Bond Case Briefs

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NACO Payments in Lieu of Taxes Resource Hub.

Public lands are national assets, but their costs fall locally. The federal government manages more than 640 million acres, 28% of all U.S. land, including national forests, Bureau of Land Management (BLM) holdings, national parks, wildlife refuges, military installations and more. **Approximately 62% of counties have Payments in Lieu of Taxes (PILT)-eligible federal public land within their boundaries, and every acre of federally owned land is an acre that cannot be taxed.**

County governments depend on property taxes as their single largest revenue source, accounting for approximately 26% of all county revenue nationally. For public lands counties, that foundation is structurally constrained from the start. Counties that host public lands bear the full cost of the services that make those lands accessible, productive and safe – such as roads and bridges, law enforcement, emergency response and fire protection – without the ability to collect property taxes on the land itself.

The PILT program is Congress's primary response to this gap. Established in 1976, PILT directs annual payments to more than 1,900 counties and local governments based on PILT-eligible federal acreage. In FY 2025, **PILT payments totaled $644 million nationally** – the largest annual payment in the program's history. Even so, this represents a fraction of what counties would collect if that land were privately owned and taxable.

Despite the program's broad reach, PILT has historically been subject to annual appropriations, making payments vulnerable to federal budget pressures. When PILT appropriations fall short of the full statutory calculation, as they have in previous years, counties must absorb the shortfall through service reductions, deferred infrastructure maintenance or adjustments to other budget lines.

Visit the NACO PILT Resources Hub.

National Association of Counties