

1 Supporting Statement, A

“Payments in Lieu of Taxes (PILT) Act, Statement of Federal Lands Payments, (43 CFR 44)” OMB Control Number 1093-0005

Terms of Clearance: None

General Instructions

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below and must contain the information specified below. If an item is not applicable, provide a brief explanation. When the question “Does this Information Collection Renewal (ICR) contain surveys, censuses, or employ statistical methods?” is checked “Yes,” then a Supporting Statement B must be completed. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

“Payments in Lieu of Taxes” (PILT) are Federal payments made by the Department of the Interior to local governments to help offset losses in property taxes due to non-taxable Federal lands within their boundaries. The law that directs the payments, the PILT Act, is Public Law 94-565, enacted on October 20, 1976. This law was rewritten and amended by Public Law 97-258, which was enacted on September 13, 1982, and codified in Chapter 69, Title 31 of the United States Code. The PILT Act recognizes the inability of local governments to collect property taxes on Federally owned land and the adverse impact on local governments’ financial ability to provide vital services, such as fire and police protection, construction of roads and schools, and other such services that would generally be funded primarily by property taxes.

PILT payments are made for tax-exempt federal lands administered by the Department’s agencies – including the Bureau of Land Management, Bureau of Reclamation, U.S. Fish and Wildlife Service, and National Park Service. In addition, PILT payments cover federal lands administered by the U.S. Forest Service, the U.S. Army Corps of Engineers, and the Utah Reclamation Mitigation and Conservation Commission. Payments are calculated based on

the number of acres of federal land within each county or jurisdiction and the population of that county or jurisdiction. Congress appropriates funds for the Department of the Interior to distribute to these local governments to offset the loss in revenue caused by Federal ownership of lands within their respective jurisdictions.

PILT Act payments are computed according to a formula contained in the law. This formula is based on population, certain revenue sharing payments, and the amount of Federal land—by acres—within an affected county/local government.

The PILT Act specifies the Chief Executive Officer of a State shall submit to the Secretary of the Interior a list of the amounts transferred by the State to each unit of local government out of amounts received under a payment law. The information furnished to the Department of the Interior provides the basis for calculating the PILT payment for each county within the State.

- 2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Be specific. If this collection is a form or a questionnaire, every question must be justified.**

In a revision of this ICR, States are directed to a secure, web-based portal (PILT Portal) to provide the required “Statement of Federal Land Payments” information versus using a spreadsheet. The data collected remains the same and provides details on payment amounts passed through to counties and/or units of local government during the prior Federal fiscal year. The PILT Portal displays the units of local government (counties) specific to each State. If a county received funds for the first time and is not listed in the Portal, States must request addition of the new county prior to completing the data.

Prior year payments reported in the PILT Portal should be broken out by the Federal agency making the payment and the type of payment made. The prior year payment categories are as follows:

- Forest Service (FS)—Timber (Title I, Title III, and 25% Payment) and Bankhead-Jones
- Office of National Resources Revenue (ONRR)—Timber and Mineral Leasing
- Bureau of Land Management (BLM)—Mineral Leasing, Taylor Grazing, Bankhead-Jones and Sale of Materials
- Federal Energy Regulatory Commission (FERC)—Power Sales
- Fish and Wildlife Service (FWS)—Refuge Revenue Sharing

Amounts reported by the State as being passed through to local governments will be used to calculate the county’s PILT payment within a State. The “pass through” amounts reported by

a State should take into consideration the following summarized Comptroller General's Decision Number B-167553:

- Payments to units of local government under the PILT Act are to be reduced only by the amounts of payments received by the units of local government. Thus, Federal revenues paid to a State and distributed by the State directly to a politically and financially independent school district or other independent districts should not be deducted from payments to that unit of local government. Payments to other single or special purpose districts should be treated in a similar manner.
- Federal revenues should not be considered "received" by the unit of local government when paid to a State then distributed by the State to a unit of local government with the requirement by State law to pass these revenues directly to a politically and financially independent school district. These payments should not be deducted from payments to that unit of local government unless that unit is legally responsible for provision of school services and has collected other tax revenues for that purpose. Payments passed through to other special or single purpose districts should be treated in a like manner.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology—for example, permitting electronic submission of responses—and the basis for the decision to adopt this means of collection. Also, describe any consideration of using information technology to reduce the burden of collecting information and, specifically, how this method of collection meets Government Paperwork Eliminations Act (GPEA) requirements.

The Department collects data through a secure web-based platform for the submission of State certification package materials. The PILT Portal improves the accuracy of State submissions by enabling the electronic submission of prior-year payment deduction data, eliminating version control issues in file uploads, and facilitating secure, end-to-end State control of certified materials. This method of collection meets Government Paperwork Elimination Act (GPEA) standards by providing States the ability to submit information electronically and maintain records electronically. The PILT Portal ensures appropriate data security through the use of specific login IDs and passwords for designated State users.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The Department of the Interior holds a unique role in the Federal government with respect to its stewardship of federally owned land, and the PILT Act grants responsibility for PILT payments to the Secretary of the Interior; therefore, no other Federal agency collects PILT data. Because the information collected is highly specific pursuant to the requirements of the PILT Act, no other Federal agency collects the same or similar information, no other Federal agency collects similar information that can be modified for this collection, and the information is not available from any other source.

5. If the collection of information affects small businesses or other small entities, describe any methods used to minimize the burden.

This information collection has no significant impact on small business or other small entities. State governments are the only entities required to respond to this collection. The information to be collected is limited to only that information needed to comply with the requirements of the PILT Act and its regulations (43 CFR 44).

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing the burden.

