A Profile of Federal Land Payments

Black Hills Area

Selected Geographies:

Lawrence County, SD; Pennington County, SD; Meade County, SD; Crook County, WY; Custer County, SD; Fall River County, SD

Benchmark Geographies:

South Dakota

Produced by

Economic Profile System

EPS

March 8, 2018

About the Economic Profile System (EPS)

EPS is a free, easy-to-use software application that produces detailed socioeconomic reports of counties, states, and regions, including custom aggregations.

EPS uses published statistics from federal data sources, including Bureau of Economic Analysis and Bureau of the Census, U.S. Department of Commerce; and Bureau of Labor Statistics, U.S. Department of Labor.

The Bureau of Land Management and Forest Service have made significant financial and intellectual contributions to the operation and content of EPS.

See headwaterseconomics.org/EPS for more information about the other tools and capabilities of EPS.

For technical questions, contact Patty Gude at eps@headwaterseconomics.org, or 406-599-7425.

HEADWATERS ECONOMICS

headwaterseconomics.org

Headwaters Economics is an independent, nonprofit research group. Our mission is to improve community development and land management decisions in the West.

NATIONAL SYSTEM OF PUBLIC LANDS
U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

www.blm.gov

The Bureau of Land Management, an agency within the U.S. Department of the Interior, administers 249.8 million acres of America's public lands, located primarily in 12 Western States. It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

FOREST SERVICE
U.S.
DEPARTMENT OF AGRICULTURE

www.fs.fed.us

The Forest Service, an agency of the U.S. Department of Agriculture, administers national forests and grasslands encompassing 193 million acres. The Forest Service's mission is to achieve quality land management under the "sustainable multiple-use management concept" to meet the diverse needs of people while protecting the resource. Significant intellectual, conceptual, and content contributions were provided by the following individuals: Dr. Pat Reed, Dr. Jessica Montag, Doug Smith, M.S., Fred Clark, M.S., Dr. Susan A. Winter, and Dr. Ashley Goldhor-Wilcock.

Table of Contents

	Page
Federal Land Payments	
What are federal land payments?	1
How are federal land payments distributed to state and local governments?	2
How are federal land payments distributed to county governments allocated to unrestricted and restricted uses?	3
How important are federal land payments to state and local governments?	4
Federal Land Payment Programs	
What are Payments in Lieu of Taxes (PILT)?	5
What is Forest Service Revenue Sharing?	6
What is BLM Revenue Sharing?	7
What is U.S. Fish and Wildlife Service Refuge Revenue Sharing?	8
What are Federal Mineral Royalties?	9
Data Sources & Methods	10
Links to Additional Resources	11

Note to Users:

This is one of fourteen reports that can be created and downloaded from EPS Web. You may want to run another EPS report for either a different geography or topic. Topics include land use, demographics, specific industry sectors, the role of non-labor income, the wildland-urban interface, the role of amenities in economic development, and payments to county governments from federal lands. Throughout the reports, references to online resources are indicated in parentheses. These resources are provided as hyperlinks on each report's final page. The EPS reports are downloadable as Excel, PDF, and Word documents. For further information and to download reports, go to:

headwaterseconomics.org/eps

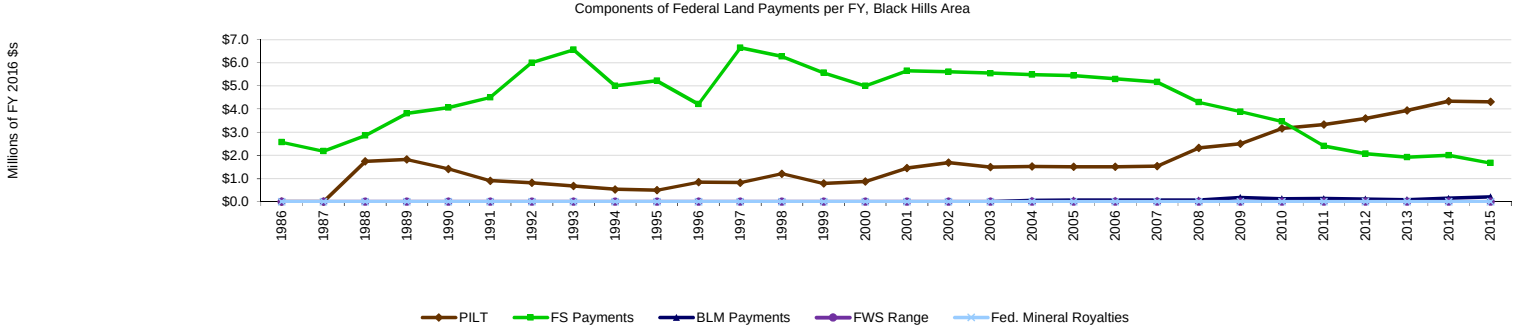
What are federal land payments?

This page describes all federal land payments distributed to state and local governments by the geography of origin.

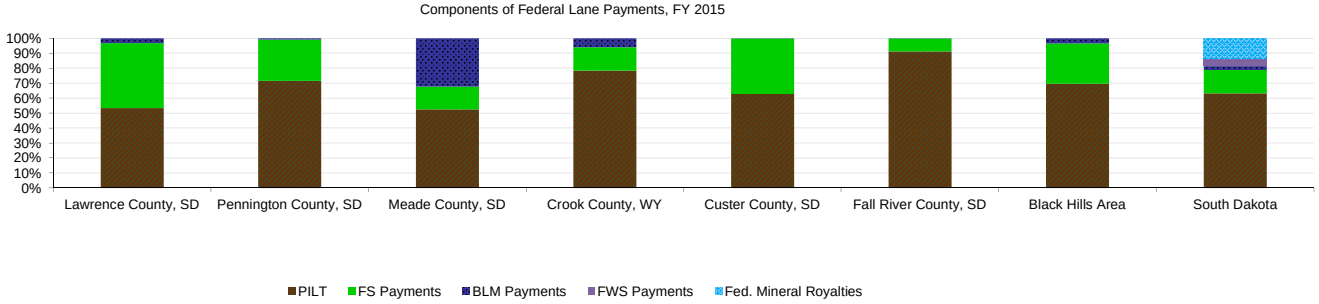
Components of Federal Land Payments to State and Local Governments by Geography of Origin, FY 2015 (FY 2016 $s)

	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Total Federal Land Payments	894,614	2,080,884	346,384	909,455	1,204,769	762,581	6,198,686	9,897,426
PILT	477,185	1,489,639	182,282	713,986	756,503	695,600	4,315,194	6,258,933
Forest Service Payments	388,454	575,690	52,308	140,866	447,353	64,942	1,669,613	1,554,711
BLM Payments	28,974	15,555	111,793	54,603	913	2,039	213,878	253,962
USFWS Refuge Payments	0	0	0	0	0	0	0	514,739
Federal Mineral Royalties	0	0	0	0	0	0	0	1,315,081
Percent of Total								
PILT	53.3%	71.6%	52.6%	78.5%	62.8%	91.2%	69.6%	63.2%
Forest Service Payments	43.4%	27.7%	15.1%	15.5%	37.1%	8.5%	26.9%	15.7%
BLM Payments	3.2%	0.7%	32.3%	6.0%	0.1%	0.3%	3.5%	2.6%
USFWS Refuge Payments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%
Federal Mineral Royalties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.3%

- From FY 1986 to FY 2015, Forest Service revenue sharing payments shrank from $2,567,573 to $1,669,613, a decrease of 35 percent.
- From FY 1986 to FY 2015, BLM revenue sharing payments grew from $0 to $213,878.



- In FY 2015, PILT made up the largest percent of federal land payments in Black Hills Area (69.6%), and USFWS Refuge Payments made up the smallest (0%).



Data Sources: U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.

Study Guide and Supplemental Information

What are federal land payments?

What do we measure on this page?

This page describes all federal land payments distributed to state and local governments by the geography of origin.

Federal land payments: These are federal payments that compensate state and local governments for non-taxable federal lands within their borders. Payments are funded by federal appropriations (e.g., PILT) and from receipts received by federal agencies from activities on federal public lands (e.g., timber, grazing, and minerals).

Payments in Lieu of Taxes (PILT): These payments compensate county governments for non-taxable federal lands within their borders. PILT is based on a maximum per-acre payment reduced by the sum of all revenue sharing payments and subject to a population cap.

Forest Service Revenue Sharing: These are payments based on USFS receipts and must be used for county roads and local schools. Payments include the 25% Fund, Secure Rural Schools & Community Self-Determination Act, and Bankhead-Jones Forest Grasslands.

BLM Revenue Sharing: The BLM shares a portion of receipts generated on public lands with state and local governments, including grazing fees through the Taylor Grazing Act and timber receipts generated on Oregon and California (O & C) grant lands.

