairer, especially for small and rural counties.

Key Changes

- Lower population threshold: The formula now starts at 500 people instead of 5,000, allowing very small counties to qualify for better payments.
- New payment formula: Payments are still based on population, but smaller counties receive more money per person, with the amount decreasing as population increases.
- Improved accuracy: Adjusts rounding rules to ensure more precise calculations, particularly for low-population areas.

Why It Matters

- Helps rural counties that rely heavily on federal support
- Addresses funding gaps caused by large amounts of untaxable federal land
- Creates a more balanced and equitable distribution of PILT funds

Bottom Line

- This bill shifts more financial support toward smaller counties, ensuring they are better compensated for the presence of federal land and can maintain local services more effectively.

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