

HOUSE JOINT RESOLUTION NO. 36
INTRODUCED BY C. LAMBERT

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 calculating payment in lieu of tax payments.

BE IT FURTHER RESOLVED, that the Secretary of State send copies of this resolution to the United

States Congress and, specifically, to Montana's Congressional Delegation.

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