

Report on Annual Payments In Lieu of Taxes to Towns For Land Owned By the Agency of Natural Resources

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For Land Owned By the Agency of Natural Resources**

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EXECUTIVE SUMMARY

The Agency of Natural Resources (ANR) owns 1,025 parcels in 205 towns; the amount of land owned by ANR at 350,866 acres ranges from effectively 0% to 72% of total land in these towns. The Agency provides payments in lieu of taxes (PILOT or PILT) to towns for the State-owned land in that town.

The Legislature placed a moratorium on updated valuations on this land for one year (FY15) per Sec. E. 701 of Act 179 of 2014 and required this report because: the updated values resulted in a significant increase in funding need; a need for a review of the policy foundation for current use on some of the parcels; and review of the rate basis for the payments. The FY15 total program cost, i.e., the payments to towns under the provisions of Sec. E. 701 in FY15 is \$2,240,226.

The work group reviewed the current methodology used in Vermont and the programs and policies employed by other states for similar payments. Fifty percent of the states provide some type of PILOT payment by one or more of five types: Amount per acre; Amount equal to the taxes otherwise due otherwise or on like properties; Amount equal the taxes paid in the year acquired or some number of previous years; Percentage of value; Percentage of income.

The work group is recommending two alternate payment formula options based on Fair Market Value (FMV) as the valuation method applied to all ANR properties. Both options recommend a transition period that ends with full implementation of the new formula in three years (FY18). Both result in payments being lower than the payments currently received in most of the towns. The difference is the rate basis used for the payments. Each option results in different payment impacts to towns. These are estimated by town in the Addenda of the report. Each option also results in slightly different State fiscal impact.

Option A – Payment based on FMV and 0.5% rate

FY16 including 1/3 of the change	\$ 2,183,692
FY17 including 2/3 of the change	\$ 2,127,158
FY18 est. cost at full implementation	\$ 2,070,455

Option B - Payment based on FMV and Municipal Tax Rate

FY16 including 1/3 of the change	\$ 2,094,004
FY17 including 2/3 of the change	\$ 1,947,783
FY18 est. cost at full implementation	\$ 1,801,122

Option A is slightly higher (159 versus 155) in the number of towns negatively impacted but results in significantly more modest negative impacts both during the transition and upon full implementation.

Option C - a third option was discussed. This option considered establishing an alternate valuation method specifically for ANR lands and making payments based on the application of local municipal tax rates to the alternate valuation. Significant additional research and analysis is required to determine the fiscal impacts of Option C.

INTRODUCTION

The Agency of Natural Resources (ANR) owns 1,025 parcels in 205 towns, the amount of land owned by ANR at 350,866 acres ranges from effectively 0% to 72% of total land in these towns. The Agency provides payments in lieu of taxes (PILOT or PILT) to towns for the State-owned land in that town. Annual appropriations have typically covered the full cost of this program. The ANR payment formula relies on either (i) a value determined by the Division of Property Valuation & Review (PVR) based on Fair Market Value (FMV); or (ii) Current Use (CU) value for specific designated State-owned land. The value from either (i) or (ii) is multiplied by 1%, which is the equivalent of an effective tax rate of \$1.00 per \$100 of value. Excluding those parcels for which payment is based on the CU value, at 1%, most towns receive more compensation than they would receive if the full municipal tax rate was assessed for these properties. The degree, to which this occurs, is a function of value change, if any, and the municipal rate relationship to the 1%.

PVR updated their analysis of the FMV of these lands for FY15; however this update would have required a 40% increase in General Fund support (32% in total funding need) for the ANR PILOT program in FY15. The Legislature placed a moratorium on the updated FMV valuations for one year (FY15) and required this report as described in the session law charge below. There were three factors prompting this action:

- The significant increase in funding need as a result of the new FMV, with most of the increase experienced in a concentration of towns.
- Realization that the policy foundation for CU valuations on certain parcels did not exist or was not clear, and that two towns are still paid based on grandfathered amounts from 1980.
- Acknowledgement that the 1% or \$1.00 rate while within the range of all municipal tax rates is significantly above the median rate of \$0.46 or mean of \$0.49.

Charge

This report is required by subsection (c) of Sec. E. 701 of Act 179 of 2014.

Sec. E. 701 AGENCY OF NATURAL RESOURCES PAYMENT IN LIEU OF TAXES

(a) Appraisal moratorium. For the purpose of payments in lieu of taxes to municipalities in fiscal year 2015, lands held by the Agency of Natural Resources (ANR) and subject to the provisions of 32 V.S.A. § 3708(a)(1) shall be appraised at the fair market value of the land in fiscal year 2014, as certified by the Director of Property Valuation and Review, provided that in fiscal year 2015, such lands held by ANR shall be appraised at 102 percent of the fair market value of the land in fiscal year 2014. For lands held by ANR and subject to the provisions of 32 V.S.A. § 3708(a)(2), payments in lieu of taxes to municipalities in fiscal year 2015 shall be made as specified in 32 V.S.A. § 3708(a)(2).

(b) Appeals of appraisal. During the moratorium established under subsection (a) of this section, there shall be no right, in fiscal year 2015, for a municipality to appeal the appraised values of ANR lands certified by the Director of Property Valuation and Review in fiscal year 2014.

(c) Report to General Assembly. On or before November 15, 2014, the Division of Property Valuation and Review (PVR), the Agency of Natural Resources, and the Joint Fiscal Office in consultation with the Vermont League of Cities and Towns, shall submit to the House and Senate Committees on Natural Resources and Energy, the House Committee on Ways and Means, and the Senate Committee on Finance a report regarding the formula used by PVR to calculate ANR's annual payment in lieu of taxes. The report shall include:

(1) Recommendations as to the formulas to be used for valuation of ANR lands and ANR PILOT payments in the future, including whether ANR lands should be assessed at full appraised value and not contingent on the current use value;

(2) If a change is recommended to the formula under subdivision (1) of this subsection, a proposal for implementing the new formula, including a schedule for transition to the new formula.

(d) Repeal. Subsections (a) and (b) of this section shall be repealed on July 1, 2015.

Work Group and Meetings

Staff of PVR, ANR, and the Joint Fiscal Office (JFO) initially met in June 2014 to determine what data were available and what research should be undertaken. A second meeting followed in July to provide updates on that status of data and research at that time.

Subsequent meetings were held in August and September, including representation from the Vermont League of Cities and Towns. At these meetings research was reviewed, discussion and analysis of alternate payment methodologies was undertaken resulting in the recommendations and options presented in this report.

FINDINGS

Programs in Other States

A comprehensive review of other states' PILOT or PILT for state-owned natural resource land was conducted. Twenty-three (46%) of the states provide no payments to a local government (municipal or county) for state-owned lands. It is unknown if Arkansas or Oklahoma provides any type of payment. In the 25 states found to provide some type of payment, at the program-specific level, each state has a unique structure or formula for how those payments are made. However, five broad payment types emerged from this review. Some states employ more than one strategy for different types of state-owned land.

- Six states and the federal government make payments that are based on a flat payment per acre. This payment is not tied to a parcel's specific value or local rate.
- Eleven states make payments based on the taxes that would otherwise be due if the parcel was not owned by the state, reflecting the established property tax system (value and rate) where the property is located.
- Six states made payments based on the taxes that were assessed in the last year prior to state acquisition or some calculated average of the most recent of actual assessed taxes

in years prior to state acquisition. This approach means the payment would remain flat going forward.

- Three states, Vermont included, provide a payment based on the value of the property, not tied to the local tax rate of the taxing authority in which the property is located.
- Five states were found to provide some type of revenue-based payment. This mostly takes the form of a specified revenue-sharing formula for state park lands.

The following chart lists the states that fall under each payment strategy. In the Addendum of this report is a detailed description of each of the states and the payment method or methods each employs.

Amount per acre	Taxes due otherwise/ taxes on like properties	Taxes in the year acquired (or prev. yrs.)	Percentage of value	Percentage of income	None (AR and OK are unknown)
Federal	Colorado	California	Minnesota*	Maine	Alabama
Michigan	Iowa	Delaware	Ohio*	Maryland	Alaska
Minnesota*	Massachusetts	Florida	Vermont	Minnesota*	Arizona
New Jersey	Montana	Idaho		Ohio*	Connecticut
Pennsylvania	Nebraska	Nevada		S. Carolina	Georgia
Washington*	New York*	New York*			Hawaii
Wisconsin*	N. Dakota				Illinois
	S. Dakota				Indiana
	Utah				Kansas
	Washington*				Kentucky
	Wisconsin*				Louisiana
					Mississippi
					Missouri
					New Hampshire
					New Mexico
					N. Carolina
					Oregon
					Rhode Island
					Tennessee
					Texas
					Virginia
					West Virginia
					Wyoming

**More than one strategy*

Principles and Considerations

The policy basis for making payments in lieu of taxes for state-owned land addresses one or more of the following considerations:

- To address the disproportionate impact of state land ownership on municipalities with large proportions of state land relative to privately owned land.
- To compensate the municipalities for the loss of property tax revenue and the need to provide services to state-owned land.
- To reduce the financial impact on nonpublic taxpayers of the cost of public services provided by municipalities and normally funded with property taxes.

At the same time there are considerations related to land conservation:

- Conservation investments help sustain three important sectors of Vermont's economy: agriculture, forestry, and tourism. Support of these industries translates into job preservation and creation.
- The loss of potential local property tax revenues that result from a parcel being in public ownership by the state may be offset to some degree by the benefit and value of having conserved natural resources within the community protected from development.
 - Open space supports industries that generate economic activity and regional economic growth.
 - Open space protection can be financially beneficial to local governments by reducing costs for public infrastructure and programs, lessening the need for property tax increases.
 - Open space can provide a variety of public benefits, including drainage and water management, recreational opportunities, and a supply of natural resources necessary for certain industries.

The availability of alternate revenue options for the municipalities is another consideration:

- While ANR lands benefit the state as a whole, any diminution in municipal property taxes is borne by the town alone. Also most Vermont towns are almost completely reliant in the property tax for revenue whereas towns in other states may have greater revenue options. While local option taxes are possible, many affected towns are too small for this to be a practical option. PILOT payments help address these concerns.

Vermont's Existing Methodology

The statutory basis for Vermont's existing ANR payments in lieu of taxes methodology is found in 32 V.S.A. § 3708.

§ 3708. Payments in lieu of taxes for lands held by the Agency of Natural Resources

(a) All ANR land, excluding buildings or other improvements thereon, shall be appraised at fair market value by the Director of Property Valuation and Review and listed separately in the grand

list of the town in which it is located. Annually, the State shall pay to each municipality an amount which is the lesser of:

- (1) one percent of the Director's appraisal value for the current year for ANR land; or
 - (2) one percent of the current year use value of ANR land enrolled by the Agency of Natural Resources in the Use Value Appraisal Program under chapter 124 of this title before January 1999; except that no municipality shall receive in any taxable year a State payment in lieu of property taxes for ANR land in an amount less than it received in the fiscal year 1980.
- (b) "ANR land" in this section means lands held by the Agency of Natural Resources.
- (c) "Municipality" in this section means an incorporated city, town, village, or unorganized town, grant or gore in which a tax is assessed for non-educational purposes.
- (d) "Fair market value" in this section shall be based upon the value of the land at its highest and best use determined without regard to federal conservation restrictions on the parcel or any conservation restrictions under a state agreement made with respect to the parcel.
- (e) The Select board of a town aggrieved by the appraisal of property by the Division of Property Valuation and Review under this section may, within 21 days after the receipt by the town listers of notice of the appraisal of its property by the Division of Property Valuation and Review, appeal from that appraisal to the Superior Court of the district in which the property is situated.

