

## HOUSE JOINT RESOLUTION NO. 36

INTRODUCED BY LAMBERT, BARRETT, COHENOUR, DICKENSON, ERICKSON, HANDS, HEINERT,  
HENDRICK, MCNUTT, ROSS, VINCENT, ANKNEY, SMALL-EASTMAN, VAN DYK

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF  
MONTANA URGING CONGRESS TO DE-COUPLE FEDERAL MINERAL ROYALTY REVENUE PAYMENTS  
FROM STATES TO COUNTIES WHEN CALCULATING PAYMENT IN LIEU OF TAX PAYMENTS.

WHEREAS, the federal Mineral Leasing Act intended for states to share mineral royalties with counties,  
giving priority to those taxing jurisdictions with impact and infrastructure needs incurred by the industry that pays  
the royalty; and

WHEREAS, payment in lieu of tax (PILT) payments are payments in lieu of taxes on federal lands; and

WHEREAS, federal mineral royalty revenue is considered prior year payments in the current PILT  
formula; and

WHEREAS, federal mineral royalty revenue that is passed on from the states to counties is currently  
being deducted from their PILT payments as prior year payments; and

WHEREAS, prior year payments connected to the PILT formula are a detriment to any economic  
development in which federal natural resources are extracted in that local government jurisdiction; and

WHEREAS, the decision to extract natural resources owned by the federal government should be based  
only on the economic and scientific data available and not on other programs such as PILT; and

WHEREAS, local governments may not have increased nontax revenue because of increased prior year  
payments because PILT is deducted proportionately; and

WHEREAS, the federal mineral royalties are derived not only from minerals held under federal land but  
from under private land as well; and

WHEREAS, a county should not be penalized when the state shares royalty revenue with the county for  
offsetting the impacts of the industry.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
STATE OF MONTANA:

That Congress de-couple federal mineral royalty revenue payments from states to counties when

1 calculating payment in lieu of tax payments.

2 BE IT FURTHER RESOLVED, that the Secretary of State send copies of this resolution to the United  
3 States Congress and, specifically, to Montana's Congressional Delegation.

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