USFWS Refuge: These payments share a portion of receipts from National Wildlife Refuges and other areas managed by the USFWS directly with the counties in which they are located.

Federal Mineral Royalties: These payments are distributed to state governments by the U.S. Office of Natural Resources Revenue. States may share, at their discretion, a portion of revenues with the local governments where royalties were generated.

Federal Fiscal Year: FY refers to the federal fiscal year that begins on October 1 and ends September 30.

Why is it important?

State and local government cannot tax federally owned lands the way they would if the land were privately owned. A number of federal programs exist to compensate county governments for the presence of federal lands. These programs can represent a significant portion of local government revenue in rural counties with large federal land holdings.

Before 1976, all federal payments were linked directly to receipts generated on public lands. Congress funded PILT with appropriations beginning in 1977 in recognition of the volatility and inadequacy of federal revenue sharing programs. PILT was intended to stabilize and increase federal land payments to county governments. More recently, the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS) decoupled USFS payments from commercial receipts. SRS received broad support because it addressed several major concerns around receipt-based programs--volatility, the payment level, and the incentives provided to counties by linking federal land payments directly to extractive uses of public lands.

PILT and SRS each received a significant increase in federal appropriations in FY 2008 through the Emergency Economic Stabilization Act of 2008. Despite the increased appropriations, SRS is authorized only through FY 2011, PILT only through FY 2012, and federal budget concerns are creating uncertainty for the future of both.

Methods

Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and some states that make discretionary distributions of mineral royalties and some BLM payments.

Significance of Data Limitations: USFWS data limitations are relatively insignificant at the federal level (data gaps on local distributions of USFWS Refuge revenue sharing is less than one percent of total federal land payments in FFY 2009) but may be important to specific local governments with significant USFWS acreage. Federal mineral royalties represent a more significant omission in states that share a portion of royalties with local governments. Federal mineral royalties made up 68% of federal land payments in the U.S. in FFY 2008.

Additional Resources

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to The Forest County Payments Committee, Washington, D.C. by Research Unit 4802 - Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT.

Gorte, Ross W., M. Lynne Corn, and Carol Hardy Vincent. 1999. Federal Land Management Agencies' Permanently Appropriated Accounts. Congressional Research Service Report RL30335.

Trends in federal land payments are closely tied to commodity extraction on public lands. For more on the economic importance (in terms of jobs and income) of these activities, see the EPS-HDT Socioeconomic Measures report and other industry specific reports at headwaterseconomics.org/eps *(1)* .

For data on federal land ownership, see the EPS-HDT Land Use report at headwaterseconomics.org/eps *(1)* .

Data Sources

U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt

How are federal land payments distributed to state and local governments?

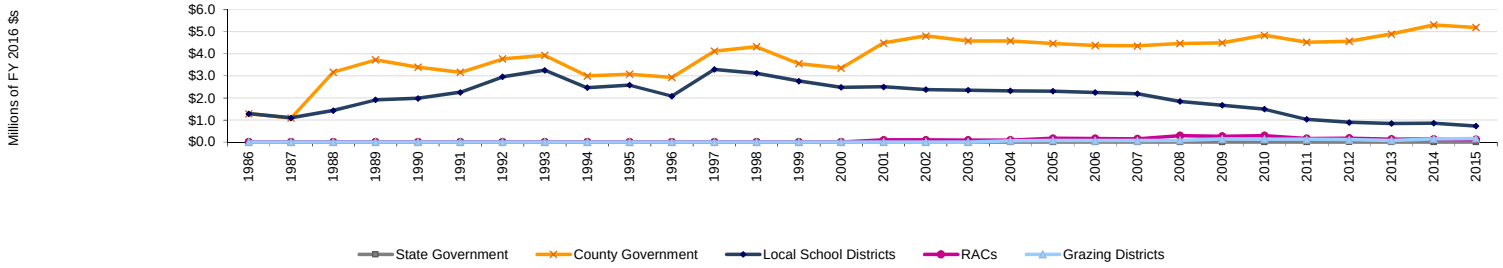
This page describes how federal land payments are distributed to state and local governments by geography of origin.

Distribution of Federal Land Payments to State and Local Governments by Geography of Origin, FY 2015 (FY 2016 $s)

	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Total Federal Land Payments	894,614	2,080,884	346,384	909,455	1,204,769	762,581	6,198,686	9,897,426
State Government	0	0	0	0	0	0	0	1,315,273
County Government	697,898	1,774,606	208,538	805,294	977,954	728,070	5,192,360	7,543,970
Local School Districts	165,093	244,668	26,154	70,117	190,125	32,471	728,628	671,493
RACs	31,076	46,055	0	0	35,788	0	112,919	112,920
Grazing Districts	547	15,555	111,691	33,412	901	2,039	164,145	253,771
Percent of Total								
State Government	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.3%
County Government	78.0%	85.3%	60.2%	88.5%	81.2%	95.5%	83.8%	76.2%
Local School Districts	18.5%	11.8%	7.6%	7.7%	15.8%	4.3%	11.8%	6.8%
RACs	3.5%	2.2%	0.0%	0.0%	3.0%	0.0%	1.8%	1.1%
Grazing Districts	0.1%	0.7%	32.2%	3.7%	0.1%	0.3%	2.6%	2.6%

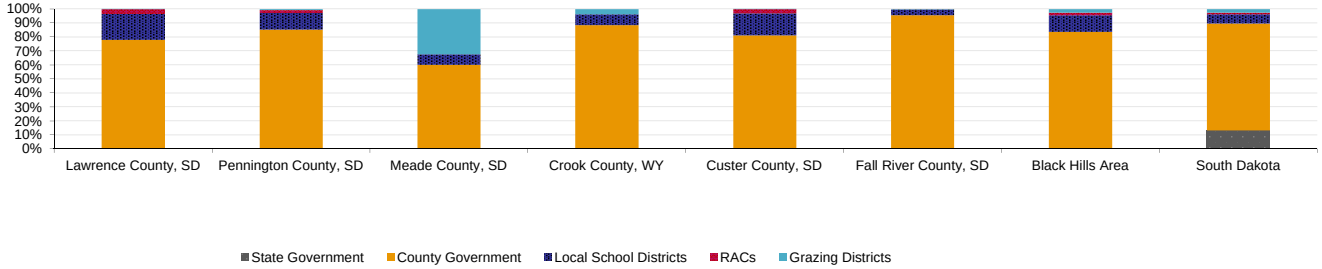
- From FY 1986 to FY 2015, the amount county governments received in federal land payments grew from $1,283,788 to $5,192,360, an increase of 304 percent.

Distribution of Federal Land Payments to State and Local Governments per FY, Black Hills Area



- In FY 2015, County Government made up the largest percent of federal land payments in Black Hills Area (83.8%), and State Government made up the smallest (0%).

Distribution of Federal Land Payments to State and Local Governments by Type, FY 2015



Data Sources: U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.

How are federal land payments distributed to state and local governments?

What do we measure on this page?

This page describes how federal land payments are distributed to state and local governments by geography of origin.

Why is it important?

A variety of state and local governments receive federal land payments, and the way these payments are distributed explains who benefits. For example, PILT is directed to county government only, while USFS payments are shared between county government and schools. If USFS payments decline, the PILT formula ensures that county government payments will increase, but school districts will not share in the increased PILT payments. While PILT and SRS have decoupled local government payments from commercial activities on public lands, all the federal land payments delivered to state government (mineral royalties, BLM revenue sharing payments) are still linked directly to how public lands are managed. This means state legislators and governors have a different set of expectations and incentives to lobby for particular outcomes on public lands than do county commissioners or school officials.

Methods

State Government Distributions: Consist of: (1) federal mineral royalties and (2) portions BLM revenue sharing. States make subsequent distributions to local government according to state and federal statute (see note about data limitations).
County Government Distributions: Consist of: (1) PILT; (2) portions of Forest Service payments including Secure Rural Schools and Community Self-Determination Act (SRS) Title I and Title III, 25% Fund, and Forest Grasslands ; (4) BLM Bankhead-Jones; (4) USFWS Refuge revenue sharing; and (5) discretionary state government distributions of federal mineral royalties where these data are available.
Local School District Distributions: Consist of portions of SRS Title I, 25% Fund, and Forest Grasslands.
Resource Advisory Council (RAC) Distributions: Consist of SRS Title II. These funds are retained by the Federal Treasury to be used on public land projects on the national forest or BLM land where the payment originated. Resource Advisory Committee (RAC) provides advice and recommendations to the Forest Service on the development and implementation of special projects on federal lands as authorized under the Secure Rural Schools Act and Community Self-Determination Act, Public Law 110-343. Each RAC consists of 15 people representing varied interests and areas of expertise, who work collaboratively to improve working relationships among community members and national forest personnel.
Grazing District Distributions: Consist of BLM Taylor Grazing Act payments.
Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and from states (some states make discretionary distributions of mineral royalties and some BLM payments, and these data may not be available).

