

## MEMORANDUM

**To:** The Vermont General Assembly

**From:** Julie Moore, Secretary, Agency of Natural Resources

**Date:** 1/18/2021

**Re:** 32 V.S.A. § 3708 – Secretary’s recommended adjustment to the PILOT Base Payment

Per [32 V.S.A. § 3708](#), as part of the FY 2023 budget request, the Secretary of Natural Resources must propose an adjustment to the base payments used to calculate the Payment In Lieu Of Taxes (PILOT) to towns for land owned by the Agency of Natural Resources (ANR). ANR staff worked with the Tax Department to come up with a recommended adjustment to the PILOT base payment for ANR Land. ANR worked with the tax department to establish a method using data that is publicly available. The recommendation, calculation methodology and overview of payments to individual towns are presented below.

**Recommended Methodology:** 5-year Compound Annual Growth Rate (CAGR) of the Effective Municipal Tax Rate.<sup>i</sup>

Annually Property Valuation and Review (PVR) calculates the municipal effective tax rate, this equals the total municipal tax revenue raised divided by the total equalized municipal grand list. Total municipal revenue is inclusive of village and district revenue.

Based on the last 5 years, the CAGR for the effective **municipal** tax rate is 1.29%.

The current effective tax rate data are displayed below:

Tax Year	Effective Homestead Tax Rate	Effective Non-Homestead Tax Rate	Effective Municipal Tax Rate	Total Effective Homestead Tax Rate	Total Effective Non-Homestead Tax Rate
2020	1.49	1.57	0.61	2.10	2.17
2019	1.48	1.55	0.60	2.08	2.15
2018	1.48	1.55	0.59	2.07	2.14
2017	1.49	1.51	0.58	2.07	2.09
2016	1.51	1.51	0.57	2.08	2.08
2015	1.51	1.52	0.57	2.08	2.08
2014	1.50	1.50	0.55	2.05	2.06

**Rationale For Proposed Methodology:** ANR recommends increasing the base payment by 1.29% in FY 2023. This will increase the base ANR PILOT payment





by \$33,898. This value was determined by ANR, in consultation with the Tax Department, by utilizing the 5-year Compound Annual Growth Rate (CAGR) of the effective municipal tax rate. This rate is equalized across the entire grand list, it accounts for all property tax districts, and the amounts are published annually. Additionally, the Effective Municipal Tax Rate is utilized by the Current Use Advisory Board annually to set land use value.

In 2015 when the state was proposing a modification to calculation of the ANR PILOT Payment, the report provided to the General Assembly used the CAGR for a rolling 3-year average median tax rate change. This methodology used rates as applied to the municipal grand list (not the equalized list) and it did not include local agreement taxes or additional village/fire district revenue. Additionally, this statistic is not used in any other known report in state government. For these reasons, ANR and the Tax Department do not recommend using this method to calculate a change in the base rate.

**Background on the Base Payment:** Prior to the statutory updates in 2015 to 32 V.S.A. §3708, a parcel's PILOT payment varied based on either fair market value or the Current Use Value. In 2015, the legislature adopted a fixed payment per parcel, to be adjusted by the Secretary every 3 to 5 years to standardize the payment and ensure predictability in the PILOT payment from year to year. The statutory language adopted in 2015 prescribed a method to arrive at the base payment for every ANR owned parcel in the state.

The base payment for any parcel purchased by ANR after April 1, 2016, is determined as the municipal tax rate of the fair market value as assessed on April 1 in the year the property is acquired.

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<sup>i</sup> As published in the Property Valuation and Review Annual Reports: <https://tax.vermont.gov/pvr-annual-report>