Valuation Basis

The program currently relies on two valuation methods, and two municipalities, Montpelier and Groton, are receiving payments held harmless to 1980.

Fair Market Value: A review of the Fair Market Valuation (FMV) evaluation process was made by the work group. This process follows accepted principles for mass appraisal and tax assessment valuation which relies on analysis of recent arm's-length sales transactions of similar parcels of land, adjusting for the specific characteristics that differ between the qualified sales and the parcel being valued. PVR maintains documentation of this process a summary of which is in the addendum of this report. There is an appeal process that towns can exercise in the event they consider the FMV determined by PVR to be incorrect.

Current Use: There are 117 ANR parcels, totaling 149,422 acres in 75 towns for which payments are not based on FMV but instead are based on the Current Use (CU) value. CU is a program in which private landowners who practice long-term forest management on enrolled land are assessed for property tax purposes based on its use value as forestry land, rather than its fair market (development) value. The CU per-acre value is established annually¹ and is a fraction (2%

¹ For the 2014 tax year, the Current Use Advisory Board has established the following use values:

- Agricultural Land: \$279/acre
- Forest Land: \$118/acre

to 38%, averaging 11%) of FMV. This means that the payment a town receives for a CU-valued parcel is significantly lower than a payment for a similar parcel valued at FMV. Towns are fully reimbursed by the State for privately held land enrolled in the Current Use program.

The policy rationale for making payments based on CU value for historically designated State-owned parcels is not documented. It is generally acknowledged this most likely was due primarily to State budget constraints. The fiscal impact of CU valuation was \$785,000 in FY14; it grows to \$1.27 million on updated FMV. This reflects 1% of the aggregate difference between FMV and CU value for these CU designated properties. From the fiscal point of view of the State, this reduces the program cost. It is the flip side for the towns, meaning they get lower payments for their CU valued parcels.

The working group recommends that the valuation basis be consistent for all State-owned ANR parcels; i.e., all should be valued at CU or all be valued at FMV. There does not appear to be a compelling policy reason for the use of the two valuation methods.

Payment Rate Basis

The 1% rate dates to 1980. It appears that it may have been an approximation of the statewide average or median combined municipal and education tax rates at that time. This rate dates to almost 20 years prior to the implementation of Act 60 of 1997. Act 60 effectively converted the k-12 education expenses from a local to a state liability and the education property tax from a local to a state revenue source. Act 60 initially included the provision to make ANR PILOT payments based on the local municipal tax rate (Sec.53), but included a hold harmless provision to 1997. The hold harmless means the transition to being purely municipal rate based would have been very gradually (but not proportionally) accomplished through valuation updates and ANR acquisitions over time. Soon after, ANR land was removed from this provision and revised to the pre-Act 60 1% and mixed FMV/CU formula in subsequent legislation as a result of the confluence of two factors; the Champion land acquisition underway at the same time as the initial implementation of Act 60. There were transition concerns and some confusion on the part of towns as the magnitude of the Act 60 change was realized in actual practice. State and local acceptance of the Champion project was also a politically charged issue as concerns about impacts, limits on public access, and leased camps were voiced.

The work group did not reach a consensus recommendation on whether the payment rate basis should remain at a single rate; i.e., percent of value or should be based on the actual municipal tax rate of the town in which the parcel is located.

Other Property Tax Related Reimbursement Programs

The State provides a pro-rated (less than 100%) payment to towns based on replacement value and municipal tax rate for State-owned buildings. 32 V.S.A. Chap. 123, Subchapter 4. The appropriation for the current year was \$5.8 million, which was pro-rated against a total value of approximately \$8.1 million.

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- Forest Land greater than one mile from a Class 1, 2, or 3 Road: \$89/acre

The State provides 100% reimbursement to towns based on the difference between assessed FMV and CU value at the municipal tax rate for privately owned agricultural and forest land which is enrolled in the Agricultural and Managed Forest Land Use Value Program, 32 V.S.A. Chap. 124.

RECOMMENDATIONS

Because no consensus was reached on the payment rate basis, two payment options based on FMV are presented below. In the Addendum are the estimated town-by-town payment impacts in FY16 and when fully implemented for Option A and Option B. These fiscal impacts are shown in relationship to the actual payments received in FY15 which are based on 102% of FY14 FMV per Sec. E.701 of Act 179 of 2014.

The town-specific impacts will be driven by the following fiscal forces on each ANR owned tracts:

- the impact of the updated FMV currently not in effect – mostly a positive impact
- the difference between the CU value and updated FMV – large positive impact
- the difference between 1% rate and new rate – mostly negative impact, magnitude varies

Of the 262 taxing authorities, 57 have no ANR land and are not impacted. The options are similar in that most of the 205 ANR towns will be negatively impacted and receive a lower payment compared to the payment they received this year under the moratorium; 159 towns under Option A, and 153 towns under Option B. The valuation basis and proposed transition plans are essentially the same in each of the Options. The rate basis is the factor at play between the two options, so different towns are impacted to varying degrees, with Option A resulting in more modest negative impacts.

- Under Option A, of the 159 towns getting a lower payment, 16 would see a change greater than \$10,000, with a maximum payment reduction of \$25,721 once fully implemented.
- Under Option B, of the 153 reduced payment towns, 26 see a change greater than \$10,000, with a maximum payment reduction of \$36,730 once fully implemented.

A third option, Option C was discussed. This option considers establishing an alternate valuation method specifically for ANR lands and making payments based on the application of local municipal tax rates to the alternate valuation. Significant additional research and analysis is required to determine the fiscal impacts of Option C.

Option A – Payment at FMV and Single Rate of 0.50%

Payments under the formula of Option 1 will:

- Be based on current FMV determined by PVR once fully implemented, eliminating the CU valuation on certain parcels and valuing all parcels of State-owned land on the same basis.
- Be based on a payment rate of 0.50%. This is much more closely aligned with the current State median municipal tax rate of \$0.46.
- Be based on a payment rate 1% of the FMV payment in the first year of State ownership. This has a modest fiscal impact in FY16 of \$98,000. The impact in future years will depend on the size and value of newly acquired land but is considered to be important to

maintain 1) good faith with the communities within which land has most recently been acquired, and 2) local support for land acquisitions both currently in process or that may occur in the future.

- Include a transition plan. We recommend transition to this new formula over three years with full implementation in FY18. For each municipality in the first year (FY16), 1/3 of the change in payment (up or down) will be made. For each municipality in the second year (FY17) 2/3 of the change in payment will be made. In the third year, the payment will be completely based on the new formula. The updated FY15 FMV for parcels should remain in place until the new formula is fully implemented.

FY15 current total payments	\$ 2,240,226
FY16 including 1/3 of the change	\$ 2,183,692
FY17 including 2/3 of the change	\$ 2,127,158
FY18 est. cost at full implementation	\$ 2,070,455

Subsequently acquired land will impact the estimates above for FY16-FY18

Option B - Payment at FMV and Municipal Tax Rate

Payments under the formula of Option 2 will:

- Be based on current FMV determined by PVR once fully implemented, eliminating the CU valuation on certain parcels and valuing all parcels of State-owned land on the same basis.
- Be based on a payment rate equal to the actual or payment-adjusted local municipal rate for the town in which the parcel is located once full implemented. This is similar to the payment formula used for State-owned buildings and for reimbursement for privately owned CU land.
- Include a transition plan. We recommend transition over three years with full implementation in FY18. For each municipality in the first year (FY16), 1/3 of the change in payment (up or down) will be made. For each municipality in the second year (FY17), 2/3 of the change in payment will be made. In the third year the payment will be based completely on the new formula. The updated FY15 FMV for parcels should remain in place until the new formula is fully implemented.

FY15 current total payments	\$ 2,240,226
FY16 including 1/3 of the change	\$ 2,133,033
FY17 including 2/3 of the change	\$ 2,043,618
FY18 est. cost at full implementation	\$ 1,956,494

Subsequently acquired land and actual municipal tax rates will impact the estimates above for FY16-FY18

- The town by town payment impact analysis in the addendum estimates how the change in payment will impact the municipal tax rate. A small number of towns will see a significantly increased payment even with the lower municipal rate applied. This is because the ANR land in those towns is currently predominantly at the CU value, so the change from CU value to updated FMV more than offsets the lower tax rate. Most towns will have a reduced payment and some of those will be substantial. Some very small rural towns (Brunswick, Ferdinand, and Maidstone are few examples) would be significantly

negatively impacted. These are communities have very large amounts of ANR-owned land and fewer positive change offsets related to CU or updated FMV changes. All four have very low current municipal tax rates. Consideration of an extended soft-landing period for these communities to absorb the change may be needed under this option. Two towns (Lowell and Coventry) currently have no municipal tax rate. While the analysis contemplates a small rate due to the payment change in these two towns, it would need to be determined if a minimum payment should be established for this circumstance.

- To maintain local support for future land acquisition by ANR, a first year after acquisition “bonus” payment provision could be incorporated into this option at modest additional fiscal impact. It would need to be determined if a payment at 1% or a flat per-acre payment would be the best method to include within this option if adopted.

Option C – New Valuation Method and Municipal Tax Rate

This option requires significant additional analysis and therefore no concrete detail or budgetary impact is provided. This option proposes continued study of new ways to determine the valuation of ANR lands. It would likely require continuation of the moratorium currently in place as both the town payment and total state fiscal implications are unlikely to be completed for consideration in the 2015 legislative session. The payment formula under this option may include the parameters listed below or similar provisions.

- All new ANR land acquisitions would be valued as individual parcels by PVR. This change could potentially be applied to existing ANR lands as well. ANR would determine the acquisition history for each property in its inventory. PVR would assess how the proposed changes would impact the model used to develop values, how it would be derived from the previous year’s grand list and how if a purchase involves a subdivision appraisal principles would be followed when setting the listed value reviewable by PVR field staff. The updated/modified valuation model and then current factors affecting values would be applied to the revised inventory. Any such change in methodology will be strictly limited to ANR PILOT and would not alter or change the definition of fair market value or parcel as applied in other programs administered by the Tax Department.
- Be based on the current fiscal year’s actual local municipal rate when determined by the municipalities, for the municipality in which the parcel is located. Payment formulas used by other State grant programs (for state owned buildings and for reimbursement for privately owned CU land) rely on the prior fiscal year’s tax rates.
- Towns will carry ANR lands on their grand list at the values determined by PVR.
- First year PILOT payment for newly acquired ANR parcels would be paid at the Town’s listed value. Subsequent payments would be based on the new valuation method.
- ANR’s goal in suggesting this change in valuation is to get PILOT to reimburse towns as closely as possible to what they were paid when the land was in private ownership.