Additional Resources

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to The Forest County Payments Committee, Washington, D.C. by Research Unit 4802 - Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT.

Gorte, Ross W., M. Lynne Corn, and Carol Hardy Vincent. 1999. Federal Land Management Agencies' Permanently Appropriated Accounts. Congressional Research Service Report RL30335.

Trends in federal land payments are closely tied to commodity extraction on public lands. For more on the economic importance (in terms of jobs and income) of these activities, see the EPS Socioeconomic Measures report and other industry specific reports at headwaterseconomics.org/eps *(1)* .

Data Sources

U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt

How are federal land payments distributed to county governments allocated to unrestricted and restricted uses?

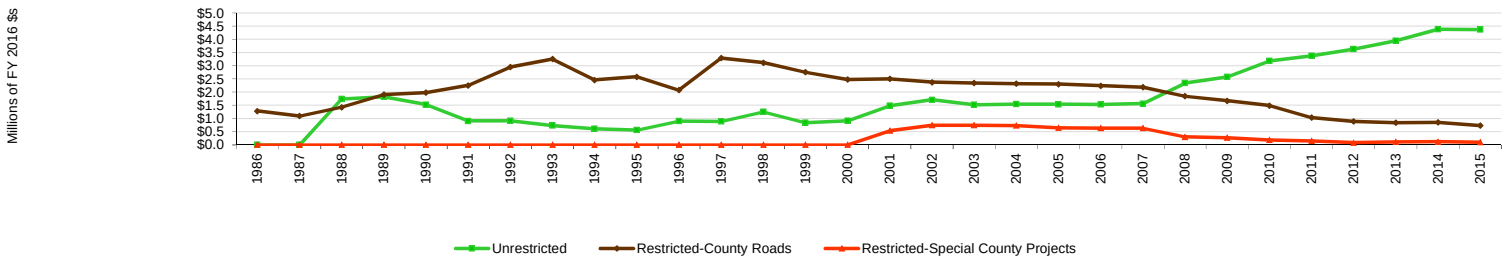
This page describes the amount of money distributed to county governments (federal land payments distributed to the state, school districts, grazing districts, and RACs are excluded) based on the permitted uses of federal land payments.

Allocation of Federal Land Payments to County Government by Permitted Use, FY 2015 (FY 2016 $s)

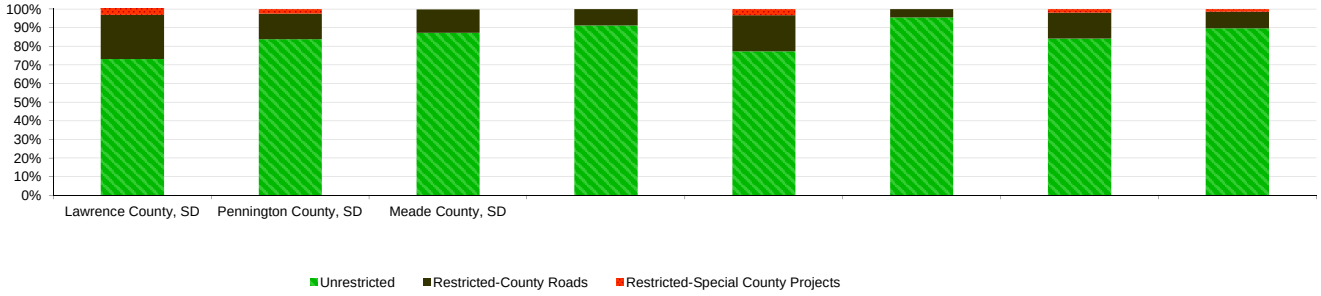
	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Total Federal Land Payments	697,898	1,774,606	208,538	805,294	977,954	728,070	5,192,360	7,543,970
Unrestricted	511,657	1,489,639	182,316	735,809	756,505	695,600	4,371,526	6,773,672
Restricted-County Roads	165,093	244,668	26,154	70,117	190,125	32,471	728,628	671,493
Restricted-Special County Projects	27,192	40,298	0	0	31,314	0	98,804	98,804
Percent of Total								
Unrestricted	73.3%	83.9%	87.4%	91.4%	77.4%	95.5%	84.2%	89.8%
Restricted-County Roads	23.7%	13.8%	12.5%	8.7%	19.4%	4.5%	14.0%	8.9%
Restricted-Special County Projects	3.9%	2.3%	0.0%	0.0%	3.2%	0.0%	1.9%	1.3%

- From 1986 to 2015, unrestricted federal land payments grew from $0 to $4,371,526.
- From FY 1986 to FY 2015, federal land payments restricted to county roads shrank from $1,283,788 to $728,628, a decrease of 43 percent.
- From FY 1986 to FY 2015, federal land payments restricted to special county projects grew from $0 to $98,804.
- In FY 2015, unrestricted federal land payments were the largest type of payment to the county government in Black Hills Area (84.2%), and restricted-special county projects were the smallest (1.9%).

Allocation of Federal Land Payments to County Governmentsby Permitted Use per FY, Black Hills Area



Allocation of Federal Land Payments to County Governments by Permitted Use, FY 2015



Data Sources: U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.

Study Guide and Supplemental Information

How are federal land payments distributed to county governments allocated to unrestricted and restricted uses?

What do we measure on this page?

This page describes the amount of money distributed to county governments (federal land payments distributed to the state, school districts, grazing districts, and RACs are excluded) based on the permitted uses of federal land payments.

Why is it important?

County governments can incur a number of costs associated with activities that take place on federal public lands within their boundaries. For example, counties must maintain county roads used by logging trucks and recreational traffic traveling to and from federal lands, and they must pay for law enforcement and emergency services associated with public lands. Several federal land payment programs, particularly those from the Forest Service, are specifically targeted to help pay for these costs.

Methods

Unrestricted: Consist of (1) PILT, (2) U.S. Fish and Wildlife Service Refuge Revenue Sharing, and (3) any distributions of federal mineral royalties from the state government.

Restricted--County Roads: Consist of (1) Secure Rural Schools and Community Self-Determination Act (SRS) Title I, (2) Forest Service 25% Fund, (3) Forest Service Owl payments (between 1993 and 2000 only), and (4) Forest Grasslands. Federal law mandates payments be used for county roads and public schools. Each state determines how to split funds between the two services.

Restricted--Special County Projects: Consist of (1) SRS Title III funds that are distributed to county government for use on specific projects, such as Firewise Communities projects, reimbursement for emergency services provided on federal land, and developing community wildfire protection plans.

Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and from states (some states make discretionary distributions of mineral royalties and some BLM payments, and these data may not be available).

Additional Resources

An Inquiry into Selected Aspects of Revenue Sharing on Federal Lands. 2002. A report to The Forest County Payments Committee, Washington, D.C. by Research Unit 4802 - Economic Aspects of Forest Management on Public Lands, Rocky Mountain Research Station, USDA Forest Service, Missoula, MT.

Gorte, Ross W. 2008. The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties. Congressional Research Service Report RL33822.

Data Sources

U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt

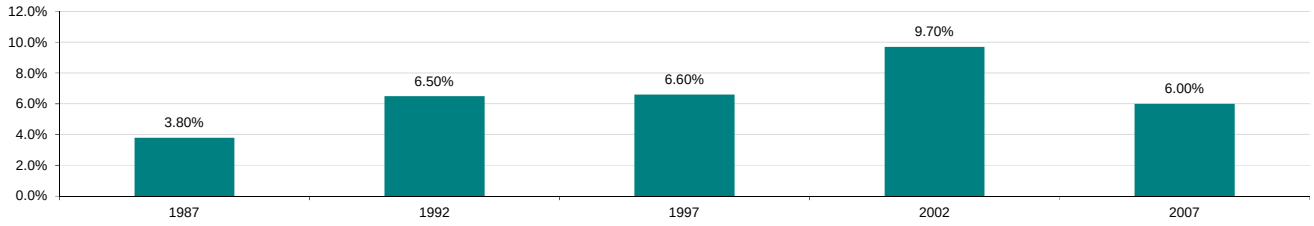
How important are federal land payments to state and local governments?

This page describes federal land payments as a proportion of total county and state government general revenue.