Town	FY2022	FY2023 Acquisitions	FY2023	1.29% Adjustment	FY2023 Proposed Payment
Addison	\$28,337.80		\$28,337.80	\$365.56	\$28,703.36
Albany	\$361.20		\$361.20	\$4.66	\$365.86
Alburgh	\$23,157.60	\$3,193.10	\$26,350.70	\$339.92	\$26,690.62
Andover	\$9,972.00		\$9,972.00	\$128.64	\$10,100.64
Arlington	\$1,827.00		\$1,827.00	\$23.57	\$1,850.57
Athens	\$4,020.60		\$4,020.60	\$51.87	\$4,072.47
Averill	\$790.80		\$790.80	\$10.20	\$801.00
Baltimore	\$211.80		\$211.80	\$2.73	\$214.53
Barnard	\$20,593.80		\$20,593.80	\$265.66	\$20,859.46
Barnet	\$7,409.40		\$7,409.40	\$95.58	\$7,504.98
Barre City	\$394.20		\$394.20	\$5.09	\$399.29
Barton	\$7,101.50		\$7,101.50	\$91.61	\$7,193.11
Barton Village	\$4,734.60		\$4,734.60	\$61.08	\$4,795.68
Belvidere	\$15,832.20	\$61.57	\$15,893.77	\$205.03	\$16,098.80
Bennington	\$4,243.80		\$4,243.80	\$54.75	\$4,298.55
Benson	\$18,156.81		\$18,156.81	\$234.22	\$18,391.03
Berkshire	\$94.80		\$94.80	\$1.22	\$96.02
Berlin	\$3,665.70		\$3,665.70	\$47.29	\$3,712.99
Bethel	\$1,732.80		\$1,732.80	\$22.35	\$1,755.15
Bloomfield	\$310.80		\$310.80	\$4.01	\$314.81
Bolton	\$76,701.60		\$76,701.60	\$989.45	\$77,691.05
Braintree	\$65.40		\$65.40	\$0.84	\$66.24
Brandon	\$271.80	\$845.46	\$1,117.26	\$14.41	\$1,131.68
Brattleboro	\$430.80		\$430.80	\$5.56	\$436.36
Bridgewater	\$6,303.60		\$6,303.60	\$81.32	\$6,384.92
Bridport	\$4,746.08	\$1,361.05	\$6,107.13	\$78.78	\$6,185.92
Brighton	\$7,672.20		\$7,672.20	\$98.97	\$7,771.17
Bristol	\$411.00		\$411.00	\$5.30	\$416.30
Brookfield	\$6,939.60		\$6,939.60	\$89.52	\$7,029.12
Brownington	\$1,527.60		\$1,527.60	\$19.71	\$1,547.31
Brunswick	\$34,669.99		\$34,669.99	\$447.24	\$35,117.23
Buels Gore	\$11,950.20		\$11,950.20	\$154.16	\$12,104.36
Burke	\$12,641.40		\$12,641.40	\$163.07	\$12,804.47
Cabot	\$8,475.00		\$8,475.00	\$109.33	\$8,584.33
Calais	\$1,151.40		\$1,151.40	\$14.85	\$1,166.25
Cambridge	\$35,711.58		\$35,711.58	\$460.68	\$36,172.26
Canaan	\$1,153.07		\$1,153.07	\$14.87	\$1,167.94
Castleton	\$18,253.80		\$18,253.80	\$235.47	\$18,489.27
Cavendish	\$33,903.00		\$33,903.00	\$437.35	\$34,340.35
Charleston	\$1,181.13		\$1,181.13	\$15.24	\$1,196.37
Charlotte	\$10,912.20		\$10,912.20	\$140.77	\$11,052.97
Chelsea	\$63.00		\$63.00	\$0.81	\$63.81
Chester	\$1,353.00		\$1,353.00	\$17.45	\$1,370.45
Chittenden	\$875.40		\$875.40	\$11.29	\$886.69
Clarendon	\$1,101.00		\$1,101.00	\$14.20	\$1,115.20
Colchester	\$34,453.07	\$1,246.15	\$35,699.22	\$460.52	\$36,159.74

Town	FY2022	FY2023 Acquisitions	FY2023	1.29% Adjustment	FY2023 Proposed Payment
Concord	\$1,713.60		\$1,713.60	\$22.11	\$1,735.71
Cornwall	\$4,994.40		\$4,994.40	\$64.43	\$5,058.83
Coventry	\$4,611.33		\$4,611.33	\$59.49	\$4,670.82
Craftsbury	\$571.80		\$571.80	\$7.38	\$579.18
Danby	\$505.20		\$505.20	\$6.52	\$511.72
Danville	\$1,467.00		\$1,467.00	\$18.92	\$1,485.92
Derby	\$1,540.80		\$1,540.80	\$19.88	\$1,560.68
Dorset	\$17,693.83		\$17,693.83	\$228.25	\$17,922.08
Dummerston	\$1,043.40		\$1,043.40	\$13.46	\$1,056.86
Duxbury	\$53,277.60		\$53,277.60	\$687.28	\$53,964.88
East Montpelier	\$634.80		\$634.80	\$8.19	\$642.99
Eden	\$34,573.20	\$251.07	\$34,824.27	\$449.23	\$35,273.50
Elmore	\$16,446.00		\$16,446.00	\$212.15	\$16,658.15
Essex Jct.	\$1,705.20		\$1,705.20	\$22.00	\$1,727.20
Fair Haven	\$9,611.00		\$9,611.00	\$123.98	\$9,734.98
Fairfax	\$23.40		\$23.40	\$0.30	\$23.70
Fairfield	\$2,351.32		\$2,351.32	\$30.33	\$2,381.65
Fairlee	\$537.60		\$537.60	\$6.94	\$544.54
Fayston	\$15,393.60		\$15,393.60	\$198.58	\$15,592.18
Ferdinand	\$67,939.20		\$67,939.20	\$876.42	\$68,815.62
Ferrisburgh	\$26,218.80		\$26,218.80	\$338.22	\$26,557.02
Franklin	\$8,173.20		\$8,173.20	\$105.43	\$8,278.63
Georgia	\$520.20		\$520.20	\$6.71	\$526.91
Glover	\$2,795.40		\$2,795.40	\$36.06	\$2,831.46
Grafton	\$4,035.43		\$4,035.43	\$52.06	\$4,087.49
Granby	\$609.60		\$609.60	\$7.86	\$617.46
Grand Isle	\$11,677.80		\$11,677.80	\$150.64	\$11,828.44
Granville	\$6,601.80		\$6,601.80	\$85.16	\$6,686.96
Greensboro	\$1,192.80		\$1,192.80	\$15.39	\$1,208.19
Groton	\$89,215.20	\$954.25	\$90,169.45	\$1,163.19	\$91,332.64
Guilford	\$5,161.80		\$5,161.80	\$66.59	\$5,228.39
Hardwick	\$759.00		\$759.00	\$9.79	\$768.79
Hartford	\$2,647.80		\$2,647.80	\$34.16	\$2,681.96
Hartland	\$3,948.60		\$3,948.60	\$50.94	\$3,999.54
Highgate	\$3,723.46		\$3,723.46	\$48.03	\$3,771.49
Hinesburg	\$4,899.00		\$4,899.00	\$63.20	\$4,962.20
Holland	\$31,079.40		\$31,079.40	\$400.92	\$31,480.32
Hubbardton	\$24,379.44		\$24,379.44	\$314.49	\$24,693.93
Huntington	\$29,810.40		\$29,810.40	\$384.55	\$30,194.95
Hyde Park	\$26,500.20		\$26,500.20	\$341.85	\$26,842.05
Ira	\$7,613.38		\$7,613.38	\$98.21	\$7,711.59
Irasburg	\$693.60		\$693.60	\$8.95	\$702.55
Isle LaMotte	\$2,491.20		\$2,491.20	\$32.14	\$2,523.34
Jamaica	\$7,605.72		\$7,605.72	\$98.11	\$7,703.83
Jay	\$16,915.80		\$16,915.80	\$218.21	\$17,134.01
Jericho	\$806.40		\$806.40	\$10.40	\$816.80

