

Municipal Fiscal Support

House Ways and Means

Emily Byrne, Associate Fiscal Officer

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DISCLAIMER

*** This is not a comprehensive list! The purpose is to provide a general overview of some of the ways that funds flow from the State to Municipalities***



Money flows from the State to Towns



PILOT Appropriations

- The State does not pay Property Taxes
 - In Lieu of Property Taxes the State makes a direct payment to towns for the property owned by the state

Appropriation	\$ in millions
Payment in Lieu of Taxes	10.58
Payment in Lieu of Taxes - Montpelier	0.18
Payment in Lieu of Taxes - Correctional Facilities	0.04
ANR PILOT	2.66
Total	13.46



Municipal Current Use

- State appropriates funds that are distributed to towns to make up for tax payments foregone as a result of parcel enrollment in the current use program

Appropriation	\$ in millions
Municipal Current Use	17.8

Note: there is no commensurate appropriation for the Education Fund



TIF

- Allows Municipality to retain up to 70% of the Education property tax increment to repay debt (30% to the education fund)
 - E-board adopted Tax Impact on the Education fund in FY 2023 was \$6.7 M
- Not less than 85% of the municipal property tax increment to repay the debt
- Currently there are 10 TIF Districts



Local Option Taxes

- Towns may impose a 1% Local Option Tax on sales subject to one or more of the specific State Tax types

LOT	Number of Towns
1% LOT Sales Tax	20
1% LOT Meals & Rooms and Alcoholic Beverage Tax	23
1% LOT Rooms Tax	1



Clean Water and Drinking Water State Revolving Funds

- Loan program administered by the Department of Environmental Conservation to provide financing to Municipalities for Drinking water and clean water infrastructure projects.
 - Federal Government Provides 80% of funds
 - State Capital bill provides 20% match
 - DEC provides loans to municipalities at 0% or very low interest rates.

Appropriation – FY 203	\$ in millions
Drinking Water State Revolving Fund	2.22
Clean Water State Revolving Fund	1.55
IIJA CWSRF and DWSRF 10% Match	2.83



Transportation Funding

- Town Highway Aid - annual formula paid based on milage of roads
 - \$27.8 million in FY 2023
- Grants for Class 2 roadway projects
 - \$7.2million in FY 2023
- Town Highway Bridge Projects
- Town Highway disaster assistance
- Municipal Mitigation – stormwater and erosion control
 - \$6.4 Million in FY 2023
- Others such as: Municipal equipment loan fund, planning grants, Transportation Alternatives (bike and ped projects)



Other items

- State Grant Programs
- Administrative fees
- Interest on Education Property Taxes
- Downtown and Village Center Tax Credits