If the Office of the Secretary does not collect the information or conducts the collection less frequently, the requirements of the PILT Act will not be met. Reducing the burden by collecting less frequently would yield insufficient information required to compute annual PILT payments to units of general local governments.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner—

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of that information;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data**

- **security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that require collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

- 8. If applicable, provide a copy and identify the date and page number of a publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and in response to the PRA statement associated with the collection over the past three years, and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions, and recordkeeping, disclosure, or reporting format (if any) and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years — even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

On May 12, 2022 (87 FR 29176), the Office of the Secretary, Office of Budget published a 60-day notice in the Federal Register, soliciting comments from the public and other interested parties. No public comments were received.

From July 21 through July 29, 2022, the Office of the Secretary contacted nine States that submitted State of Federal Land Payments and other required information for the PILT Payment computation in the PILT Portal. The nine States were requested to provide the amount of time required to fully complete the data, review the data with an auditor (as required), and submit the data and supporting documentation through the PILT Portal. Personnel from four States responded, following are responses from those States:

- California, Department of Finance, reported the process took 200 hours to complete their entire submission package, including submission through the PILT Portal.

- Commonwealth of Virginia, Department of Accounts, reported the process took an hour to complete, including submission through the PILT Portal.
- Alaska, Department of Commerce, Community, and Economic Development, reported the process took 16 hours to complete their entire submission package, including submission through the PILT Portal.
- Wisconsin, Department of Natural Resources, reported the process took an hour to complete their entire submission package, including submission through the PILT Portal.

The reported total time encompasses all aspects of the submission, including planning and research, transcription, auditing, and preparation of the final submission package. The amount of time required varies widely from one State to another, which is to be expected due to differences in the number of units of local government that must be reported; the level of experience of the personnel compiling and reviewing the information; and the degree to which each State’s financial reporting system readily supports the information requested. While the average number of hours for reporting States to complete the annual submission increased to 55 hours, the data reflects marked improvements on State burden over the previous submission:

State	2019 Hours	2022 Hours
Washington	60	
Arkansas	20	
Wisconsin	40	1
California		200
Commonwealth of Virginia		1
Alaska		16
Average Hours	40	55

9. Explain any decision to provide any payment or gift to respondents other than remuneration of contractors or grantees.

The Office of the Secretary does not provide payments or gifts to respondents to the Statement of Federal Land Payments form.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The Office of the Secretary protects respondents' confidentiality consistent with the Freedom of Information Act (5 U.S.C. 552).

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection does not contain questions of a sensitive nature. The data collected is official governmental information that is public record, and the respondents are public officials operating within the scope of their duties.

12. Provide estimates of the hour burden of the collection of information. The statement should—

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form, and aggregate the hour burdens.**
- **Provide estimates of annualized cost to respondents for the hour burdens associated with collecting information, identifying, and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.**

To determine the estimated annualized cost to respondents, we applied U.S. Bureau of Labor Statistics (BLS) hourly wage rates. The applicable BLS labor category for PILT is "Financial Analysts and Advisors" for State Governments. Based upon the BLS Occupational Employment and Wages—May 2021, the current mean hourly rate for "Financial Analysts and Advisors" is \$38.28 per hour, which can be found at the following Web site: https://www.bls.gov/oes/current/naics4_999200.htm#13-0000. Using a 1.38 benefits multiplier, the hourly rate would be \$52.83. The benefits multiplier of 1.38 for this labor category for government, is based upon information provided in *BLS*

News Release USDL: 22-1176, June 16, 2022, which can be found at <http://www.bls.gov/news.release/pdf/ecec.pdf>.

We estimated 46 responses x 55 hours per response, for a total burden of 2,530 burden hours. Then multiplying the 2,530 hours by \$52.83 per hour equals a dollar cost equivalent of \$133,660.

13. Provide an estimate of the total annual non hour cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden already reflected in item 12).

- **The cost estimate should be split into two components: (a) total capital and startup cost (annualized over its expected useful life) and (b) total operation and maintenance and purchase of services. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and startup costs include, among other items, preparations for collecting information, such as purchasing computers and software; monitoring, sampling, drilling, and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made (1) before October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices.**

Responding to this information request requires States to compile existing data and complete the State of Federal Land Payments data on the PILT Portal. Respondents incur no annual capital or startup costs to prepare for or respond to the information collection, nor are any operations and maintenance costs incurred. Respondents do not need to purchase any additional computer software or hardware to comply with this information collection. The Office of the Secretary does not require respondents to pay any filing fees.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

The Office of the Secretary estimates that it takes approximately 10 hours per report to review/analyze/validate the certification packages received, request clarification (as needed) from the State, upload the data into the PILT database, and verify the data entered. Because 46 annual responses are expected, this yields 460 hours. Currently, the work is being performed by two federal employees: one GS 14 step 8 with an estimated loaded salary cost of \$109.28 per hour and one GS 14 step 1 with an estimated loaded salary cost of \$80.76 per hour. Assuming each does half of the work, this cost averages to \$95.02 per hour. Then multiplying the \$95.02 hourly rate by 46 responses and by 10 hours per response, yields a total cost to the Government of \$43,710 (rounded). The total cost to the government has changed from the previous ICR to reflect a decrease in estimated responses, current staffing, and pay rates. The latest Federal pay tables were obtained from the OPM Web site at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2022/general-schedule/>.

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

The administration of this information collection changed only in that the information will now be collected electronically. The information requested stays the same., The hour burden increased due to an adjustment in the current estimate of time provided by the States.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The information collected because of this information collection will not be published in its original format. The Department published a summary of all prior year payment data as part of the PILT annual report.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The Office of the Secretary plans to continue display of the appropriate expiration date for this information collection.

18. Explain each exception to the topics of the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”

No exceptions to the Certification for Paperwork Reduction Act submissions are requested.