Program Practice Changes

Under any of the options listed above a small number of towns could experience a disproportionately negative financial impact. In implementing any significant changes to PILOT, consideration should be given to incorporating measures that would moderate or minimize such impacts on affected municipalities.

Regardless of which new formula option is adopted, the working group recommends a concurrent amendment adding a provision allowing the phasing in of value changes in future reappraisals over a period of time. The Legislature should set or allow PVR to establish by rule a workable phase-in schedule for updated FMV on ANR lands. Such a schedule would allow significant FMV changes to be absorbed more gradually in the state budget.

We also recommend, to the extent that funds are unexpended at the close of any fiscal year in this program, such funds can be transferred and deposited into the ANR Land Acquisition fund with approval from Finance and Management, for one-time expenditures related to changes or transitions in the ANR PILOT formula, and/or land acquisitions as determined by ANR.

ADDITIONAL ISSUES AND OPTIONS

There are several issues and options that were discussed but are not recommended by the working group. This is because they result in significant State fiscal impacts, or represent a very significant change from current practice, and/or they add a layer of complexity that may be difficult to administer.

No Change Option

The Administration and the Legislature could opt to make no change to the underlying formula and allow the moratorium on new FMV to expire per the provisions of Sec. E.701. This would result in a program cost increase and continue the CU valuations to some properties included in the existing formula. This option would result in a FY16 program cost of \$ 2,930,000.

Eliminate CU Values Option

The program would cost approximately \$4.1 million if the CU values were eliminated, concurrent with the updated FMV at the existing 1% rate.

Option A or B with Hold Harmless

Payments under this formula would be the same as with Option A, but municipalities would be held harmless to the FY15 PILOT payment, unless the actual Agency acreage decreases in a municipality. This would be both concurrent with the transition plan and applied after full implementation of either option. The estimated cost of a hold harmless provision would add over \$400,000 to the total annual PILOT payment after full implementation.

Complete Phase-Out Option

The largest State fiscal savings could be realized by a phase-out and elimination of the payment program over a specified period of time. While it would place Vermont in the nearly 50% of states that make no payments of this type, it would have the greatest negative impact to towns and would be a cost shift from the State to local tax payers.

100% CU Valuation Option

Significant State fiscal savings could be realized if the program valuation basis for all parcels was based on Current Use value. Aside from the consistency and equal treatment in the valuation, it is unclear what the policy rationale would be for this valuation. Similar to the complete phase-out option, this would significantly negatively impact many towns and be viewed as a cost shift from

the State to the towns. The cost of the program in FY16 would drop to \$465,000 if the CU value applied to all parcels and the rate remained at 1%.

Size or Percent Limitations

Limiting payments to parcels over a certain size and/or over a certain percentage of total town land area would result in State fiscal savings. It is uncertain what the total savings would be as a natural or easy cut-off by size or percentage is not readily apparent across the ranges that currently exist in the program. A parcel size limitation would reduce the number of towns receiving a payment by eliminating the small payments. For many of these, the impact could be fairly modest in the context of the overall town budget. As with any such hard limits, this would introduce a potential payment cliff issue for properties that fall on just on one side or the other of the established cut-off point. This type of change would not likely be a stand-alone option but could be considered as an additional component within a new formula.