Federal Land Payments as a Share of Total General Government Revenue, Thousands of FY 2012 (FY 2016 $s)

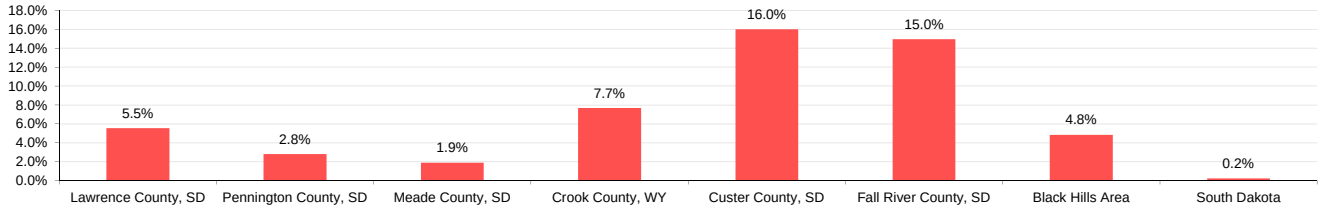
	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Total General Revenue	15,645	66,497	14,878	11,261	7,478	5,235	120,995	4,174,724
Taxes	9,022	38,033	10,170	7,028	4,298	2,798	71,349	1,591,465
Intergovernmental Revenue	3,642	17,074	3,643	3,716	1,719	1,648	31,443	1,733,809
Total Charges	168	8,007	880	169	932	491	10,647	334,494
All Other (Miscellaneous)	2,813	3,384	185	347	529	298	7,556	514,956
Federal Land Payments (FY 2011)	868	1,876	279	864	1,196	783	5,866	9,507
Percent of Total								
Taxes	57.7%	57.2%	68.4%	62.4%	57.5%	53.4%	59.0%	38.1%
Intergovernmental Revenue	23.3%	25.7%	24.5%	33.0%	23.0%	31.5%	26.0%	41.5%
Total Charges	1.1%	12.0%	5.9%	1.5%	12.5%	9.4%	8.8%	8.0%
All Other (Miscellaneous)	18.0%	5.1%	1.2%	3.1%	7.1%	5.7%	6.2%	12.3%
Federal Land Payments (FY 2011)	5.5%	2.8%	1.9%	7.7%	16.0%	15.0%	4.8%	0.2%

Federal Land Payments per FY, Percent of Total General Government Revenue, Black Hills Area



Federal Land Payments, Percent of Total General Government Revenue, FY 2012

- In FY 2012, federal land payments as a percent of total general government revenue in Black Hills Area was 4.8%.



Data Sources: U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.

Study Guide and Supplemental Information

How important are federal land payments to state and local governments?

What do we measure on this page?

This page describes federal land payments as a proportion of total county and state government general revenue.

Reporting Period: State and local financial data is from the U.S. Census of Governments, conducted every five years. The latest was for Fiscal Year (FY) 2007. Federal land payments reported for FY 2006 are received by state and local government during FY 2007.
Interactive Table: Census of Government county financial statistics are based on a national survey and may not match local government financial reports. The interactive table on the next page allows the user to input data gathered from primary sources to avoid these data limitations and update data for the latest year.
Taxes: All taxes collected by state and local governments, including property, sales, and income tax.
Intergovernmental Revenue: Payments, grants, and distributions from other governments, including federal education, health care, and transportation assistance to state governments, and state assistance to local governments.
Total Charges: Charges imposed for providing current services, including social services, library, and clerk and recorder charges.
All Other (Miscellaneous): All other general government revenue from their own sources.

Why is it important?

County payments are an important component of local government fiscal health for a handful of rural counties with a large share of land in federal ownership. For counties with fewer public lands and larger economies, federal land payments are a small piece of a much broader revenue stream. Counties most dependent on federal land payments are affected most by changes in distribution and funding levels. For these counties, volatility and uncertainty makes budgeting and planning difficult.

Methods

Reporting Period: The Census of Government FY covers the period July1 to June 30 for most states and counties and does not match the federal FY beginning October 1 and ending September 31. Federal land payments reported for the current FY are often distributed to counties during the following FY. For example, Forest Service payments authorized and appropriated for FY 2007 are delivered to counties in January of 2008, during the Census of Government FY 2008. To correct for the different reporting periods, federal land payments allocated in FY 2006 are compared to local government revenue received in FY 2007.
Federal Land Payments Data Limitations: Local government distributions of federal land payments may be underreported due to data limitations from USFWS, ONRR, and from states (some states make discretionary distributions of mineral royalties and some BLM payments, and these data may not be available).
Census of Governments Data Limitations: (1) county financial statistics may not match local government financial reports for three main reasons: (a) The Census of Government defines the general county government as the aggregation of the parent (county) government and all agencies, institutions, and authorities connected to it (including government and quasi-governmental entities). This may differ from the way local governments define themselves for budgeting purposes; (b) different reporting periods between the Census of Governments fiscal year and the reporting period used by local governments (for example, some counties use a calendar year for reporting purposes); and (c) survey methods introduce error; (2) the last published edition of the Census of Governments was FY 2007, before the recent increase in payments from SRS and PILT; and (3) federal land payments data limitations may under-represent the importance of federal land payments relative to other sources of county revenue.

Additional Resources

U.S. Census Bureau State and Local Government Finance statistics can be downloaded at: census.gov/govs/estimate/ *(2)* .
For a detailed description of Census of Governments survey methods, survey year (fiscal year), and definitions, see: 2006 Government Finance and Employment Classification Manual at census.gov/govs/ *(3)* .
Schuster, Ervin G. and Krista M. Gebert. 2001. Property Tax Equivalency on Federal Resource Management Lands. Journal of Forestry. May 2001 pp 30-35.
Ingles, Brett. 2004. Changing the Funding Structure: An Analysis of the Secure Rural School and Community Self-Determination Act of 2000 on National Forest Lands. Environmental Science and Public Policy Research Institute, Boise State University.

Data Sources

U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.; U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.; U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt

What are Payments in Lieu of Taxes (PILT)?

This page describes Payments in Lieu of Taxes (PILT).

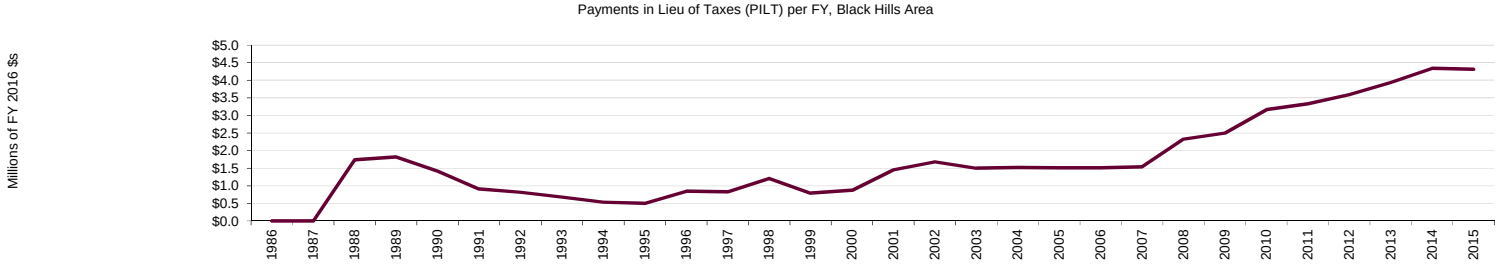
PILT Eligible Acres by Agency, FY 2015

	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Total Eligible Acres	279,026	682,141	81,405	334,066	397,144	284,489	2,058,271	2,785,658
BLM	5,012	16,580	37,038	149,455	3,680	7,184	218,949	274,437
Forest Service	274,014	583,585	44,323	169,581	360,778	268,678	1,700,959	1,966,652
Bureau of Reclamation	0	0	44	13,683	0	7,535	21,262	43,607
National Park Service	0	81,976	0	1,347	32,686	0	116,009	128,046
Military	0	0	0	0	0	0	0	0
Army Corps of Engineers	0	0	0	0	0	1,092	1,092	371,067
U.S. Fish and Wildlife Service	0	0	0	0	0	0	0	1,849
Other Eligible Acres	0	0	0	0	0	0	0	0
PILT Payment (FY 2016 $s)	477,185	1,489,639	182,282	713,986	756,503	695,600	4,315,194	6,258,933
Avg. Per-Acre Payment (FY 2016 $s)	1.71	2.18	2.24	2.14	1.90	2.45	2.10	2.25

