

COUNTY OF NEVADA
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February 14, 2017

The Honorable Board of Supervisors
County of Nevada
950 Maidu Avenue
Nevada City, CA 95959

DATE OF MEETING: February 14, 2017

SUBJECT: Letters in support of SB 58

RECOMMENDATION: Approve the attached letter.

FUNDING: None.

BACKGROUND:

In 1949, California established the Payment-In-lieu-of-Taxes (PILT) program to offset adverse impacts to county property tax revenues that result from the State acquiring private property for wildlife management areas. Initially, Fish and Game Code Section 1504 outlined that in the event that income is derived from real property acquired and operated by the State as wildlife management areas, the Department of Fish & Wildlife (DFW) shall provide annual pay to the county in which the property is located in an amount equal to the county taxes levied upon the property at the time the title was transferred to the State.

Specifically, Nevada County has two wildlife areas that are able to receive PILT funds: Truckee River Wildlife Area and Spenceville Wildlife Area. These two areas have a combined total tax liability of \$12,299. Since 2002-03, the State has only made two payments for 2015-16 and 2016-17. Moreover, the State retains \$7,010 (57%) for schools and therefore the County received payments of \$5,289 for each year with \$1,689.87 being apportioned to the General Fund in 2015-16 and \$1,684.93 being apportioned to the General Fund for 2016-17 after allocations to the cities and special districts was made. Outside of the previous two payments, DFW still owes the County approximately \$330,000 in outstanding PILT payments since 2002-03, including penalties and interest.

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Furthermore, in 2015-16 the State Budget Package changed the Fish and Game Code Section 1504 to make future State PILT payments permissive by changing the '*shall*' to a '*may*' pay annually. This change effectively allows the State to withhold making PILT payments. Additionally, the final Budget package reduced the \$9.77 million appropriated by the Legislature to the DFW for the management of Department Lands and Facilities to \$1.77 million; thereby eliminating \$8 million that was intended to be paid to the 36 counties included within the PILT program. Despite these changes, the State did allocate PILT funding in the amount of \$644,000 across the state, which was the State's first PILT payment in over a decade. The Governor's proposed budget for 2017-18 does currently allocate the same amount of \$644,000.

Subsequently, last year Rural County Representatives of California (RCRC) sponsored Senate Bill 1188 by Senator McGuire in conjunction with 15 other authors and co-authors to amend Fish and Game Code to restore previous language that requires DFW to make PILT payments as opposed to the current permissive language in the code. Unfortunately, the Governor vetoed SB 1188 despite the unanimous bi-partisan support for the legislation.

On December 12, 2016, Senator McGuire introduced SB 58 that revises the Fish and Game Code 1504 to replace permissive language with required language: '*may*' to '*shall*.' RCRC has called on all 36 PILT counties to submit letters of support to the California legislature.

Therefore, I am requesting the Board approve the attached letter.

Respectfully Sincerely,



Dan Miller

Supervisor, District III