Addendum I- Options - Estimated Payments by Town

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Addison	40,260	34,595	(5,665)		23,248	(17,013)		0.42	34,154	(6,106)		0.43	22,383	(17,878)	
Albany	598	499	(99)		301	(297)		0.47	499	(99)		0.47	301	(297)	
Alburgh	31,582	27,492	(4,091)		19,298	(12,284)		0.29	24,981	(6,602)		0.30	12,040	(19,542)	
Andover	10,947	10,069	(878)		8,310	(2,637)		0.34	9,571	(1,376)		0.34	6,866	(4,081)	
Arlington	1,717	1,652	(65)		1,523	(195)		0.33	1,496	(222)		0.33	1,053	(665)	
Athens	1,954	1,660	(294)		1,071	(883)		1.11	2,211		256	1.11	2,719		764
Averill	1,028	905	(123)		659	(369)		0.15	752	(276)		0.15	202	(826)	
Averys Gore		-			-			0.15	-		0	0.15	-		-
Bakersfield		-			-			0.40	-		0	0.40	-		-
Baltimore	203	194	(9)		177	(26)		0.44	189	(14)		0.44	161	(42)	
Barnard	25,838	22,948	(2,889)		17,162	(8,676)		0.35	21,056	(4,781)		0.35	11,641	(14,196)	
Barnet	8,388	7,651	(737)		6,175	(2,214)		0.47	7,594	(794)		0.47	6,016	(2,372)	
Barre City		-			-			1.65	-		0	1.65	-		-
Barre Town	592	504	(88)		329	(263)		0.89	565	(27)		0.89	511	(81)	
Barton	18,113	15,363	(2,750)		9,854	(8,259)		0.43	14,977	(3,136)		0.44	8,787	(9,326)	
Belvidere	18,327	16,618	(1,710)		13,194	(5,134)		0.55	17,214	(1,113)		0.56	15,269	(3,058)	
Bennington	6,728	5,665	(1,063)		3,537	(3,191)		0.57	5,674	(1,054)		0.57	3,564	(3,164)	
Benson	20,073	17,522	(2,551)		12,413	(7,660)		0.59	17,961	(2,112)		0.59	13,872	(6,201)	
Berkshire		-			-			0.51	-		0	0.51	-		-
Berlin	6,921	5,632	(1,289)		3,051	(3,870)		0.44	5,554	(1,366)		0.44	2,823	(4,098)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Bethel	2,777	2,333	(444)		1,444	(1,333)		0.77	2,691	(86)		0.77	2,518	(259)	
Bloomfield	518	432	(86)		259	(259)		0.37	421	(97)		0.37	227	(291)	
Bolton	79,483	70,943	(8,540)		53,839	(25,644)		0.53	72,148	(7,335)		0.55	59,113	(20,370)	
Bradford		-			-			0.76	-		0	0.76	-		-
Braintree	119	98	(22)		55	(65)		0.86	112	(7)		0.86	97	(22)	
Brandon	498	407	(90)		227	(271)		0.79	457	(40)		0.79	376	(121)	
Brattleboro	687	578	(109)		359	(328)		1.16	738		51	1.16	840		152
Bridgewater	5,588	5,476	(112)		5,253	(335)		0.41	5,060	(528)		0.41	4,011	(1,577)	
Bridport	2,780	2,202	(578)		1,045	(1,735)		0.51	2,190	(589)		0.51	1,013	(1,766)	
Brighton	10,975	9,449	(1,526)		6,394	(4,582)		0.66	10,341	(634)		0.66	9,089	(1,886)	
Bristol	917	726	(191)		343	(574)		0.63	745	(172)		0.63	400	(517)	
Brookfield	8,519	7,608	(911)		5,783	(2,736)		0.48	7,972	(547)		0.49	6,890	(1,629)	
Brookline		-			-			0.27	-		0	0.27	-		-
Brownington	2,455	2,061	(394)		1,273	(1,182)		0.60	2,168	(287)		0.60	1,595	(860)	
Brunswick	36,264	33,831	(2,433)		28,958	(7,307)		0.04	24,955	(11,309)		0.23	13,425	(22,839)	
Buels Gore	7,053	8,021		967	9,959		2,905	0.39	6,951	(103)		0.39	6,861	(192)	
Burke	15,336	13,737	(1,599)		10,535	(4,801)		0.43	13,340	(1,996)		0.44	9,398	(5,937)	
Burlington		-			-			0.80	-		0	0.80	-		-
Cabot	1,844	1,475	(369)		735	(1,109)		0.53	1,490	(354)		0.53	781	(1,063)	
Calais	2,151	1,754	(397)		960	(1,192)		0.55	1,759	(392)		0.55	975	(1,176)	
Cambridge	32,105	31,332	(773)		29,784	(2,321)		0.38	29,082	(3,023)		0.38	23,131	(8,974)	
Canaan	1,888	1,547	(341)		864	(1,025)		0.62	1,631	(257)		0.62	1,117	(771)	
Castleton	17,916	17,015	(901)		15,212	(2,704)		0.44	15,997	(1,919)		0.44	12,189	(5,727)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Cavendish	23,983	25,405		1,422	28,253		4,270	0.36	23,254	(729)		0.36	21,843	(2,140)	
Charleston	1,858	1,534	(324)		885	(974)		0.69	1,614	(244)		0.69	1,126	(732)	
Charlotte	19,514	16,044	(3,470)		9,094	(10,420)		0.16	14,025	(5,488)		0.16	3,066	(16,448)	
Chelsea	115	94	(21)		53	(63)		0.54	95	(20)		0.54	56	(60)	
Chester	1,042	1,071		28	1,128		85	0.63	1,182		139	0.63	1,460		418
Chittenden	393	505		112	730		337	0.51	503		110	0.51	724		331
Clarendon	1,843	1,535	(308)		918	(926)		0.45	1,539	(304)		0.45	930	(913)	
Colchester	46,882	39,581	(7,301)		24,957	(21,926)		0.57	40,648	(6,234)		0.57	28,208	(18,675)	
Concord	2,690	2,270	(420)		1,428	(1,262)		0.59	2,346	(344)		0.59	1,659	(1,030)	
Corinth	-	-		-	-		-	0.60	-		0	0.60	-		-
Cornwall	6,420	5,646	(774)		4,095	(2,325)		0.37	5,363	(1,057)		0.37	3,259	(3,160)	
Coventry	6,505	5,618	(886)		3,843	(2,662)		0.00	4,339	(2,166)		0.01	45	(6,460)	
Craftsbury	544	454	(89)		276	(268)		0.53	462	(82)		0.53	299	(245)	
Danby	650	574	(76)		421	(229)		0.43	573	(77)		0.43	420	(230)	
Danville	1,797	1,606	(191)		1,223	(574)		0.47	1,591	(206)		0.47	1,178	(619)	
Derby	2,384	2,018	(366)		1,284	(1,100)		0.37	1,903	(481)		0.37	939	(1,444)	
Dorset	22,700	19,737	(2,963)		13,803	(8,898)		0.18	16,952	(5,748)		0.19	5,510	(17,190)	
Dover	-	-		-	-		-	0.35	-		0	0.35	-		-
Dummerston	1,734	1,446	(288)		870	(865)		0.28	1,319	(415)		0.28	489	(1,245)	
Duxbury	42,047	39,249	(2,799)		33,644	(8,404)		0.53	39,644	(2,404)		0.53	35,128	(6,919)	
East Haven	-	-		-	-		-	0.75	-		0	0.75	-		-
E. Montpelier	1,294	1,040	(255)		529	(765)		0.56	1,059	(235)		0.56	588	(707)	
Eden	36,762	34,114	(2,648)		28,811	(7,951)		0.51	35,884	(878)		0.51	34,251	(2,511)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Elmore	18,810	17,110	(1,700)		13,705	(5,105)		0.37	16,020	(2,790)		0.38	10,579	(8,231)	
Enosburgh		-			-			0.61	-		0	0.61	-		-
Essex Cty UTG		-			-			0.0000	-		0	-	-		-
Essex Jct.	2,997	2,472	(525)		1,421	(1,576)		0.40	2,382	(615)		0.40	1,151	(1,845)	
Essex Town		-			-			0.48	-		0	0.48	-		-
Fair Haven	2,079	3,639		1,561	6,765		4,686	0.86	5,945		3,866	0.86	13,589		11,510
Fairfax	30	26	(3)		20	(10)		0.47	25	(4)		0.47	17	(12)	
Fairfield	3,395	2,861	(534)		1,792	(1,603)		0.64	2,992	(403)		0.64	2,188	(1,207)	
Fairlee	1,056	853	(202)		448	(608)		0.42	833	(223)		0.42	386	(670)	
Fayston	16,039	14,970	(1,069)		12,828	(3,211)		0.23	12,778	(3,261)		0.23	6,317	(9,722)	
Ferdinand	69,581	65,264	(4,317)		56,616	(12,965)		0.15	52,118	(17,463)		0.37	42,398	(27,183)	
Ferrisburgh	47,317	38,752	(8,565)		21,596	(25,721)		0.23	34,980	(12,337)		0.24	10,587	(36,730)	
Fletcher		-			-			0.84	-		0	0.84	-		-
Franklin	13,322	11,154	(2,168)		6,811	(6,511)		0.45	11,059	(2,263)		0.46	6,590	(6,733)	
Georgia	975	795	(180)		434	(542)		0.27	733	(242)		0.27	249	(726)	
Glastenbury		-			-			0.13	-		0	0.13	-		-
Glover	4,369	3,690	(679)		2,330	(2,039)		1.92	6,013		1,645	1.92	9,290		4,921
Goshen		-			-			0.85	-		0	0.85	-		-
Grafton	1,095	1,858		763	3,387		2,292	0.56	2,116		1,021	0.56	4,148		3,053
Granby	538	528	(10)		508	(30)		0.04	374	(164)		0.05	49	(489)	
Grand Isle	22,187	18,236	(3,951)		10,324	(11,864)		0.26	16,615	(5,572)		0.26	5,544	(16,643)	
Granville	7,519	6,847	(672)		5,502	(2,018)		0.66	7,354	(166)		0.66	7,035	(485)	
Greensboro	2,129	1,751	(378)		994	(1,135)		0.54	1,795	(333)		0.54	1,128	(1,000)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Groton	54,512	61,117		6,605	74,346		19,834	0.51	61,762		7,251	0.49	73,838		19,326
Guildhall		-			-			0.56	-		0	0.56	-		-
Guilford	8,631	7,189	(1,442)		4,302	(4,330)		0.71	7,639	(992)		0.71	5,664	(2,967)	
Halifax		-			-			0.82	-		0	0.82	-		-
Hancock		-			-			0.73	-		0	0.73	-		-
Hardwick	1,511	1,218	(292)		633	(878)		1.16	1,444	(67)		1.16	1,310	(200)	
Hartford	4,107	3,474	(633)		2,207	(1,900)		0.85	4,023	(83)		0.85	3,857	(250)	
Hartland	1,226	1,665		439	2,543		1,317	0.42	1,572		346	0.42	2,264		1,038
Highgate	6,493	5,187	(1,307)		2,570	(3,924)		0.23	4,774	(1,719)		0.23	1,339	(5,155)	
Hinesburg	7,575	6,412	(1,163)		4,083	(3,492)		0.49	6,309	(1,265)		0.49	3,781	(3,794)	
Holland	8,460	14,267		5,807	25,900		17,440	0.96	21,740		13,280	0.89	45,009		36,550
Hubbardton	20,320	19,778	(542)		18,692	(1,629)		0.79	23,604		3,284	0.78	29,873		9,553
Huntington	20,325	21,829		1,504	24,842		4,517	0.57	23,124		2,799	0.56	28,540		8,216
Hyde Park	29,961	27,338	(2,623)		22,084	(7,878)		0.65	29,727	(234)		0.65	29,270	(692)	
Ira	2,152	2,050	(101)		1,848	(304)		0.49	1,951	(200)		0.49	1,554	(598)	
Irasburg	1,256	1,030	(226)		578	(678)		0.46	1,019	(237)		0.46	545	(710)	
Isle LaMotte	4,372	3,607	(764)		2,076	(2,296)		0.30	3,306	(1,065)		0.30	1,185	(3,187)	
Jamaica	10,513	9,081	(1,432)		6,213	(4,300)		0.33	8,537	(1,977)		0.33	4,607	(5,906)	
Jay	20,822	18,583	(2,240)		14,097	(6,726)		0.26	16,224	(4,598)		0.26	7,146	(13,677)	
Jericho	1,638	1,316	(322)		672	(966)		0.46	1,297	(341)		0.46	613	(1,025)	
Jericho ID		-			-			0.00	-				-		
Johnson	14,484	16,500		2,016	20,538		6,054	0.69	19,974		5,490	0.68	30,625		16,141
Killington	60,816	53,984	(6,833)		40,298	(20,518)		0.30	48,719	(12,097)		0.30	24,861	(35,955)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Kirby	1,885	1,710	(175)		1,359	(526)		0.28	1,559	(326)		0.28	911	(974)	
Landgrove		-			-			0.20	-		0	0.20	-		-
Leicester	546	432	(113)		205	(341)		0.26	401	(145)		0.26	111	(435)	
Lemington	228	187	(41)		105	(124)		0.31	175	(53)		0.31	68	(160)	
Lewis		-			-			0.15	-		0	0.15	-		-
Lincoln		-			-			0.64	-		0	0.64	-		-
Londonderry	12,337	10,366	(1,971)		6,417	(5,920)		0.26	9,374	(2,963)		0.26	3,468	(8,869)	
Lowell	3,686	3,359	(327)		2,705	(982)		0.00	2,459	(1,228)		0.00	19	(3,668)	
Ludlow	44,226	40,010	(4,216)		31,566	(12,661)		0.27	35,168	(9,058)		0.27	17,152	(27,074)	
Lunenburg	8,710	8,032	(678)		6,674	(2,036)		0.63	9,073		364	0.63	9,786		1,077
Lyndon	85	213		128	469		383	0.29	148		63	0.29	274		189
Maidstone	46,978	43,518	(3,460)		36,588	(10,390)		0.22	37,274	(9,704)		0.26	21,067	(25,911)	
Manchester	5,122	4,204	(919)		2,363	(2,759)		0.23	3,805	(1,317)		0.23	1,169	(3,954)	
Marlboro	106	85	(21)		44	(63)		0.41	82	(24)		0.41	34	(72)	
Marshfield	9,819	13,519		3,699	20,929		11,109	0.68	14,876		5,056	0.67	24,540		14,721
Mendon	14,142	20,991		6,849	34,711		20,568	0.53	22,433		8,290	0.52	38,050		23,908
Middlebury		-			-			0.94	-		0	0.94	-		-
Middlesex	15,663	14,206	(1,456)		11,289	(4,374)		0.42	13,474	(2,189)		0.42	9,162	(6,500)	
MidtwnSprings		-			-			0.52	-		0	0.52	-		-
Milton	16,727	14,636	(2,091)		10,448	(6,279)		0.48	14,680	(2,047)		0.48	10,591	(6,136)	
Monkton	2,298	1,680	(618)		442	(1,857)		0.50	1,657	(641)		0.50	374	(1,924)	
Montgomery	16,762	15,825	(937)		13,947	(2,815)		0.40	14,028	(2,734)		0.40	8,698	(8,065)	
Montpelier	725	587	(138)		311	(415)		0.98	681	(44)		0.98	593	(132)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Moretown	721	591	(130)		330	(392)		0.26	540	(181)		0.26	179	(543)	
Morgan	4,219	3,543	(676)		2,190	(2,029)		0.21	3,112	(1,107)		0.21	903	(3,316)	
Morristown	16,383	19,647		3,264	26,184		9,801	0.78	24,873		8,490	0.77	41,653		25,270
Mount Holly	13,264	12,211	(1,053)		10,101	(3,163)		0.35	11,515	(1,749)		0.35	8,056	(5,208)	
Mount Tabor	8,223	7,137	(1,086)		4,961	(3,263)		0.30	6,546	(1,678)		0.32	3,402	(4,821)	
New Haven		-			-			0.39	-		0	0.39	-		-
Newark	2,212	2,752		540	3,834		1,621	0.44	2,663		451	0.44	3,555		1,343
Newbury	1,757	1,864		107	2,077		320	0.55	1,939		182	0.54	2,303		546
Newfane		-			-			0.44	-		0	0.44	-		-
Newport City	458	372	(86)		200	(258)		1.27	450	(8)		1.27	434	(24)	
Newport Town	3,622	2,977	(645)		1,686	(1,937)		0.35	2,833	(789)		0.35	1,257	(2,365)	
No.Bennington		-			-			0.66	-		0		-		-
North Hero	43,262	35,812	(7,450)		20,889	(22,374)		0.26	32,058	(11,204)		0.27	10,069	(33,193)	
Northfield		-			-			1.03	-		0	1.03	-		-
Norton	9,942	14,617		4,676	23,983		14,041	0.26	11,684		1,743	0.25	14,502		4,561
Norwich	3,874	3,249	(625)		1,997	(1,877)		0.53	3,280	(594)		0.53	2,091	(1,783)	
Orange	5,474	6,825		1,351	9,530		4,056	0.43	6,517		1,043	0.43	8,543		3,069
Orleans ID		-			-			0.00	-		0		-		-
Orwell	10,621	8,991	(1,629)		5,728	(4,893)		0.42	8,736	(1,885)		0.42	5,008	(5,613)	
Panton	2,606	2,178	(428)		1,320	(1,287)		0.54	2,216	(390)		0.54	1,437	(1,169)	
Pawlet		-			-			0.43	-		0	0.43	-		-
Peacham	15,866	20,939		5,073	31,101		15,235	0.37	18,063		2,197	0.37	22,186		6,320
Peru	6,221	5,120	(1,101)		2,916	(3,305)		0.25	4,719	(1,502)		0.25	1,722	(4,499)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Pittsfield		-			-			0.52	-		0	0.52	-		-
Pittsford	2,550	2,143	(407)		1,327	(1,223)		0.45	2,130	(420)		0.45	1,289	(1,261)	
Plainfield	4,287	4,764		478	5,722		1,435	0.69	5,439		1,153	0.69	7,713		3,427
Plymouth	42,339	50,469		8,130	66,754		24,415	0.37	45,134		2,795	0.37	50,338		7,999
Pomfret	4,255	3,561	(694)		2,170	(2,085)		0.33	3,363	(893)		0.33	1,580	(2,675)	
Poultney	28,042	23,171	(4,871)		13,415	(14,627)		0.30	21,327	(6,714)		0.31	8,042	(20,000)	
Pownal	528	444	(84)		276	(252)		0.36	422	(107)		0.36	209	(320)	
Proctor		-			-			0.85	-		0	0.85	-		-
Putney	24	21	(4)		13	(11)		0.60	21	(3)		0.60	16	(9)	
Randolph	554	467	(87)		294	(260)		0.73	525	(29)		0.73	466	(88)	
Reading	43,446	41,591	(1,855)		37,875	(5,571)		0.40	39,379	(4,067)		0.41	31,882	(11,564)	
Readsboro	129	106	(23)		61	(68)		0.93	126	(3)		0.93	121	(8)	
Richford	12,503	11,760	(743)		10,272	(2,232)		0.73	13,710		1,207	0.73	16,079		3,576
Richmond	434	1,643		1,209	4,066		3,631	0.64	1,981		1,546	0.64	5,069		4,635
Ripton		-			-			0.50	-		0	0.50	-		-
Rochester	5,061	4,916	(145)		4,627	(435)		0.50	5,014	(48)		0.50	4,919	(142)	
Rockingham	1,549	1,816		267	2,352		803	0.89	2,490		941	0.89	4,372		2,823
Roxbury	7,974	14,533		6,559	27,672		19,698	0.80	21,164		13,191	0.75	44,591		36,617
Royalton	2,087	1,696	(391)		912	(1,175)		0.64	1,785	(302)		0.64	1,182	(905)	
Rupert	3,867	3,154	(713)		1,727	(2,140)		0.35	3,071	(796)		0.35	1,483	(2,384)	
Rutland City		-			-			1.40	-		0	1.40	-		-
Rutland Town		-			-			0.17	-		0	0.17	-		-
Ryegate	1,545	1,721		176	2,074		528	0.56	1,825		279	0.56	2,381		836

