

AGRICULTURE
NATURAL RESOURCES
SMALL BUSINESS

Congress of the United States
House of Representatives
Washington, DC 20515-0603

November 30, 2011

Secretary Ken Salazar
U.S. Department of the Interior
1849 C Street NW
Washington, D.C. 20240

Dear Secretary Salazar:

I have heard concerns from constituents and local officials within my district concerning the Department of the Interior's unofficial findings on the State of Colorado's recently enacted legislation which created Federal Mineral Lease Districts and their relation to the counties for the purposes of payment calculations under the auspices of the Payment In Lieu of Taxes (PILT) program. As you are aware, significant portions of land in the western states particularly are under the ownership and administration of the United States, and as such are removed from the local property taxing authority. This otherwise available revenue stream is vital for funding education, infrastructure, law enforcement, and a number of other important municipal and county services. It was for this reason that PILT legislation was enacted- to provide funds to counties whose lack of a viable taxable property base made provision of these services difficult, and as such PILT funding is heavily relied on in a number of cases.

According to correspondence to Colorado Counties, Inc. dated October 19th, 2011, it was found that the newly created Federal Mineral Lease Districts did not, according to the Department's interpretation, demonstrate sufficient autonomy from their respective counties to avoid triggering PILT reductions to those counties under PILT's prior year payment provision.

While Colorado's previous distribution method for these revenues included some direct payments to the counties, the Federal Mineral Lease Districts employ a district specific board of directors to determine disbursement of the funds. While the counties play an important role respecting these districts, the board of directors exercises a role separate from the county administration.

I therefore respectfully request that the Department of the Interior reexamine its interpretation that these districts operate as a direct funding mechanism for mineral leasing revenues to Colorado's counties, and as such, are found to trigger reductions to PILT payments. Please respond in writing at your earliest convenience to articulate your findings. Your attention to this matter is greatly appreciated.

Sincerely,



Scott Tipton
Member of Congress