

## Explanation of Proposed Statute

### The Core of the Formula:

- All parcels will be given a base PILOT payment.
- Base PILOT payment for parcels acquired by the Agency of Natural Resources before April 1, 2016 will be 1% of the FMV as determined by PVR (in the newest model). Then prorated to 60%.
- Base PILOT payment for parcels acquired by the Agency of Natural Resources after April 1, 2016 will be the municipal tax rate multiplied by the town assessed FMV for the most recent tax year.
- After the phase, each base payment will be adjusted by the rolling three year average of the statewide median municipal tax rate change as determined by the Director of Property Valuation and Review annually. The adjusted base payment will become the base payment for the next fiscal year

### Additional Considerations to the Formula:

- This new formula will be phased in over 4 years.
- A buffer will be put on towns receiving the biggest gains and losses so that the total change to town budgets is not as drastic during the phase in.
- Towns will have 1 year to appeal PVR's valuation.
- Any change in acreage as a result of the sale of ANR land or the identification of additional acres will change the PILOT base value by determining the price per acre and either adding or subtracting that.

### Benefits:

- Less negative impact on acquisition & payments than the current statute
- Eliminates the bifurcated system (Current Use Value vs Fair Market Value).
- Moves property valuations to the most current PVR values.
- Town will get exactly what they got under private land ownership.
- Towns will know exactly what to expect for PILOT each year.
- Controls PILOT budget growth to roughly 2% annually, plus any new acquisitions. Compared to 6.65% annual growth, plus acquisitions.
- Ease of administration for ANR.

