



Senator Lisa Murkowski
522 Hart Senate Office Building
Washington, DC 20510

Senator Dan Sullivan
302 Hart Senate Office Building
Washington, DC 20510

Congressman Don Young
2314 Rayburn House Office Building
Washington, DC 20515

December 16, 2019

Subject: Full Funding of Payment in Lieu of Taxes and Secure Rural Schools

Dear Senator Murkowski, Senator Sullivan, and Congressman Young,

On December 2, 2019 the Petersburg Borough Assembly unanimously voted to support the National Association of Counties proposal to reauthorize the Secure Rural Schools program (SRS) and to fully fund the Payments in Lieu of Taxes program (PILT), H.R. 3048 and S. 430. The Assembly also agrees that a permanent solution for funding should be found and supports either H.R. 3043, the Permanently Authorizing PILT Act which would fund PILT in perpetuity, or S. 2480, the PILT Reauthorization Act, which would fully fund PILT for 10 years.

Why are these funds so important to our borough? Only 20% of the lands within the Petersburg Borough are in private ownership. The remaining lands are in Federal and State ownership. While the borough benefits from uses on these lands, the borough also provides search and rescue, road maintenance, law enforcement, medical and emergency services. Our population is small so our ability to generate revenues for our community is very limited.

As you are aware, the State of Alaska has reduced revenues to the municipalities in Alaska. In 2019 that has financially impacted the Petersburg Borough by approximately \$500,000 or 10% of our budget. Local property taxes were increased to pay for school bond debt that had previously been reimbursed by the State. We anticipate further reductions in 2020. Most assuredly the borough and our schools could not replace the loss of PILT and SRS funds.

Both PILT and SRS are extremely important to maintaining the quality of education in our local schools, assisting in the maintenance of our roads as well as the other services mentioned previously. Stability and equity in funding the program is important to our borough. We support passage of H.R. 3716 and S. 2108, to fix the PILT formula to benefit smaller population municipalities without affecting PILT payment for municipalities over 5,000 population.

Sincerely,

Mayor Mark Jensen
Petersburg Borough

cc: Senator Stedman
Representative Kriess-Tomkins
Our State & Federal Lobbyists

Borough Administration
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