

**ANR PILOT Proposal Summary**

The ANR PILOT reimburses towns for state owned land in that town. Annual appropriations have typically covered the full cost of this program. The ANR PILOT payment formula is the total assessed fair market value (assessed by the Property Valuation and Review division) of state-owned land multiplied by 1%, or an effective tax rate of \$1.00 per \$100 of assessed value. *Most towns receive more than full compensation for these properties.* The land covered under current use has a reduced valuation.

In both cases there are policy reasons for these approaches but they create winners and losers in ANR PILOT payments.

***FY 2008 \$1,574,000*** FY 2013 \$2,128,733 FY 2014 \$2,153,733

FY 2015 is projected to jump due to a substantial increase in appraised values in some communities. ***FY 2015 no change projection \$2,851,000***

Proposal: To take advantage of the jump in appraised values to allow exploration of changes to the formula in the FY 2015 session

- For the interim year all ANR PILOT payments will be increased to 102% of the prior year
- The Joint Fiscal Office and Property Valuation and Review will gather information to enable legislative review of the formula in FY 2015

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**32 VSA § 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 noneducational 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 Selectboard 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. (Added 1999, No. 1,

§ 106c, eff. March 31, 1999; amended 2005, No. 38, § 19, eff. June 2, 2005.)