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Salisbury	15,627	12,534	(3,094)		6,337	(9,290)		0.26	11,485	(4,142)		0.26	3,269	(12,359)	
Sandgate		-			-			0.58	-		0	0.58	-		-
Searsburg	54	44	(11)		23	(32)		0.62	46	(9)		0.62	28	(26)	
Shaftsbury	18,231	14,655	(3,576)		7,493	(10,739)		0.36	14,091	(4,141)		0.36	5,848	(12,384)	
Shaftsbury ID		-			-			0.00	-		0		-		-
Sharon	8,075	7,601	(474)		6,652	(1,424)		0.67	8,450		375	0.67	9,191		1,116
Sheffield	3,588	2,995	(593)		1,807	(1,782)		0.18	2,625	(963)		0.18	708	(2,881)	
Shelburne	396	313	(82)		149	(247)		0.36	299	(97)		0.36	106	(290)	
Sheldon		-			-			0.43	-		0	0.43	-		-
Shoreham	4,535	3,654	(881)		1,890	(2,645)		0.53	3,731	(804)		0.53	2,128	(2,407)	
Shrewsbury	18,910	21,097		2,188	25,480		6,570	0.50	21,679		2,770	0.50	26,932		8,023
Somerset		-			-			0.42	-		0	0.42	-		-
So. Burlington		-			-			0.43	-		0	0.43	-		-
South Hero	13,698	11,218	(2,480)		6,251	(7,447)		0.28	10,399	(3,298)		0.28	3,820	(9,878)	
Springfield	2,915	2,398	(517)		1,364	(1,552)		1.31	3,249		334	1.31	3,918		1,003
St. Albans City		-			-			0.85	-		0	0.85	-		-
St. Albans Tn	25,893	21,048	(4,844)		11,345	(14,548)		0.35	20,067	(5,825)		0.35	8,445	(17,448)	
St. George		-			-			0.28	-		0	0.28	-		-
St. Johnsbury		-			-			0.73	-		0	0.73	-		-
Stamford		-			-			0.61	-		0	0.61	-		-
Stannard	17,296	16,159	(1,137)		13,882	(3,414)		1.18	22,248		4,951	1.10	30,134		12,838
Starksboro	10,965	11,168		203	11,575		610	0.46	10,622	(343)		0.46	9,950	(1,015)	
Stockbridge	28,591	25,226	(3,365)		18,486	(10,105)		0.60	26,371	(2,220)		0.60	22,139	(6,452)	

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Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Stowe	54,268	61,138		6,870	74,899		20,631	0.40	56,073		1,805	0.40	59,649		5,381
Strafford	6,238	7,408		1,170	9,751		3,513	0.69	9,488		3,251	0.68	15,881		9,643
Stratton		-			-			0.16	-		0	0.16	-		-
Sudbury	1,072	915	(158)		599	(473)		0.26	836	(236)		0.26	364	(708)	
Sunderland	991	795	(197)		401	(591)		0.29	753	(239)		0.29	275	(717)	
Sutton	11,056	17,675		6,619	30,934		19,877	0.51	20,073		9,017	0.48	36,250		25,194
Swanton	12,278	10,041	(2,237)		5,560	(6,718)		0.17	8,872	(3,406)		0.17	2,070	(10,208)	
Thetford	3,167	3,799		632	5,065		1,898	0.56	3,978		811	0.56	5,595		2,428
Tinmouth	6,139	5,598	(542)		4,513	(1,627)		0.51	5,768	(371)		0.51	5,038	(1,101)	
Topsham	12,002	11,233	(768)		9,694	(2,308)		0.68	12,543		542	0.67	13,597		1,596
Townshend	2,320	3,819		1,499	6,821		4,500	0.68	4,730		2,410	0.67	9,499		7,179
Troy	420	354	(67)		220	(200)		0.17	306	(115)		0.17	76	(344)	
Tunbridge	372	306	(67)		173	(200)		0.62	324	(49)		0.62	226	(146)	
Underhill	15,769	19,486		3,717	26,932		11,163	0.49	19,141		3,372	0.49	25,747		9,978
Underhill ID		-			-			0.00	-		0	-	-		-
Vergennes		-			-			0.73	-		0	0.73	-		-
Vernon	8,844	8,266	(578)		7,110	(1,734)		0.43	8,215	(629)		0.43	6,961	(1,883)	
Vershire		-			-			0.79	-		0	0.79	-		-
Victory	82,984	88,936		5,952	100,859		17,875	0.26	73,454	(9,530)		0.33	69,154	(13,829)	
Waitsfield	4,647	4,075	(572)		2,928	(1,719)		0.42	3,977	(670)		0.42	2,638	(2,009)	
Walden	9,316	17,068		7,752	32,596		23,279	0.63	17,943		8,626	0.60	33,641		24,325
Wallingford		-			-			0.29	-		0	0.29	-		-
Waltham		-			-			0.40	-		0	0.40	-		-

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Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Wardsboro		-			-			0.47	-		0	0.47	-		-
Warners Grant	651	1,172		521	2,216		1,565	0.15	658		7	0.15	657		5
Warren		-			-			0.39	-		0	0.39	-		-
Warren Gore	2,160	2,549		389	3,329		1,168	0.15	1,777	(384)		0.16	1,103	(1,058)	
Washington	2,542	2,708		166	3,041		499	0.46	2,626		84	0.45	2,792		250
Waterbury	17,526	37,126		19,600	76,384		58,857	0.38	31,742		14,216	0.37	59,279		41,753
Waterford		-			-			0.44	-		0	0.44	-		-
Waterville	1,002	982	(20)		943	(59)		0.49	940	(62)		0.49	816	(185)	
Weathersfield	11,707	10,250	(1,457)		7,332	(4,375)		0.60	10,725	(982)		0.60	8,772	(2,935)	
Wells	1,108	965	(143)		680	(428)		0.38	915	(193)		0.38	530	(578)	
Wells River		-			-			1.00	-		0	1.00	-		-
West Fairlee	545	601		56	713		168	0.75	722		177	0.75	1,075		530
West Haven	2,078	1,755	(323)		1,109	(969)		0.71	1,879	(199)		0.71	1,484	(593)	
West Rutland	1,511	1,756		245	2,248		737	0.68	2,093		582	0.68	3,254		1,743
West Windsor	90	82	(8)		66	(24)		0.39	77	(13)		0.39	50	(39)	
Westfield	24,611	23,012	(1,598)		19,811	(4,800)		0.59	23,971	(640)		0.60	22,788	(1,822)	
Westford		-			-			0.63	-		0	0.63	-		-
Westminster	263	213	(50)		113	(150)		0.59	220	(43)		0.59	134	(129)	
Westmore	16,334	17,852		1,517	20,891		4,557	0.40	16,078	(256)		0.40	15,587	(748)	
Weston	5,258	4,738	(520)		3,696	(1,563)		0.47	4,564	(694)		0.47	3,182	(2,076)	
Weybridge	9,733	8,466	(1,266)		5,930	(3,803)		0.50	8,360	(1,373)		0.50	5,648	(4,085)	
Wheelock	14,667	13,963	(704)		12,553	(2,114)		0.57	14,837		170	0.57	15,155		489
Whiting	346	269	(77)		115	(231)		0.47	268	(78)		0.47	112	(234)	

ANR Payments in Lieu of Taxes Report

Town	FY15 Payment	Opt A						Opt B							
		FY16 Est. Payment	chg (-)	chg (+)	FY18 Est. Payment	Chg (-)	chg (+)	Current Tax Rate	FY16 Est. Payment	chg (-)	chg (+)	FY18 Est Tax Rate	FY18 Est. Payment	chg (-)	chg (+)
Whitingham	13,224	11,307	(1,917)		7,468	(5,756)		0.59	12,065	(1,160)		0.59	9,762	(3,462)	
Williamstown	4,973	4,433	(540)		3,352	(1,621)		0.59	4,487	(485)		0.59	3,519	(1,454)	
Williston	2,445	2,024	(421)		1,182	(1,263)		0.27	1,833	(612)		0.27	608	(1,837)	
Wilmington	2,018	1,706	(312)		1,082	(936)		0.45	1,689	(328)		0.45	1,032	(986)	
Windham		-			-			0.78	-		0	0.78	-		-
Windsor	11,546	12,639		1,093	14,829		3,283	1.20	20,239		8,693	1.19	37,322		25,777
Winhall	9,449	8,100	(1,349)		5,398	(4,051)		0.38	7,632	(1,817)		0.38	4,000	(5,450)	
Winooski		-			-			1.02	-		0	1.02	-		-
Wolcott	5,014	4,808	(206)		4,397	(617)		0.69	5,544		530	0.68	6,597		1,583
Woodbury	11,746	9,595	(2,151)		5,286	(6,460)		0.35	9,103	(2,643)		0.36	3,875	(7,871)	
Woodford	6,532	5,463	(1,069)		3,323	(3,209)		0.20	4,851	(1,681)		0.21	1,550	(4,982)	
Woodstock	2,296	4,411		2,115	8,647		6,351	0.32	3,375		1,080	0.32	5,532		3,236
Worcester	11,343	23,400		12,057	47,551		36,208	0.59	26,066		14,724	0.55	51,347		40,005
TOTAL	2,240,226	2,183,692			2,070,455				2,133,033				1,956,494		

