





PAYMENT IN LIEU OF TAXES (PILOT) PROGRAM

2024 GREAT SALT LAKE POLICY SUMMARIES

The Great Salt Lake Strike Team analyzed ten policy options and created summaries for each. The strike team does not endorse individual policies but rather evaluated the most-discussed options to address Great Salt Lake.

Policy summaries fall into four categories:

- Water Shepherding 
- Economic Incentives 
- Agriculture Optimization 
- Engineered Options 

Introducing a limited PILOT program could yield millions of dollars annually to benefit Great Salt Lake. Many private organizations hold over \$9 billion in untaxed property in the Great Salt Lake Basin. A PILOT program could yield significant revenue and ensure that all property types contribute to Utah’s water future.

BACKGROUND INFORMATION

- **National precedence** – A handful of municipalities across the country have implemented voluntary PILOT programs to collect additional revenue from untaxed entities that still benefit from services. Untaxed entities contribute as part of their civic duty.
- **Exempt properties** – Religious organizations, private colleges and universities, hospitals, and nonprofits or charitable institutions are statutorily exempt from paying property taxes. Table 1 shows the property values for private entities in the Great Salt Lake Basin with more than \$15 million in untaxed property.
- **Geography** – Sixteen counties overlap the basin: Box Elder, Cache, Davis, Duchesne, Iron, Juab, Millard, Morgan, Rich, Salt Lake, Sanpete, Summit, Tooele, Utah, Wasatch, and Weber counties.
- **Public Golf Courses** – Public golf courses do not pay property taxes and as a result do not contribute to water infrastructure even though they are large water users. Salt Lake County alone has 16 public golf courses with a total property value of nearly \$90 million. Implementing a PILOT program or a tee-time fee could be an equitable way to generate revenue that will benefit Great Salt Lake.

Table 1: Large Private Untaxed Organization Property Value by Type, 2023

Organization Type	Property Value
Religious Entities	\$6,233,510,193
Private College or University	\$1,503,829,400
Hospital	\$532,093,366
Nonprofit or Charity	\$497,025,935
Private School	\$212,181,648
Other	\$118,432,700
Total	\$9,097,073,242

Note: Only private entities in the Great Salt Lake Basin with property values greater than \$15 million are included in this analysis.

Source: Utah Office of the State Auditor, 2023

PROGRAM DESIGN OPTIONS

- **Voluntary** - Rather than require payments, the contemplated Great Salt Lake PILOT program could be voluntary, allowing organizations to opt-in as a civic duty.
- **Systematic application** – County or state assessors could levy a voluntary PILOT for all entities. The program could be designed only to include select property holdings.
- **Credits for community benefits** – Nonprofits could be granted a credit up to 50% of their PILOT value if they quantify and share benefits to the community.
- **Phase-in** – The program could be phased in over five years, allowing time for refinement.
- **Long-term agreements** – Consider long-term agreements with untaxed entities that provide revenue predictability.
- **PILOT rate** – Similar programs around the country levy a tax that is just a portion of what normally-taxed inteties pay.



For more information on policy summaries, please scan the QR code above or visit: <https://gardner.utah.edu/great-salt-lake-strike-team/policy-summaries/>