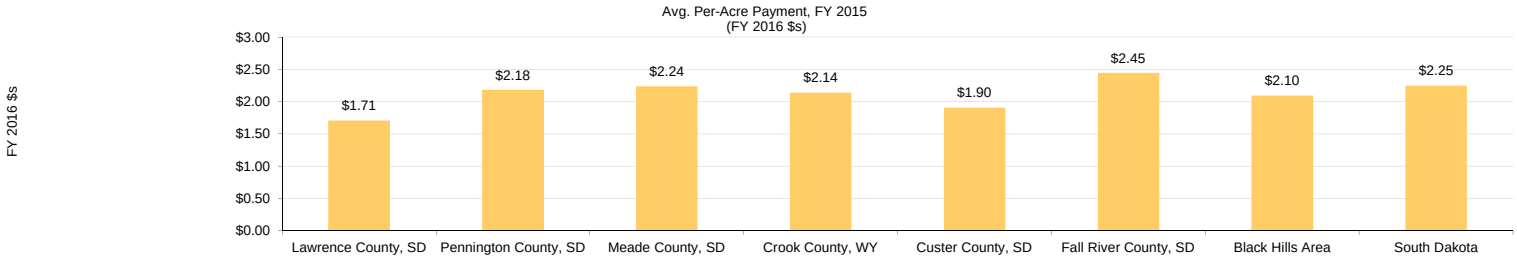
Percent of Total

BLM	1.8%	2.4%	45.5%	44.7%	0.9%	2.5%	10.6%	9.9%
Forest Service	98.2%	85.6%	54.4%	50.8%	90.8%	94.4%	82.6%	70.6%
Bureau of Reclamation	0.0%	0.0%	0.1%	4.1%	0.0%	2.6%	1.0%	1.6%
National Park Service	0.0%	12.0%	0.0%	0.4%	8.2%	0.0%	5.6%	4.6%
Military	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Army Corps of Engineers	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	13.3%
U.S. Fish and Wildlife Service	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Other Eligible Acres	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- From FY 1986 to FY 2015, PILT payments grew from $0 to $4,315,194.



- In FY 2015, Fall River County, SD had the highest average per-acre PILT payment ($2.45), and Lawrence County, SD had the lowest ($1.71).



Data Sources: U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.

What are Payments in Lieu of Taxes (PILT)?

What do we measure on this page?

This page describes Payments in Lieu of Taxes (PILT).

Congress authorized PILT in 1976 in recognition of the volatility and inadequacy of federal revenue sharing payment programs to compensate counties for non-taxable federal lands within their borders (Public Law 94-565). PILT increases and stabilizes county government revenue sharing payments by paying counties based on a per-acre average "base payment" that is reduced by the amount of revenue sharing payments and is subject to a population cap.

A low average per-acre PILT payment may indicate significant revenue sharing payments from the previous year or that the county's population is below the population cap that limits the base per acre payment.

PILT is permanently authorized, but congress must appropriate funding on an annual basis. PILT was typically not fully funded until FY 2008 when counties received a guarantee of five years at full payment amounts (FY 2008 to FY 2012 payments).

Why is it important?

As county payments became more important to local government after WWII (largely due to high timber extraction levels to fuel the post-war housing and economic growth), volatility became an issue. PILT increased and stabilized payments by funding counties from congressional appropriations rather than directly from commodity receipts. PILT payments are also important because they are not restricted to particular local government services, but can be used at the discretion of county commissioners to fund any local government needs.

Additional Resources

The U.S. Department of the Interior maintains an online searchable database of PILT payments and eligible PILT acres by county and state total. Data are available back to FY 1999 at: doi.gov/nbc/index.cfm *(4)* .

Schuster, Ervin G. 1995. PILT - Its Purpose and Performance. Journal of Forestry. 93(8):31-35.

Corn, M. Lynne. 2008. PILT (Payments in Lieu of Taxes): Somewhat Simplified. Congressional Research Service Report RL31392.

Data Sources

U.S. Department of Interior. 2016. Payments in Lieu of Taxes (PILT), , Washington, D.C.

What is Forest Service Revenue Sharing?

This page describes Forest Service revenue sharing programs, including the Secure Rural Schools and Community Self-Determination Act (SRS), 25% Fund, and Forest Grasslands.

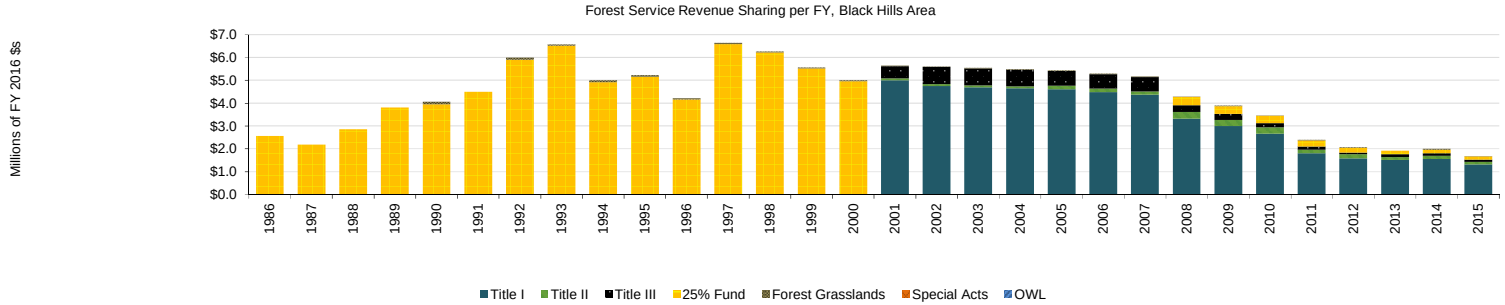
Forest Service Revenue Sharing Payments, FY 2015 (FY 2016 $s)

	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Forest Service Total	388,454	575,690	52,308	140,866	447,353	64,942	1,669,613	1,554,711
Secure Rural Schools Total	388,454	575,690	52,308	0	447,353	64,942	1,528,747	1,554,711
Title I	330,186	489,337	52,308	0	380,250	64,942	1,317,022	1,342,986
Title II	31,076	46,055	0	0	35,788	0	112,919	112,920
Title III	27,192	40,298	0	0	31,314	0	98,804	98,804
25% Fund	0	0	0	140,234	0	0	140,234	0
Forest Grasslands	0	0	0	633	0	0	633	0
Special Acts	0	0	0	0	0	0	0	0

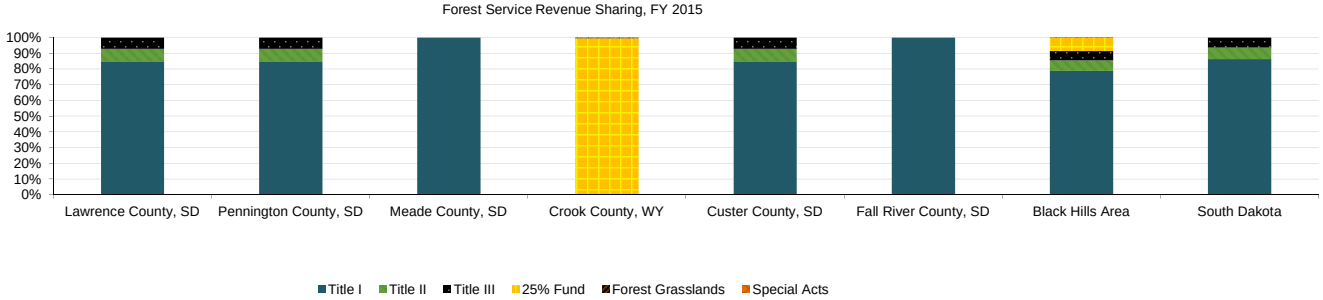
Percent of Total

Secure Rural Schools Total	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	91.6%	100.0%
Title I	85.0%	85.0%	100.0%	0.0%	85.0%	100.0%	78.9%	86.4%
Title II	8.0%	8.0%	0.0%	0.0%	8.0%	0.0%	6.8%	7.3%
Title III	7.0%	7.0%	0.0%	0.0%	7.0%	0.0%	5.9%	6.4%
25% Fund	0.0%	0.0%	0.0%	99.6%	0.0%	0.0%	8.4%	0.0%
Forest Grasslands	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%
Special Acts	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- From FY 1986 to FY 2015, Forest Service revenue sharing payments shrank from $2,567,573 to $1,669,613, a decrease of 35 percent.



- In FY 2015, Title I payments were the greatest portion of Forest Service revenue sharing in Black Hills Area (78.9%), and Special Acts were the smallest (0%).



Data Sources: U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.

What is Forest Service Revenue Sharing?

What do we measure on this page?

This page describes Forest Service revenue sharing programs, including the Secure Rural Schools and Community Self-Determination Act (SRS), 25% Fund, and Forest Grasslands.

U.S. Forest Service 25 Percent Fund: The 25% Fund, established in 1908, shares revenue generated from the sale of commodities produced on public land with the county where the activities take place. Twenty-five percent of the value of public land receipts are distributed directly to counties and must be used to fund roads and schools. States determine how to allocate receipts between these two local services.