Addendum II – States’ PILT Summaries

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Federal Government	Amount per acre	Five factors affect the calculation of payment to a given county: the number of acres eligible, the county's population, payments in prior years from specified federal land payment programs, state laws directing payments to a particular government purpose, and the Consumer Price Index as calculated by the Bureau of Labor Statistics. Also relevant is the timing of the reauthorization, as funds may or may not be subject to sequestration. As of February 20, 2014: <i>Whichever is greater:</i> Alternative A: (Standard Provision) <i>Which is less:</i> The county's eligible acreage multiplied by \$2.54 per acre or the county's ceiling payment based on its population. Subtract the previous year's total payments for these eligible lands under specific payment or revenue-sharing programs of the federal agencies that control land from the lesser of those numbers. Alternative B: (Minimum Provision) <i>Which is less:</i> the county's eligible acreage multiplied by \$0.35 per acre or the county's ceiling payment.	Lands in the National Park System, National Forest System, or Bureau of Land Management; lands in the National Wildlife Refuge System if they are withdrawn from the public domain; lands dedicated to the use of federal water resources development projects; dredge disposal areas under the jurisdiction of the US Army Corps of Engineers; lands located in the vicinity of Purgatory River Canyon and Piñon Canyon, Colorado, that were acquired after December 31, 1981, to expand the Fort Carson military reservation; lands on which are located semi-active or inactive Army installations used for mobilization and for reserve component training, and certain lands acquired by DOI or the Department of Agriculture under the Southern Nevada Public Land Management Act.	Depending on appropriations, the Department of the Interior makes either full or prorated PILT payments to counties.	31 U.S.C. §§ 6901-6907	Impact Aid Section 8002, Payments for Federal Property -- A local educational agency (LEA, i.e. school district) is generally eligible for section 8002 assistance if it meets the following basic requirements: 1. The United States has acquired ownership of real property within the school district since 1938. 2. Such property was not acquired by exchange for other Federal property that the Federal Government owned before 1939, or 3. The assessed valuation of such property represented 10 percent or more of the total assessed valuation of all real property in the LEA at the time or times of Federal acquisition. Payments generally are deposited in eligible LEAs' general fund accounts and are used for general operating expenses. (20 U.S.C. 7702) http://www2.ed.gov/programs/8002/legislation.html
Michigan	Amount per acre	For 2014, PILT are \$3 per acre. After 2014, payments increase to \$4 per acre, and this figure will be increased in succeeding years by 5% or the inflation rate (whichever is less).	Tax reverted, recreation, forest, or other lands	The department of treasury shall pay into the treasury of each county in which are located tax reverted, recreation, forest or other lands under the control and supervision of the department	Mich. Comp. Laws 324.2150	None. (PILT payments are made by the Department of Treasury, and only on those public lands administered by the DNR.) http://www.michigan.gov/dnr/0,4570,7-153-31154_37215---,00.html

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
New Jersey	Amount per acre, changing over time	13-year system: in the first year after state acquisition, payments are equal to the tax last assessed on the land and decrease incrementally over the next 12 years. (Second year, 92%; third year, 84%; fourth year, 76%; fifth year, 68%; sixth year 60%; seventh year, 52%; eighth year, 44%; ninth year, 36%; 10th year 28%; 11th year, 20%; 12th year, 12%; 13th year, 4%.) Thereafter, PILT are made annually on a per acre amount depending on the percent of recreation and conservation use on the land: \$2 per acre if recreation and conservation purposes constitute less than 20% of the total land area of the municipality where the land is situated; \$5 per acre if use is at least 20%, but less than 40%; \$10 per acre if use is at least 40%, but less than 60%; \$20 per acre if use is at least 60%	To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes, of the acquisition and ownership by qualifying tax exempt nonprofit organizations of lands in fee simple for recreation and conservation purposes.	The State pays annual PILT to each municipality in which state-owned or non-profit and tax-exempt conservation or recreation lands are located	N.J. Stat. 13:8C-29	In 1994, the PILOT program that reimbursed municipalities for state-owned property was folded into a new Consolidated Municipal Property Tax Relief Aid (CMPTRA) program, along with more than dozen state aid programs, into one line item in the state budget. The amount each municipality received was frozen at the 1994 level. Adjustments have been made by including language in the state budget to increase the appropriation to a particular town in the first year then freezing the new aid at that level for future years. Because the state PILOT program is no longer a separate program, it is now impossible to find out how much aid municipalities are receiving from the state for services provided to state-owned property. (http://www.njleg.state.nj.us/PropertyTaxSession/OPI/free_new_jersey.pdf)
Pennsylvania	Amount per acre	Equal to the fixed charges as apply to and are imposed upon State forests pursuant the Forest Reserves Municipal Financial Relief Law. Payments are distributed based on acreage (\$1.20 per acre)	State forest and auxiliary forest reserves	The Department of Conservation and Natural Resources makes payments in lieu of taxes (PILOTs) to school districts, road districts and counties.	PA DCNR: Act 18, Chapter 3, Section 302	None.
	Amount per acre	Equal to the fixed charges as apply to and are imposed upon State forests pursuant the Forest Reserves Municipal Financial Relief Law. Payments are distributed based on acreage (\$1.20 per acre)	All lands, waters or buildings to which title has been acquired in the name of or for the use of the Pennsylvania Game Commission	The Pennsylvania Game Commission makes payments in lieu of taxes (PILOTs) to the county, school districts, and townships.	34 Pa. Cons. Stat. §708	
	Amount per acre	Equal to the fixed charges as apply to and are imposed upon State forests pursuant the Forest Reserves Municipal Financial Relief Law. Payments are distributed based on acreage (\$1.20 per acre)	Any lands of the Commonwealth forests to which the title has been acquired in the name of or for the use of the Pennsylvania Fish and Boat Commission.	The Pennsylvania Fish and Boat Commission makes payments in lieu of taxes (PILOTs) to the county, school districts, and townships.	30 Pa. Cons. Stat §728	

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Washington	Depends on department -- either amount per acre (DFW) or open space taxes that would be paid on the property (DFW and DNR)	<p>DFW: either the taxes due on similar open space parcels of land or the greater of \$0.70 per acre per year or the payments received in 1984 (amended 2014, effective July 1, 2015)</p> <p>DNR: amount of tax that would be due if the land were taxable as open space land plus weed control assessment</p>	<p>"Game lands:" those tracts one hundred acres or larger owned in fee by the Department of Fish and Wildlife and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access or recreation purposes with federal funds in the Snake River drainage basin shall be considered game lands regardless of acreage.</p> <p>Land acquired by the Department of Natural Resources for the purpose of establishing a state system of natural area preserves.</p>	<p>The legislative authority of a county may elect to obtain for the following year an amount in lieu of real property taxes on game lands.</p> <p>The state treasurer must distribute PILT to counties. The county is responsible for distributing PILT to all property taxing districts (except the state) in the same manner it would distribute local property taxes from private property.</p>	<p>RCW 77.12.201; RCW 77.12.203 (amended in 2014 by SSB 6446.SL)</p> <p>RCW 79.71.130; RCW 79.70.130</p>	<p>No PILT payments other than DNR/WDFW. But when the state purchases private land that is designated for tax purposes either as forestland, agriculture land or open space, the state must pay a compensating tax: the difference between the highest or ad valorem tax rate on the property and the tax rate under the designated status. This difference is then multiplied by the number of years the land was in the designated status up to a maximum of ten years. The total amount must be paid at the time of purchase. In essence, this is a penalty for removing land from the special tax status, even when the land use remains unchanged. (http://www.rco.wa.gov/documents/manuals&forms/TaxPaper.pdf)</p>

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Wisconsin	Amount per acre	<p>For land acquired before July 1, 1969, PILT are \$0.88 per acre for lands owned by the state and for lands leased from the federal government. For lands acquired between July 1, 1969, and January 1, 1992: For the first year, PILT are equal to the amount of taxes that would have been payable if the land had remained on the tax roll. For the second through ninth year, PILT are decreased 10% per year from the first year payment. Thereafter, the PILT are 10% of the first year payment, but the PILT can never fall below \$0.50 per acre. By now all such PILTs have bottomed out.</p>	Land acquired by the Department of Natural Resources before 1992	<p>Payments are made to the municipality where the land is located and the entire payment is retained by that municipality (none is disbursed to schools, etc.).</p>	Wisc. Stat. § 70.113	<p>The payments for municipal services (PMS) program: annually reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities. Step I: calculate net costs incurred by the municipality in providing each eligible service, determined by subtracting municipal revenues that are directly related to a particular service (service charges, specific state or federal aid payments, and intergovernmental subsidies) from the gross costs of providing the service. Step II: calculate the amount of property taxes used to finance the net cost of each service. The municipality's property tax levy is divided by the sum of the levy and state unrestricted aid payments (sum = total general revenue). This ratio, the proportion of the municipality's general revenues provided through the property tax, is multiplied by the net cost of each service to yield the cost financed through municipal property tax. Step III: allocate a portion of the tax cost of each service to the state-owned facilities within the municipality. The tax cost of each service is multiplied by the ratio of the value of state-owned facilities to the total value of real estate improvements within the municipality. This is repeated for each of the three eligible costs (fire and police protection and solid waste handling services).</p>
	Taxes that would be paid on the property	<p>For land acquired after December 31, 1991, the PILT are calculated by multiplying the estimated value of the land by the aggregate net property tax rate that would apply if the land was privately owned.</p>	Land acquired by the Department of Natural Resources after 1991	<p>Municipalities receive payment and distribute it out to all of the taxing jurisdictions in which the particular parcel is located (including state, county, municipal, local school district, etc.).</p>	Wisc. Stat. § 70.114	

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Colorado	Taxes that would be paid on the property	The amount of the payment in lieu of taxes due on each real property interest is based on the value and tax rate that would be applicable to the real property interest if it were taxable.	When state agencies (mostly the Department of Parks and Wildlife) acquire interests in real property with moneys from the great outdoors Colorado trust fund and remove them from the tax rolls.	The trust fund board shall pay from the trust fund to the reporting state agency. Each state agency that receives a payment from the trust fund board shall promptly transmit the payment to the county entitled to receive it. The treasurer of each county that receives a PILT shall pay over to each <u>school district</u> , special district, or other political subdivision in which a real property interest is located its appropriate share of the total payment.	C.R.S. 33-60-104.5	None.
Iowa	Taxes that would be paid on the property	Amount of taxes that would have been payable if the land was privately owned.	DNR pays property taxes on land acquired through REAP and Habitat Stamp funding.	The ORS is responsible for ensuring that property taxes, owed to individual counties, are paid on an annual basis.	Property Tax Program	None.
Massachusetts	Taxes that would be paid on the property	The Watershed Management PILT amount is determined by multiplying the Department of Revenue (DOR) valuation of DCR Division of Water Supply Protection land by the local commercial tax rate.	Payment to city or town in which property of the Quabbin watershed, Wachusett Watershed, Sudbury Watershed and Ware River watershed is held by the division of watershed management for purposes of a water supply protection of its sources.	PILT are made by the Massachusetts Water Resources Authority to each city or town in which property of the Quabbin watershed, Wachusett Watershed, Sudbury Watershed and Ware River watershed are located. <u>Does not include school district taxes.</u>	Mass. Gen. Laws Ch. 59 § 5G	State-Owned Land PILT program to reimburse communities for forgone tax revenues due to certain types of tax-exempt state-owned land. Formula: Estimated Property Value multiplied by the 3 year statewide average tax rate multiplied by the pro-ration factor (Mass. Gen. Laws Ch. 58 § 13-17)
Montana	Taxes that would be paid on the property	Amount of taxes that would have been payable if the land was privately owned.	Land owned by the Department of Fish and Wildlife. A payment may not be made to a county for lands owned by the department for game or bird farms or for fish hatchery purposes or lands acquired and managed for the purposes of Title 23, chapter 1.	PILT are paid from the state agency to the county treasurer who is then responsible for distributing the payments out to school districts, etc. Counties where the department (Fish and Wildlife) owns less than 100 acres are ineligible. Lands owned by the department for game or bird farms or for fish hatchery purposes are ineligible for PILT.	Mont. Code Ann. 87-1-603	None.

