



Board of Supervisors  
Meeting Date: July 17, 2018  
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Regular Item

## **ADMINISTRATION - Chief Administrator Williams Goodwin**

### **Requested Action(s)**

- a) Request authorization to participate in the Class Action lawsuit, Kane County, Utah v. United States, Case Nos. 17-739C and 17-1991C (consolidated), for the recovery of Payment in Lieu of Taxes (PILT) monies that were underfunded in fiscal years 2015, 2016 and/or 2017, and further authorize the Chief Administrator to sign and submit the Class Action Opt-In Notice Form

### **Financial Impact:**

The amount of underpayment for fiscal years 2015, 2016 and 2017 is estimated at approximately \$26,550. The final amount that Tehama County will receive, after deduction of a pro-rata share of the litigation costs and attorneys' fees, is undetermined at this time, but is anticipated to be somewhere between \$15,000 and \$20,000.

### **Background Information:**

The PILT act is a federal statute that is designed to compensate local governments for the loss of tax revenues resulting from the tax-immune status of federal lands located in their jurisdictions. Local governments may use the PILT program payments for any governmental purpose; annual PILT payments help to defray costs associated with maintaining important community services. The Act sets forth specific formulas to calculate the amount of payment that each eligible unit of local government will receive and requires the Secretary of the Interior to make a payment every year to the local governments.

In fiscal years, 2015, 2016 and 2017, the amount appropriated by Congress for PILT payments was insufficient to satisfy all statutory PILT obligations. As a result, the Secretary of the Interior proportionally reduced each eligible jurisdiction's payment amount. Kane County, Utah has filed suit alleging that the federal government's failure to pay the full formula amounts was a breach of the statute's money-mandating obligation and moved for class certification. This class action lawsuit seeks to recover monies that the federal government owes each "Class Member" for the underpayment of its PILT Act entitlement in fiscal years 2015, 2016, and 2017.

To participate in this lawsuit, the County must submit a Class Action Opt-In Notice Form no later than September 14, 2018. By submitting the form, the county acquires rights to any money that the Court determines are due as a result of the underpayment. The County will be bound by the outcome of the case, whether favorable or unfavorable and will give up the right to sue the federal government independent of this suit. If the County does not opt-in, it will not be included in the lawsuit and will have no right to any money recovered but will keep the right to sue the federal government independently at

the County's expense.

**Attachment List:**

PILT Class Action Official Notice (PDF)

PILT Class Action Opt-In Notice Form (PDF)

Approval as to Form-PILT (PDF)