LINCOLN COUNTY
MONTANA

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STATE OF MONTANA LINCOLN COUNTY
RECORDED: 11/18/2026 3:19 KOI: RESOLUTION
CORRINA BROWN CLERK AND RECORDER
FEE: $0.00 BY: Jessica Jones Deputy
FOR:LINCOLN COUNTY BOARD OF COMMISSIONERS 512 CALIFORNIA AVE,

RESOLUTION 2026-35

A Resolution On Host Compensation At Libby Dam And On Federal Land Payments To Lincoln County

THE BOARD OF COUNTY COMMISSIONERS FOR LINCOLN COUNTY, MONTANA FINDS:

WHEREAS, approximately three-quarters of the land area of Lincoln County is in federal title, the County's entitlement acreage under the Payments in Lieu of Taxes program is 1,746,338 acres, and the County's obligation to provide roads, emergency response, solid waste disposal, septic permitting, weed control, law enforcement and public health services on and around that land is undiminished; and

WHEREAS, Libby Dam, authorized by the Flood Control Act of 1950 and constructed between 1966 and 1973, is situated in Lincoln County, is the only dam the United States constructed under the Columbia River Treaty, carries 600 MW of installed capacity with a sixth unit adding 120 MW in 2027, and generated more than 2.7 million megawatt-hours in fiscal year 2025; and

WHEREAS, the net power revenues of the project are deposited in the Treasury of the United States, and no statute directs any share of those revenues to Lincoln County; and

WHEREAS, under the agreement in principle reached in 2024 the United States would pay British Columbia $16.6 million a year, indexed through 2044, in recognition of benefits incidental to the operation of the Canadian reservoirs, that agreement is not in force and the payment has not been made, and the United States pays nothing for the storage supplied on the American side wholly within Lincoln County; and

WHEREAS, in fiscal year 2026 the County's 1,746,338 entitlement acres generated an uncapped entitlement of $6,199,500, which the population ceiling, computed on a statutory population of 22,000, limited to $2,819,080, a reduction of 54.5 percent; from which $635,335 was deducted under 31 U.S.C. § 6903(b)(1)(A) for amounts the County received in the preceding year under other federal land payment laws, including the Secure Rural Schools and Community Self-Determination Act, so that one federal entitlement offsets another rather than adding to it; leaving an entitlement of $2,183,745, which the Department of the Interior prorated to a payment of $2,182,126; and the same payment would have resulted had Libby Dam never been built, because the ceiling binds in either case; and

WHEREAS, the County stands at 79.4 entitlement acres per resident against the 36.1 acres per resident at which the ceiling begins to bind, so that the formula reduces the payment in proportion to the same ratio that generates the burden the program exists to support, and the ceiling reduces the gross acreage entitlement nationally by $1,369,752,545, or 63.6 percent; and

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WHEREAS, the authorization for the Secure Rural Schools and Community Self-Determination Act expired on September 30, 2026, and the County's adopted fiscal year 2027 budget requires 98.08 mills against the 68.87 mills authorized under Mont. Code Ann. § 15-10-420, a non-voted shortfall of $2,211,957 which the County has bridged with non-recurring funds and cannot close within its remaining authority, that balance being exhausted during fiscal year 2031; and

WHEREAS, funding that shortfall permanently at a 4.5 percent sustainable real draw requires a corpus of $49,154,600, three indexed payments beginning at $16.6 million deliver $47,686,285 in present value, or 97 percent of that requirement, and the Montana Legislature enacted the receiving mechanism in 2015, directing 80 percent of any such receipt to Lincoln County and requiring the County to establish a trust, which has never taken effect because no federal law requires a payment;

Now, Therefore, Be It Resolved By the Board of County Commissioners of Lincoln County, Montana, as follows:

1. **Cause of the County's fiscal condition.** The Board finds that the predominant cause of the County's structural budget shortfall is the design of federal land payment programs together with the statutory limit on the County's levy authority, and not the County's management of its revenues and expenditures. The population ceiling is set by population alone. Every unit of local government in the United States with a statutory population of 22,000 was limited to the same $2,819,080 in fiscal year 2026, without regard to whether it contained 1,746,338 federal acres, as Lincoln County does, or two thousand. No decision of this Board and no act of any County officer or employee can alter that figure. The County has levied every mill that Mont. Code Ann. § 15-10-420 permits. The shortfall that remains, $2,211,957, is equal to 29.2 mills, or 42 percent more than the County's entire authorized levy, and cannot be closed by any exercise of the County's taxing authority.

2. **The Libby Storage Parity Payment.** Lincoln County supplies the storage at the only dam the United States constructed under the Columbia River Treaty and receives nothing for it. The Board adopts as the position of Lincoln County that Congress should appropriate $16.6 million a year for three years, as a single appropriation creating no recurring federal obligation, to permanently capitalize a stabilization trust for Lincoln County under the Libby Storage Parity Payment. That figure is the amount the United States agreed in 2024 to pay British Columbia each year through 2044 for benefits incidental to the operation of the Canadian reservoirs. This request stabilizes the County and does not resolve the design of the Payments in Lieu of Taxes program or the treatment of federal land, neither of which must be answered for this request to be sound.

3. **Federal land payments.** The Board supports the Small County PILT Parity Act, S. 1175 and H.R. 8257 in the 119th Congress, and urges its enactment. The Board further adopts as the position of Lincoln County that the population ceiling in 31 U.S.C. § 6903(c) should be reformed to address federal acres per resident, which is the condition that governs this County's exposure; that the Secure Rural Schools and Community Self-Determination Act should be reauthorized immediately and payments under it excluded from the prior-year deduction; and that the Payments in Lieu of Taxes program should be fully funded in each fiscal year.

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4. **Authorization.** The County Administrator is authorized and directed to pursue the positions stated in this resolution, and to prepare, execute and transmit on behalf of Lincoln County such correspondence, comments, testimony, analyses, presentations and other materials as are consistent with and in support of those positions. This authority extends to the Montana congressional delegation, the Congress and its committees, federal and state agencies, the Montana Legislature, the National Association of Counties, the Montana Association of Counties, other units of local government, and the public. The Chair is authorized to sign correspondence transmitting this resolution. This authorization does not commit County funds and does not authorize execution of any contract or agreement.

5. **Matters reserved.** Nothing in this resolution limits the authority of Lincoln County to seek other remedies, including transfer of federal land into state or local ownership, and the County does not by this resolution forgo any future request to Congress or to a federal agency.

6. **Transmittal and effect.** The Clerk and Recorder shall transmit a certified copy of this resolution to Senator Steve Daines, Senator Tim Sheehy, the Representative for Montana's 1st Congressional District, the Secretary of the Interior and the Assistant Secretary of the Army for Civil Works. This resolution is effective upon adoption.

END OF RESOLUTION

Approved as to Form:

Marcia Boris, County Attorney

Date presented to the Board November 18, 2026 Approved [X] Disapproved [ ] Amended [ ]

Adopted this 18 day of November, 2026.

LINCOLN COUNTY BOARD OF COMMISSIONERS

Brent Teske, Chair

ATTEST:

Corrina Brown, County Clerk & Recorder