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Nebraska	Taxes that would be paid on the property	Amount of taxes that would have been payable if the land was privately owned. The rate is not recalibrated for the land receiving PILOT payments.	Land acquired for wildlife management purposes	PILT are paid by the Game and Parks Commission to counties for land acquired for wildlife management purposes. The county treasurer distributes PILT to the political subdivisions (including school districts) of the tax district where the land is situated.	Nebraska Admin. Code 41-003 (exemptions under Nebraska Rev. Stat. 77-202)	None.
Utah	Taxes that would be paid on the property	May not exceed the amount of taxes that would have been payable if the land was privately owned.	Any real property held in private ownership that is purchased by the Division of Wildlife Resources	PILT from the Division of Wildlife Resources to counties	Utah Code 23-21-2	<u>None other than</u> that, to the extent funds are available from the Mineral Lease Account, each county in which are located school or institutional trust lands, lands owned by the Division of Parks and Recreation, or lands owned by the Division of Wildlife Resources that are not under an in-lieu-of-taxes contract shall receive an amount equal to the number of acres of those lands in the county multiplied by 52 cents. [Section 59-21-2(2)(h)(i)] Beginning in the fiscal year 1994-95 and in each year thereafter, the amount per acre shall be adjusted to reflect changes in the rate of inflation as measured by the consumer price index. [Section 59-21-2(5)(b)] http://propertytax.utah.gov/library/pdf/standards/standard02.pdf
California	Taxes in the year acquired	Amount equal to the county taxes levied upon the property at the time title to the property was transferred to the state	When income is derived directly from real property acquired and operated by the state as wildlife management areas	The Department of Fish and Game shall make PILT payments annually to the counties in which the properties are located.	Cal. Fish & Game Code § 1504	None.

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Delaware	Taxes in the year acquired	Rollback tax in the year the land was acquired or the year the land is put to other use, whichever is greater, less the school tax component of the tax.	Land actively devoted to agricultural, horticultural or forestry use under the tests prescribed by the section.	Paid directly by the agency to the Delaware Agricultural Lands Preservation Foundation after obtaining assessment information from the appropriate county receiver of taxes, treasurer, or director of finance.	Del. Code 9.83 § 8335	Delaware makes "compensatory payments" for state properties located in the three municipalities that serve as county seats. The County Seat in each county shall appraise and assess real property taxes on all property owned by the State lying within their respective city limits. For those County Seats with a population between 0-50,000 residents, the Secretary shall direct a payment of 30.8% of the tax assessed to said County Seats. For those County Seats with a population above 50,000 residents, the Secretary shall direct a payment of 100.0% of the tax assessed to said County Seats.
Idaho	Taxes in the year acquired.	The fee in lieu of property taxes shall not exceed the property tax for the property at the time of acquisition by the department of fish and game, unless the property tax rate for the property has been increased.	Real property of more than ten contiguous acres owned in fee simple by the department of fish and game.	Payment from the Department of Fish and Game to each county treasurer.	I.C. § 63-602A	None.
Florida	Taxes in the few years prior to acquisition	Average amount of taxes paid on the property for the three years preceding state acquisition or for the three years prior to its removal from the tax rolls. Once eligibility has been established, that county or local government shall receive annual payments for each tax loss until the qualifying county or local government exceeds the population threshold pursuant to this section: 150,000. (The statute makes no mention of updating PILT payments for inflation.)	Managed for public outdoor recreation which is compatible with the conservation and protection of public lands. Such management may include, but not be limited to, the following public recreational uses: fishing, hunting, camping, bicycling, hiking, nature study, swimming, boating, canoeing, horseback riding, diving, model hobbyist activities, birding, sailing, jogging, and other related outdoor activities compatible with the purposes for which the lands were acquired.	Funds from the Conservation and Recreation Lands Trust Fund to the department for PILT to counties that have a population of 150,000 or fewer and local governments located in eligible counties	Fla. Stat. 259.032	None.

	Taxes in the few years prior to acquisition	Average amount of taxes paid on the property for the three years preceding state acquisition or for the three years prior to its removal from the tax rolls. Once eligibility has been established, that county or local government shall receive annual payments for each tax loss until the qualifying county or local government exceeds the population threshold pursuant to this section: 150,000. (The statute makes no mention of updating PILT payments for inflation.)	Lands owned by the Department of Environmental Protection and needed to protect or recharge groundwater.	Funds from the Water Management Lands Trust Fund to counties that have a population of 150,000 or fewer and local governments located in eligible counties	Fla. Stat. 373.59	
Nevada	Taxes in the year acquired	Amount of taxes assessed on the property in the year when the state acquired it.	Real property acquired by the State of Nevada and assigned to the Department of Wildlife	The Department of Wildlife makes annual PILT payments to the county and school districts where each piece of property acquired by the state and held by the Department is situated.	Nev. Rev. Stat. 361.055	None. (All lands and other property owned by the State are exempt from taxation, except real property acquired by the State of Nevada and assigned to the Department of Wildlife, which make PILT payments.)
New York	Taxes in the year acquired	Payments to local taxing districts in annual amounts which shall equal the taxes lawfully assessed upon property for the tax year next prior to its acquisition by the commission for a period of ten years. (Delaware and Susquehanna River Basin Compacts) In lieu of property taxes the Council may make reasonable payments to local taxing districts in annual amounts which shall approximate the taxes lawfully assessed upon similar property. (Great Lakes-St. Lawrence River Basin Water Resources Compact)	Delaware and Susquehanna River Basins	PILT are made by the commission to local taxing districts.	N.Y. ECL § 21-0701.14.3, N.Y. ECL§ 21-1301.15.3	Whenever the state or an agency of the state acquire real property which becomes exempt as a result of such acquisition and which constitutes two per cent or more of the total taxable assessed valuation of the latest preceding assessment roll or there is a reduction in assessments on taxable state lands (N.Y. RPTL § 545)
	Taxes that would be paid on like properties		Great Lakes-St. Lawrence River Basin	PILT are made by the council to local taxing districts.	N.Y. ECL § 21-1001.2.3	

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
North Dakota	Taxes that would be paid on like properties	PILT payments are calculated by using levies applicable to other taxable property in the tax district where the land is situated (less any amounts paid by the federal government up to a maximum amount of \$0.75 per acre) and may not fall below amounts paid in 1974.	Real property owned by the state or real property leased or held by lease or license from the United States or a political subdivision of this state, and controlled by the state game and fish department but does not include any land leased by such department if such land is being assessed for ad valorem taxation to the owner.	PILT are made from the Game and Fish Department to the counties.	N.D. Code 57-02.1	The following property is subject to payments in lieu of taxes: land owned or leased by the North Dakota Game and Fish Department, the Board of University and School Lands, or North Dakota National Guard, farmland or ranchland owned by nonprofit organizations for conservation purposes, and building and associated real property owned by Workforce Safety and Insurance (http://www.nd.gov/tax/property/)
South Dakota	Taxes that would be paid on the property (applicable lands are not tax-exempt)	Subject to taxation by the local taxing districts within which the lands are severally located for county, township, and school purposes only.	All state-owned lands, known as public shooting areas, acquired under the provisions of §§ 41-2-19 to 41-2-21, inclusive, or which may hereafter be so acquired, and all state-owned game production lands or areas and controlled hunting areas.	Entered upon the tax lists for taxation in the same manner as other lands are equalized and entered, but in extending the levy of taxes against the lands, the taxing officer may extend only the levies made by the local taxing districts for county, township, and school purposes.	SDCL 41-4-8	The equivalent of taxes shall be determined and paid in like manner on all lands exclusive of the structure thereon and located outside of the corporate limits of municipalities and owned by the State of South Dakota and under the supervision of the executive branch or the State Board of Regents. (S.D. Codified Laws § 5-11-8)
Vermont	Percentage of value	The lesser of: 1% of the appraised value of Agency of Natural Resources (ANR) land for the current year; or 1% of the current year use value of ANR land enrolled by the ANR in the use value appraisal program. No municipality shall receive less in PILT than it received in 1980.	Land owned by the Agency of Natural Resources	PILT are made annually by the state to municipalities	32 V.S.A. § 3708	<p>The state-owned buildings PILOT program began in FY 1996 and reimburses towns through an annual budget appropriation. The annual appropriation has never covered the full cost of the program, and therefore the payments to the towns are prorated. To calculate the full PILOT payment, replacement cost (insured value) is multiplied by the municipal tax rate.</p> <p>The Corrections PILOT program began in FY 1997. Five municipalities receive Corrections PILOT payments. This program supplements payments made to towns through the state-owned buildings PILOT. Building values are assessed at replacement cost, which is multiplied by the municipal tax rate to generate the full PILOT payment for each of the properties. The payments are prorated because the appropriation is less than the amount necessary to fully fund the program.</p>

						The City of Montpelier began receiving PILOT payments in FY 1983, prior to the creation of the other statewide PILOT programs. This program supplements payments made to the City of Montpelier through the state-owned buildings PILOT. Since FY 1997, the appropriation has been \$184,000.
Ohio	Percentage of value	One per cent of the total value	Lands owned by the state and administered by the division of wildlife	The payments shall be made from funds accruing to the division from fines, penalties, restitution, and forfeitures deposited into the state treasury to the credit of the wildlife fund. The payments to the treasurers of the several counties shall be credited to the fund for <u>school purposes</u> within the school districts wherein the lands are located.	Ohio Rev. Code § 1531.27	None.
	Percentage of income	Sixty-five per cent of the net value of standing timber sold from state forest lands and state forest nurseries located in a county	State forest lands and state forest nurseries	Thirty-five per cent of the net value of standing timber sold from state forest lands and state forest nurseries located in a county shall be transferred from the forestry holding account redistribution fund to the state forest fund. The remaining sixty-five per cent of the net value shall be transferred from the forestry holding account redistribution fund and paid to the county treasurer for the use of the general fund of that county. The county auditor shall pay into the fund(s) one-half of the amount received from standing timber sold from lands and nurseries located in the school district(s).	Ohio Rev. Code § 1503.05	