The Secure Rural Schools and Community Self-Determination Act of 2000 (SRS), or Public Law 106-393: SRS was enacted in FY 2001 to provide 5 years of transitional assistance to rural counties affected by the decline in revenue from timber harvests on federal lands. SRS was reauthorized for a single year in 2007, and again in 2008 for a period of four years. The SRS Act has three titles that allocate payments for specific purposes.

- Title I - these payments to counties make up 80 to 85 percent of the total SRS payments and must be dedicated to funding roads and schools. States determine the split between these two services, and some states let the counties decide.
- Title II - these funds are retained by the federal treasury to be used on special projects on federal land. Resource advisory committees (RACs) at the community level help make spending determinations and monitor project progress.
- Title III - these payments may be used to carry out activities under the Firewise Communities program, to reimburse the county for search and rescue and other emergency services, and to develop community wildfire protection plans.

What is the Relationship Between the 25% Fund and SRS? Counties elect to receive Secure Rural Schools Payments, or to continue with 25% Fund payments. Most counties have elected to receive Secure Rural Schools payments. Some counties, particularly in the East, continue to prefer 25% Fund payments to Secure Rural Schools.

Forest Grasslands: Forest Grasslands are lands acquired by the Forest Service through the Bankhead-Jones Farm Tenant Act of 1937 (P.L. 75-210). The Act authorized acquisition of damaged lands to rehabilitate and use them for various purposes. Receipts from activities on Forest Grasslands are shared directly with county governments.

Special Acts: These include Payments to Minnesota (Act of June 22, 1948, 16 U.S.C. 577g), payments associated with the Quinault Special Management Area in Washington (P.L. 100-638, 102 Stat. 3327), and receipts from the sale of quartz from the Ouachita National Forest in Arkansas (§423, Interior Appropriations Act for FY1989; P.L. 100-446, 102 Stat. 1774). Payments to Minnesota provides a special payment (75% of the appraised value) for lands in the Boundary Waters Canoe Area in St. Louis, Cook, and Lake counties. The Forest Service shares 45 percent of timber receipts from the Quinault Special Management Area with both the Quinault Indian Tribe and with the State of Washington. Congress directed the Forest Service to sell quartz from the Ouachita National Forest as common variety mineral materials (rather than being available under the 1872 General Mining Law), with 50 percent of the receipts to Arkansas counties with Ouachita National Forest lands for roads and schools.

Why is it important?

USFS revenue sharing is the largest source of federal land payments to counties on a national basis (federal mineral royalties are distributed to states). For some counties it provides a significant portion of total local government revenue. Payments became important after WWII when timber harvests on the National Forests increased sharply in response to post-war housing and economic growth.

As the timber economy shifted and ideas about public land management changed, harvests declined and county payments along with it. Congress addressed these changes by authorizing "owl" transition payments in the Pacific Northwest, and later extended the concept of transition payments nationally in 2000 with the SRS act. SRS changed USFS revenue sharing in three fundamental ways: SRS (1) decoupled county payments from National Forest receipts traditionally dominated by timber, (2) introduced new purposes of restoration and stewardship through Title II funds that pay for projects on public lands, and (3) addressed payment equity concerns by adjusting county and school payments based on economic need (the Title I formula is adjusted using each county's per capita personal income).

SRS transition payments are only authorized through FY 2011, at which point Congress must decide to extend and/or reform SRS, or allow it to expire. If SRS expires, counties will again receive payments from the 25% Fund, recoupling payments directly to commercial activities on public land.

Additional Resources

Secure Rural Schools and Community Self Determination Act payments available at: fs.usda.gov/pts/ *(5)* .

Gorte, Ross W. 2008. The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties. Congressional Research Service Report RL33822.

Data Sources

U.S. Department of Agriculture. 2016. Forest Service, , Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt

What is BLM Revenue Sharing?

This page describes BLM payments to states and local governments. Payments are derived from a variety of revenue-generating activities on BLM land, including revenue from the sale of land and materials, grazing, and minerals leasing.

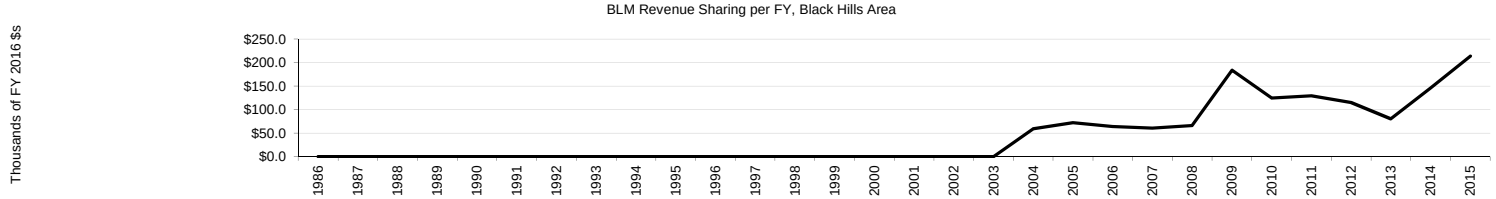
BLM Payments to States and Local Governments, FY 2015 (FY 2016 $s)

	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Total BLM Payments ($)	28,974	15,555	111,793	54,603	913	2,039	213,878	253,962
Proceeds of Sales	34,471	0	34	21,191	2	0	55,699	0
Mineral Leasing Act	0	0	0	0	0	0	0	0
Taylor Grazing Act	547	15,555	111,691	33,412	901	2,039	164,145	253,771
State Payments	0	0	0	0	0	0	0	192
National Grasslands	0	0	0	0	0	0	0	0
Miscellaneous Receipts	-6,044	0	69	0	10	0	-5,965	0
O&C and CBWR land grants	0	0	0	0	0	0	0	0
Title I	0	0	0	0	0	0	0	0
Title II	0	0	0	0	0	0	0	0
Title III	0	0	0	0	0	0	0	0

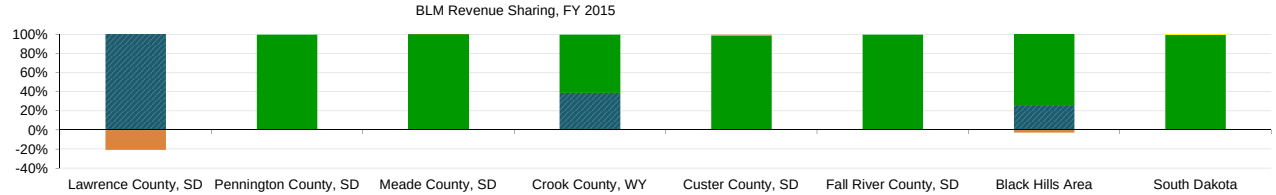
Percent of Total

Proceeds of Sales	119.0%	0.0%	0.0%	38.8%	0.2%	0.0%	26.0%	0.0%
Mineral Leasing Act	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taylor Grazing Act	1.9%	100.0%	99.9%	61.2%	98.7%	100.0%	76.7%	99.9%
State Payments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
National Grasslands	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous Receipts	-20.9%	0.0%	0.1%	0.0%	1.1%	0.0%	-2.8%	0.0%
O&C and CBWR land grants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Title I	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Title II	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Title III	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- From FY 1986 to FY 2015, BLM revenue sharing payments grew from $0 to $213,878.



- In FY 2015, Taylor Grazing Act payments were the greatest portion of BLM revenue sharing in Black Hills Area (76.7%), and Miscellaneous Receipts payments were the smallest (-2.8%).



Proceeds of Sales | Mineral Leasing Act | Taylor Grazing Act | National Grasslands | O&C and CBWR land grants | State Payments | Miscellaneous Receipts

Data Sources: U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.

What is BLM Revenue Sharing?

What do we measure on this page?

This page describes BLM payments to states and local governments. Payments are derived from a variety of revenue-generating activities on BLM land, including revenue from the sale of land and materials, grazing, and minerals leasing.

Proceeds of Sales: These include receipts from the sale of land and materials.

Mineral Leasing Act: These include Oil and Gas Right of Way lease revenue and the National Petroleum Reserve - Alaska Lands. These do not include royalties from mineral leasing on BLM lands, which are distributed by the Office of Natural Resources Revenue (ONRR). For ONRR payments see worksheet 10.

Taylor Grazing Act: The Taylor Grazing Act, June 28, 1934, established grazing allotments on public land and extended tenure to district grazers. In 1936 the Grazing Service (BLM) enacted fees to be shared with the county where allotments and leases are located. Funds are restricted to use for range improvements (e.g., predator control, noxious weed programs) in cooperation with BLM or livestock organizations.

