

  
*Colorado Legislative Council Staff Fiscal Note*  
**LOCAL**  
**FISCAL IMPACT**

**Drafting Number:** LLS 10-1116  
**Prime Sponsor(s):** Sen. Schwartz  
 Rep. Vigil

**Date:** May 3, 2010  
**Bill Status:** Senate Local Government and Energy  
**Fiscal Analyst:** David Porter (303-866-4375)

**TITLE:** CONCERNING THE ALLOCATION OF 2009 NATIONAL FOREST PAYMENTS IN COUNTIES AS SAID PAYMENTS RELATE TO FEDERAL PAYMENTS IN LIEU OF TAXES.

| Fiscal Impact Summary  | FY 2010-2011 | FY 2011-2012 |
|--|--------------|--------------|
| <b>State Revenue</b>   |              |              |
| <b>State Expenditures</b>  |              |              |
| <b>FTE Position Change</b>   |              |              |
| <b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature. |              |              |
| <b>Appropriation Summary for FY 2010-2011:</b> None required.                                      |              |              |
| <b>Local Government Impact:</b> See Local Government section.                                      |              |              |

**Summary of Legislation**

Currently, the Secure Rural Schools Act distributes federal payments, known as "national forest payments," to 43 counties that include national forest lands. Counties can deposit the money into the county's Road and Bridge Fund or provide it to public schools in the county so long as the following conditions are met:

- P 25 percent goes to public schools in the county;
- P 25 percent goes to the Road and Bridge Fund; and
- P 50 percent is distributed based on negotiations between 3 representatives from school districts in the county and 3 representatives for the Board of County Commissioners.

Negotiations must seek to maximize the total amount of federal funds received by the county. PILT payments are provided to the counties to compensate for lost tax revenue on federal lands within the county borders. Under certain circumstances, if the county provides more than the mandatory 25 percent of national forest payments to the public schools in the county, the PILT payment to the county is reduced by the amount above 25 percent.

By waiving the 25 percent minimum allocations of national forest payments, a county may provide schools more than 25 percent and will receive credit for such allocations to the schools in the calculation of the county's PILT payment. The bill repeals the allocation waivers on July 1, 2011, and only applies to the allocation of the federal fiscal year 2009 national forest payments. The distribution of these moneys to school districts do not impact the School Finance Act.

### **Local Government Impact**

For counties that may have reduced PILT payments in FY 2010-11, this bill provides an opportunity to change the manner in which national forest payments are allocated to maximize the PILT payments. An estimate of the amount of PILT revenue that counties may be eligible to receive under the bill has not been made. Adjustments made to the distribution of national forest payments may reduce the percentage of national forest moneys being distributed to public schools in these counties. However, the nature of these changes is conditional and depends on the PILT calculations by the federal government and the actions of the 6 representative charged with allocating national forest payments.

### **Departments Contacted**

Local Affairs