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Maine	Percentage of income	Twenty-five percent of the net revenue, excluding proceeds from the sale of land	Non reserved public land located in municipalities and managed by the bureau	Payments are made by the Treasurer of State to the municipality where the land generating the income is located to be used for municipal purposes	12 M.R.S. § 1840	As required by the Constitutions of Maine, Article IV, Part 3, Section 23, the Treasurer of State shall reimburse each municipality 50% of the property tax revenue loss suffered by that municipality during the previous calendar year as a result of <u>statutory property tax exemptions</u> or credits enacted after April 1, 1978. The following exemptions qualify for reimbursement: Animal Waste Facility (Title 36 Section 656-1.J.), Homestead (Title 36 Sections 681-689), Snow grooming Equipment (Title 36 Section 655-1.T.), Veterans (Title 36 Section 653), Veterans Organizations (Title 36 Section 652-1.E.)
Maryland	Percentage of income	Each county receives 15% of the net revenues unless the forest/park area comprises 10% or more of the county land area. In this case the county receives 25% of the net revenues.	State lands suitable for forest culture, reserves, watershed protection, State parks, scenic preserves, historic monuments, parkways, and State recreational reserves.	Payments are made from the Forest or Park Reserve Fund to counties based on revenues collected within the county	Maryland Code Ann. Law § 5-212	None.
South Carolina	Percentage of income	Twenty-five per cent of the gross proceeds received by the State in each fiscal year from the sale of timber, pulpwood, and other timber products	All State park lands managed or operated by the State Commission of Forestry whether they be owned in fee by the State or leased from the United States.	The State Treasurer shall make PILT payments to each county containing State park lands	SC ST SEC 48-23-270	None.
Minnesota	Percentage of income	Conservation Areas-- 50% of the income received from the land in the county (mainly timber sales) during the past fiscal year	Conservation lands	PILT are made by DNR to the county	Minn. Stat. 97A.061; 477A.11-14	None. (PILT is a local government aid payment made by the state to counties for tax-exempt natural resources land.) http://www.revenue.state.mn.us/propertytax/workgroup/201208-piltoverview.pdf

	Percentage of income - or- amount per acre - or- percentage of value	Public Hunting and Game Refuges-- the greater of: 35% of gross receipts from special use permits and leases of land acquired for public hunting and game refuges in the county; \$0.50 per acre of land purchased in the county actually used for public hunting or game refuges; or 0.75% of the appraised value of purchased land in the county actually used for public hunting or game refuges; if land is owned by a state agency for military purposes and designated as a game refuge, the PILT are 50% of the number of acres multiplied by an amount specified by statute and adjusted annually for inflation (\$3 in December 2013) Natural Resource Land-- \$5.133 per acre of acquired natural resources land or 0.75% of the appraised value of all acquired natural resources land in the county, whichever is greater; or \$1.283 per acre of county administered other natural resources land (including tax-forfeited land in townships and tax-forfeited unplatted land within cities); or \$1.283 per acre of land utilization project land; or \$0.0642 multiplied by the total number of acres of DNR-administered other natural resources land.	Public hunting and game refuges	PILT are made by DNR to the county	Minn. Stat. 97A.061; 477A.11-14	
	Amount per acre -or- percentage of value		Natural resource land	PILT are made from the DNR to the Department of Revenue. The Department of Revenue then makes distributions to the counties based on the number of acres and appraised values certified by the DNR to the Department of Revenue by March 1 of the payment year. Part of the payment is deposited in the county general revenue fund to be used for property tax reduction.	Minn. Stat. 97A.061; 477A.11-14	
Alabama	No conservation/natural resource specific PILT					None.
Alaska	No conservation/natural resource specific PILT					None. Alaska has a general Community Revenue Sharing Program but it does not relate to state-owned lands.)
Arizona	No conservation/natural resource specific PILT					None.

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Connecticut	No conservation/natural resource specific PILT					<p>The State-Owned Real Property PILT program provides payment in lieu of local property tax to municipalities for real property owned and used by the State of Connecticut. The payment is equal to a percentage of the amount of taxes that would be paid if the property were not exempt from taxation. The payment percentages are 100% for facilities used as a correctional facility, 100% Mashantucket Pequot Tribal land taken into trust by federal government on or after June 8, 1999, 100% for any town in which more than 50% of all property in the town is state-owned real property, 65% for the Connecticut Valley Hospital facility, and 45% for all other property. (www.ct.gov/opm/cwp/view.asp?q=383162)</p> <p>Private Colleges and General and Free Standing Chronic Disease Hospital PILT grant provides a payment in lieu of local property taxes (PILT) to municipalities for private colleges, general hospitals, and free standing chronic disease hospitals. These facilities are exempt from payment of local property taxes. The PILT payment is equal to 77% of the amount of taxes that would have been paid if the property were not exempt from taxation. The payment is made only on real estate and does not include payment for a tax loss on exempt personal property owned by these facilities.</p>
Georgia	No conservation/natural resource specific PILT					None.
Hawaii	No conservation/natural resource specific PILT					None.
Illionois	No conservation/natural resource specific PILT					None.

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
Indiana	No conservation/natural resource specific PILT programs.					In <u>Marion County</u> , the legislative body of a city may require PILT from a public entity. Should not exceed the amount of property taxes that would have been collected if the land was privately owned. The value of the land will be assessed by the township or county assessor as though the property were not exempt. (Ind. Code § 36-3-2-10)
Kansas	No conservation/natural resource specific PILT					
Kentucky	No conservation/natural resource specific PILT programs.					Traditional payment to Frankfort to compensate for the vast amount of state-owned property within the capital city limits. This agreement was accomplished via the biennial budget as a distinct line-item and has apparently become tradition, as it continues to be paid in biennial budget bills to this day. The amount has not typically changed or been indexed to inflation however, so its benefit to the city has fallen over time. It is currently \$195,000 per fiscal year.
Louisiana	No conservation/natural resource specific PILT					None.
Mississippi	No conservation/natural resource specific PILT					None.
Missouri	No conservation/natural resource specific PILT					None.
New Hampshire	No conservation/natural resource specific PILT					The governing body of any municipality may enter into negotiations for a voluntary payment in lieu of taxes from otherwise full or partially exempt properties, and may accept from such properties a voluntary payment in lieu of taxes. (RSA 72:23-n)
New Mexico	No conservation/natural resource specific PILT					None.

State	Conservation/Natural Resource PILT Strategy	Rate	Type of Land	Payment Process	Source	Non-Conservation PILT
North Carolina	No conservation/natural resource specific PILT					None.
Oregon	No conservation/natural resource specific PILT					None.
Rhode Island	No conservation/natural resource specific PILT					PILT program reimburses cities and towns for property taxes which would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation
Tennessee	No conservation/natural resource specific PILT					None.
Texas	No conservation/natural resource specific PILT					None.
Virginia	No conservation/natural resource specific PILT					Limited program which allows counties, cities, and towns to impose a service charge on certain state owned property. (Va. Code Ann. § 58.1-3403)
West Virginia	No conservation/natural resource specific PILT					None.
Wyoming	No conservation/natural resource specific PILT					None.
Arkansas						
Oklahoma						

Addendum III – PVR Fair Market Valuation Summary

Responsibility for valuation of all the land owned by the State Agency of Natural Resources (ANR) rests with the Division of Property Valuation and Review (PVR) of the Vermont Department of Taxes. These land values are significant factors in the calculation of the Payment in Lieu of Taxes (PILOT) from the State of Vermont to individual towns.

The valuation process involves the creation of a model based on a land schedule developed using Multiple Regression Analysis (MRA)² techniques to identify grading factors that affect the value of property. The grading factors are developed by examining a statewide sample of arms-length sales of land similar to the state properties. In addition to the statistical analysis the grading factors also involve onsite inspections by experienced field staff of PVR.

The land valuation model is reviewed and updated periodically by PVR. The most recent land valuation model was developed in 2013 and represents the fourth iteration of the original model. Previous iterations were completed in 2001, 2005, and 2008.

The development of each of the iterations of the model involves similar steps. PVR maintains a database collecting key information related to the sales of land throughout the state. The database is updated with new sales information each year. The PVR District Advisor Supervisor reviews the sales and eliminates sales that do not appear to be arms-length, duplicates, commercial properties, improved properties, or otherwise not representative of the ANR lands for the purpose of this study. Properties of the type owned by ANR that meet the criteria for an arms-length sale are included. The initial statistical screening identifies outliers which are reviewed again to determine if they should be included or excluded from the sample. Properties that are maintained in the database have been inspected and certain characteristics which have been determined to reliably affect value are graded. By applying multiple regression analysis to the data, the impact of each of the factors is assessed for its contribution to overall value. ANR provides PVR with an inventory of the land owned by ANR. Once the impact of each of the identified factors is determined, PVR applies the factors to each of the properties in the inventory submitted by ANR to establish a value for each parcel of land. Parcels ranged in size from small fishing accesses such as 0.02 acres in Weybridge to expanses of the Mount Mansfield National Forest in Waterbury encompassing over 12,000 acres. PVR publishes the values to the municipalities and by statute each municipality has the option to appeal the values. Once

² Multiple regression analysis (MRA) is a statistical technique for building a mathematical model to describe the relationship between several independent variables and a dependent variable. The objective is to discover which independent variables have a statistically significant role in explaining the variance in the dependent variable. In the case of a land schedule, the dependent variable is the price per acre, which traditionally declines as the parcel size increases because of the decreasing marginal value of each additional amount of land.

the values are determined, PVR distributes the values to ANR to use to calculate the payments due each municipality.

Notes on Development of the 2013 Model.

- Data collection was done using forms with information on the sale property including a grading assessment and comments. For the past few years, all land sales from the equalization study have been eligible for the comparable sales database. District advisors filled out the forms for sales within their assigned towns. Data from the forms was entered into an Access database by PVR staff. At time of writing this sales database contains 11,100 entries from 2000 through March 2012.
- The 2013 Model analyzed sales in the database from 2005 through March of 2012. The 2013 model followed the structure of the 2008 update. Note the overlapping periods. The intent was to use as much information as possible. The 2008 study used sales from April 2002 through March 2007 with time correction from the beginning through February 2005. The 2005 study used sales from April 2001 through March 2004.
- Eight grading factors were delineated: location, shape, view, access, topography, water influence, woodland and restrictions. Each factor was assigned a simple indication of positive, negative or no influence.
- Waterfront properties were flagged, with additional information as to the type (lake, pond, river/stream) and amount of waterfront footage.
- The relationship between parcel size and price per acre continues throughout the iterations of the model to be robust and predictive. In very general terms, there are distinct linear slopes at 3, 12, 20, 200 and 1,000 acres.