• Section 3 of the Taylor Grazing Act concerns grazing permits issued on public lands within grazing districts established under the Act.

• Section 15 of the Taylor Grazing Act concerns issuing grazing leases on public lands outside the original grazing district established under the Act.

National Grasslands: Revenue derived from the management of National Grasslands under the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012), and Executive Order 10787, November 6, 1958.

Oregon and California Land Grants: These include (1) the Oregon and California (O&C) land grant payment and (2) Coos Bay Wagon Road (CBWR) payment administered by the Secure Rural Schools and Community Self-Determination Act. Amounts include Title I, Title II, and Title III payments (see the Forest Service revenue sharing section in this report for definitions and information on the Secure Rural Schools and Community Self-Determination Act).

Why is it important?

The BLM is the nation's largest land owner, and activities that take place on BLM lands can be extremely important to adjacent communities. Similarly, the non-taxable status of BLM lands is important to local government who must provide services to county residents, and provide public safety and law enforcement activities on BLM lands. BLM revenue sharing programs provide resources to local governments in lieu of property taxes (and these revenue sharing dollars are supplemented by PILT).

Methods

BLM data on this page are from BLM FRD 196 and FRD 198 reports. The FRD 196 reports receipts by county and state of origin while the FRD 198 reports actual distribution amounts to state and local governments. FRD 198 is not available for some years, so the FRD 196 report is used. To arrive at distribution amounts from receipts, the Legal Allocation of BLM Receipts (Table 3-31 of BLM Public Land Statistics) was used. Some error is likely. In addition, some data are obtained directly from states. Distribution statistics obtained from the state or local government are related to the previous FY's reported distributions (BLM distributions reported for federal FY 2008 are received and reported by state and local government in FY 2009.)

Additional Resources

BLM Public Land Statistics are available at the Annual Reports and Public Land Statistics website: blm.gov/wo/st/en/res/Direct_Links_to_Publications/ann_rpt_and_pls.html *(6)* .

Information about the Taylor Grazing Act is available at: blm.gov/wy/st/en/field_offices/Casper/range/taylor.1.html *(7)* .

Data Sources

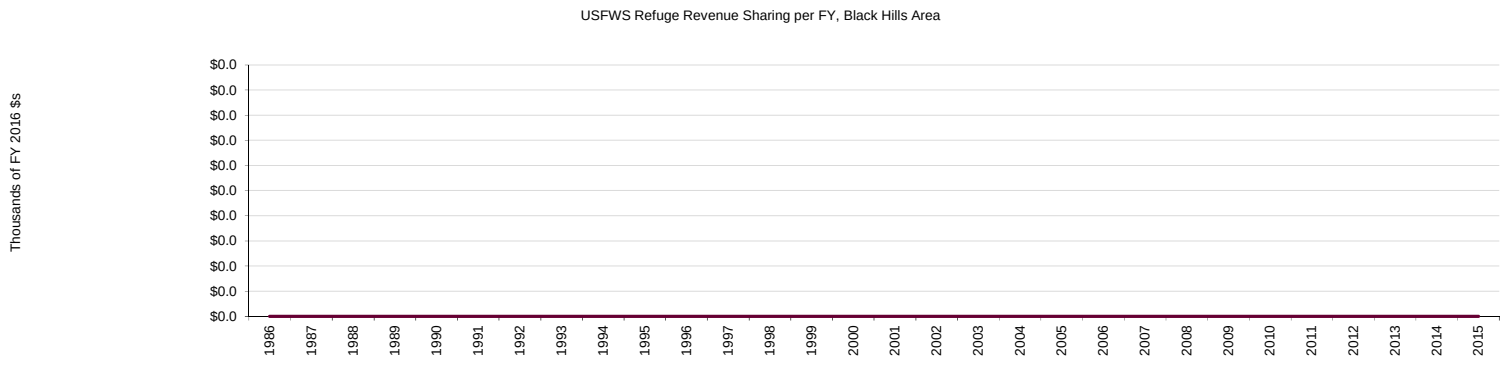
U.S. Department of Interior. 2016. Bureau of Land Management, , Washington, D.C.; Additional sources and methods available at www.headwaterseconomics.org/eps-hdt

What is U.S. Fish and Wildlife Service Refuge Revenue Sharing?

This page describes U.S. Fish and Wildlife Service Refuge revenue sharing.

USFWS Refuge Revenue Sharing Payments, FY 2015 (FY 2016 $s)

	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
USFWS Refuge Revenue Share	0	0	0	0	0	0	0	514,739



Data Sources: U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.

What is U.S. Fish and Wildlife Service Refuge Revenue Sharing?

What do we measure on this page?

This page describes U.S. Fish and Wildlife Service Refuge revenue sharing.

Twenty-five percent of the net receipts collected from the sale of various products or privileges from Refuge lands, or three-quarters of one percent (0.75%) of the adjusted purchase price of Refuge land, whichever is greater, is shared with the counties in which the Refuge is located.

Why is it important?

National Wildlife Refuges and other lands administered by the U.S. Fish and Wildlife Service do not pay property taxes to local governments. The Refuge revenue sharing program is intended to compensate counties for non-taxable Refuge lands. As with other revenue sharing programs, these payments can be important if USFWS ownership is a large percentage of all land in the county, reducing the ability of the local government to raise sufficient tax revenue to provide basic services. In addition, linking payments to revenue derived from USFWS lands can create incentives for local government officials to lobby for particular uses of public land.

Methods

Data Limitations: The USFWS publishes a database of Refuge revenue sharing payments for FY 2006 and FY 2007 only, and does not make data available for other years for the nation. Data on Refuge revenue sharing may be obtained directly from the receiving county government. County governments may request county-specific Refuge revenue sharing payment data from U.S. Fish and Wildlife Services, Division of Financial Management, Denver Operations.

Significance of Data Limitations: Data limitations are relatively insignificant on the national scale (USFWS Refuge revenue sharing payments were about 4% of total federal land payments for the United States in FY 2007), however they may be significant for counties that have large areas managed by USFWS.

Additional Resources

A detailed description of USFWS Refuge revenue sharing payments is available on the U.S. Fish and Wildlife Service Realty website at: fws.gov/refuges/realty/rrs.html *(8)* .

The Refuge Revenue Sharing Database is available at: fws.gov/refuges/realty/RRS/2007/RevenueSharing_Search_2007.cfm *(9)* . The database currently only includes payments for FY 2006 and FY 2007. The agency does not provide data for the nation for additional years.

Data Sources

U.S. Department of Interior. 2016. U.S. Fish and Wildlife Service, , Washington, D.C.

What are Federal Mineral Royalties?

This page describes components of federal mineral royalty distributions to state and local governments.

Federal Mineral Royalties by Source, FY 2015 (FY 2016 $s)

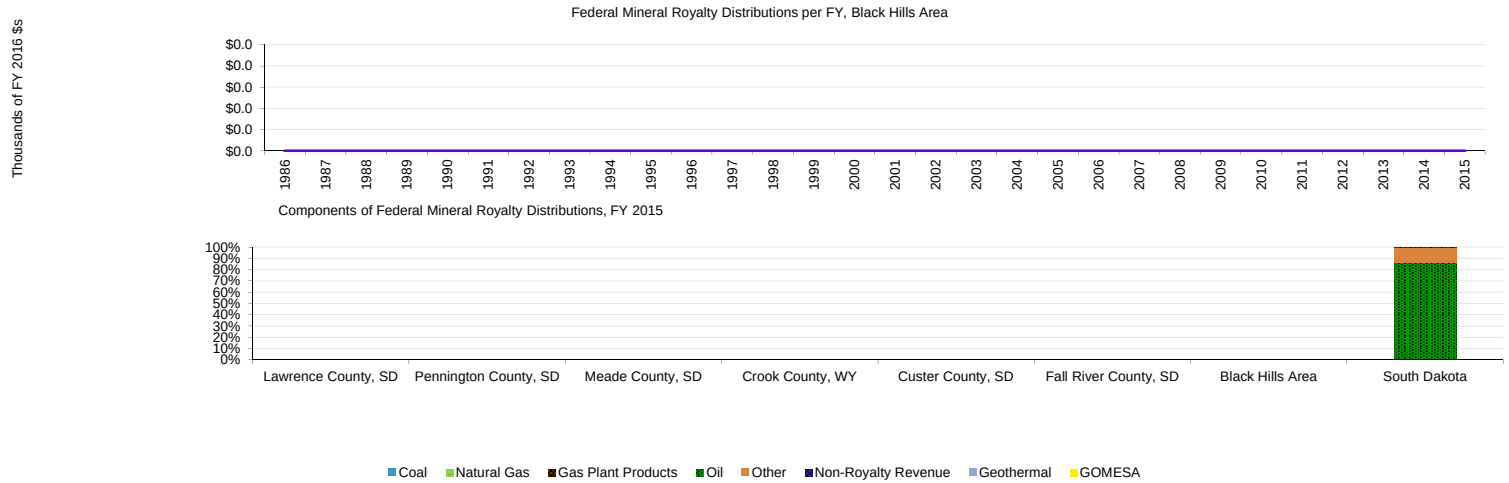
	Lawrence County, SD	Pennington County, SD	Meade County, SD	Crook County, WY	Custer County, SD	Fall River County, SD	Black Hills Area	South Dakota
Total Federal Royalty	0	0	0	0	0	0	0	1,315,081
Royalties	0	0	0	0	0	0	0	1,312,335
Coal	0	0	0	0	0	0	0	0
Natural Gas	0	0	0	0	0	0	0	16,269
Gas Plant Products	0	0	0	0	0	0	0	0
Oil	0	0	0	0	0	0	0	1,121,103
Other	0	0	0	0	0	0	0	174,963
Non-Royalty Revenue	0	0	0	0	0	0	0	2,746
Rents	0	0	0	0	0	0	0	0
Bonus	0	0	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0	0	2,746
Geothermal	0	0	0	0	0	0	0	0
GOMESA	0	0	0	0	0	0	0	0

Percent of Total

Royalties	na	na	na	na	na	na	na	99.8%
Coal	na	na	na	na	na	na	na	0.0%
Natural Gas	na	na	na	na	na	na	na	1.2%
Gas Plant Products	na	na	na	na	na	na	na	0.0%
Oil	na	na	na	na	na	na	na	85.2%
Other	na	na	na	na	na	na	na	13.3%
Non-Royalty Revenue	na	na	na	na	na	na	na	0.2%
Rents	na	na	na	na	na	na	na	0.0%
Bonus	na	na	na	na	na	na	na	0.0%
Other Revenues	na	na	na	na	na	na	na	0.2%
Geothermal	na	na	na	na	na	na	na	0.0%
GOMESA	na	na	na	na	na	na	na	0.0%

This table shows federal royalties disbursed directly to state and local governments. States may share a portion of their royalties with counties. These state "pass through" disbursements are not reported here. See 'Additional Resources'.

- In FY 2015, oil royalties were the largest component of federal mineral royalties in South Dakota (85.2%), and coal were the smallest (0%).
- In FY 2015, other revenues were the largest component of federal mineral non-royalty revenue in South Dakota (0.2%), and rents were the smallest (0%).



Data Sources: U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.

What are Federal Mineral Royalties?

What do we measure on this page?

This page describes the components of federal mineral royalty distributions to state and local governments across geographies, and trends for the region.

Royalties, rents, and bonus payments from mining activities on federal land are shared with the state of origin (49% of revenue is returned to states and 51% is retained by the federal government). In addition, revenue from geothermal production on federal lands and a share of royalties from offshore drilling the Gulf of Mexico (GOMESA) are shared directly with county governments. State and local governments determine how to spend their share of federal mineral royalties within broad federal guidelines (priority must be given to areas socially or economically impacted by mineral development for planning, construction/maintenance of public facilities, and provision of public services).

Royalties: Royalty payments represent a stated share or percentage of the value of the mineral produced. The royalty may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease. A royalty is due when production begins.
Geothermal: Geothermal payments are distributed directly to counties where the activity takes place.
GOMESA: The Gulf of Mexico Energy Security Act of 2006 (GOMESA) makes distributions of offshore federal mineral royalties to coastal states and communities. The four states and their eligible political subdivisions receiving revenues from the GOMESA leases include Alabama, Louisiana, Mississippi, and Texas.
Rents: A rent schedule is established at the time a lease is issued. Rents are annual payments, normally a fixed dollar amount per acre, required to preserve the right to a lease.
Bonuses: Leases issued in areas known or believed to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to a lease.
Other Revenues: A disbursement that is not a royalty, rent, or bonus. Other revenue may include minimum royalties, settlement payments, gas storage fees, estimated payments, recoupments, and fees for sand and gravel used for beach restoration.

Why is it important?

Mineral royalties are the largest source of revenue derived from extractive activities on public lands. Mineral extraction can place significant demands on federal, state, and local infrastructure and services. Royalty revenue helps meet some of these demands. They are also designed to provide an ongoing public benefit from the depletion of non-renewable resources owned by the public.

Methods

Data Limitations: State governments that receive federal mineral royalty distributions often choose to pass through a share of federal distributions directly to the local government of origin (the location where the royalties were generated). For example, Montana distributes 25 percent of the state government's share of federal mineral royalties with the county of origin. Because information about royalties by county of origin and state government distributions to local governments are not published by ONRR, EPS users must contact each state directly for these data. Headwaters Economics includes a list of state distribution policy, links to data, and contact information for Western U.S. States in the EPS Federal, State, and Local Government Financial Data Methods and Resources document. http://headwaterseconomics.org/wphw/wp-content/uploads/EPS_Federal_Land_Payments_Documentation_1-30-2011.pdf.

Additional Resources

Headwaters Economics provides a methods document specific to the EPS Federal Lands Payments report that includes a list of state distribution policy, links to data, and contact information for Western U.S. States in the EPS-HDT Federal, State, and Local Government Financial Data Methods and Resources document: headwaterseconomics.org/wphw/wp-content/uploads/EPS_Federal_Land_Payments_Documentation_1-30-2011.pdf *(10)* .

For more definitions, see the Glossary of Mineral Terms, Office of Natural Resources Revenue available at: onrr.gov/Stats/pdfdocs/glossary.pdf *(11)* .

Data Sources

U.S. Department of Interior. 2016. Office of Natural Resources Revenue, , Washington, D.C.

Data Sources

The EPS Federal Land Payments report uses published statistics from government sources that are available to the public and cover the entire country. All data used in EPS can be readily verified by going to the original source. The contact information for databases used in this profile is:

- **U.S. Census of Governments**
  Census Bureau, U.S. Department of Commerce
  www.census.gov/govs
  Tel. 800-242-2184

- **U.S. Fish and Wildlife Service**
  Realty Division, U.S. Department of Interior
  www.fws.gov
  Tel. 703-358-1713

- **U.S. Office of Natural Resources Revenue**
  U.S. Department of Interior
  www.onrr.gov
  Tel. 303-231-3078

- **U.S. Bureau of Land Management**
  U.S. Department of Interior
  www.blm.gov
  Tel. 202-208-3801

- **U.S. Forest Service**
  U.S. Department of Agriculture
  www.fs.fed.us
  Tel. 800-832-1355

Methods

EPS core approaches

EPS is designed to focus on long-term trends across a range of important measures. Trend analysis provides a more comprehensive view of changes than spot data for select years. We encourage users to focus on major trends rather than absolute numbers.

EPS displays detailed industry-level data to show changes in the composition of the economy over time and the mix of industries at points in time.

EPS employs cross-sectional benchmarking, comparing smaller geographies such as counties to larger regions, states, and the nation, to give a sense of relative performance.

EPS allows users to aggregate data for multiple geographies, such as multi-county regions, to accommodate a flexible range of user-defined areas of interest and to allow for more sophisticated cross-sectional comparisons.

Adjusting dollar figures for inflation

Because a dollar in the past was worth more than a dollar today, data reported in current dollar terms should be adjusted for inflation. The U.S. Department of Commerce reports personal income figures in terms of current dollars. All income data in EPS are adjusted to real (or constant) dollars using the Consumer Price Index. Figures are adjusted to the latest date for which the annual Consumer Price Index is available.

Links to Additional Resources

For more information about EPS see:

headwaterseconomics.org/EPS

Web pages listed under Additional Resources include:

Throughout this report, references to on-line resources are indicated with italicized numbers in parentheses. These resources are provided as hyperlinks here.

1 headwaterseconomics.org/eps
2 www.census.gov/govs/estimate/
3 www.census.gov/govs/
4 www.doi.gov/nbc/index.cfm
5 www.fs.usda.gov/pts/
6 www.blm.gov/wo/st/en/res/Direct_Links_to_Publications/ann_rpt_and_pls.html
7 www.blm.gov/wy/st/en/field_offices/Casper/range/taylor.1.html
8 www.fws.gov/refuges/realty/rrs.html
9 www.fws.gov/refuges/realty/RRS/2007/RevenueSharing_Search_2007.cfm
10 headwaterseconomics.org/wphw/wp-content/uploads/EPS_Federal_Land_Payments_Documentation_1-30-2011.pdf
11 www.onrr.gov/Stats/pdfdocs/glossary.pdf