Town	FY2022	FY2023 Acquisitions	FY2023	1.29% Adjustment	FY2023 Proposed Payment
Johnson	\$24,936.19	\$538.37	\$25,474.56	\$328.62	\$25,803.18
Killington	\$50,763.60		\$50,763.60	\$654.85	\$51,418.45
Kirby	\$1,630.80		\$1,630.80	\$21.04	\$1,651.84
Leicester	\$246.00		\$246.00	\$3.17	\$249.17
Lemington	\$125.40		\$125.40	\$1.62	\$127.02
Londonderry	\$7,700.40		\$7,700.40	\$99.34	\$7,799.74
Lowell	\$3,245.40		\$3,245.40	\$41.87	\$3,287.27
Ludlow	\$37,878.60		\$37,878.60	\$488.63	\$38,367.23
Lunenburg	\$8,008.80		\$8,008.80	\$103.31	\$8,112.11
Lyndon	\$562.20		\$562.20	\$7.25	\$569.45
Maidstone	\$43,905.60		\$43,905.60	\$566.38	\$44,471.98
Manchester	\$2,835.60		\$2,835.60	\$36.58	\$2,872.18
Marlboro	\$52.20		\$52.20	\$0.67	\$52.87
Marshfield	\$25,262.40		\$25,262.40	\$325.88	\$25,588.28
Mendon	\$45,012.60		\$45,012.60	\$580.66	\$45,593.26
Middlesex	\$18,531.95		\$18,531.95	\$239.06	\$18,771.01
Milton	\$12,537.60		\$12,537.60	\$161.74	\$12,699.34
Monkton	\$1,153.80		\$1,153.80	\$14.88	\$1,168.68
Montgomery	\$16,736.40		\$16,736.40	\$215.90	\$16,952.30
Montpelier	\$372.60		\$372.60	\$4.81	\$377.41
Moretown	\$395.40		\$395.40	\$5.10	\$400.50
Morgan	\$2,627.40		\$2,627.40	\$33.89	\$2,661.29
Morristown	\$31,420.80		\$31,420.80	\$405.33	\$31,826.13
Mount Holly	\$14,975.76		\$14,975.76	\$193.19	\$15,168.95
Mount Tabor	\$5,975.80		\$5,975.80	\$77.09	\$6,052.89
Newark	\$4,600.20		\$4,600.20	\$59.34	\$4,659.54
Newbury	\$2,492.40	-\$684.60	\$1,807.80	\$23.32	\$1,831.12
Newport City	\$239.40		\$239.40	\$3.09	\$242.49
Newport Town	\$2,022.60		\$2,022.60	\$26.09	\$2,048.69
North Hero	\$25,066.20		\$25,066.20	\$323.35	\$25,389.55
Norton	\$28,779.00		\$28,779.00	\$371.25	\$29,150.25
Norwich	\$2,395.80		\$2,395.80	\$30.91	\$2,426.71
Orange	\$11,436.00		\$11,436.00	\$147.52	\$11,583.52
Orwell	\$7,227.58		\$7,227.58	\$93.24	\$7,320.82
Panton	\$1,802.39		\$1,802.39	\$23.25	\$1,825.64
Peacham	\$37,321.20		\$37,321.20	\$481.44	\$37,802.64
Peru	\$3,498.60		\$3,498.60	\$45.13	\$3,543.73
Pittsford	\$2,646.00		\$2,646.00	\$34.13	\$2,680.13
Plainfield	\$6,865.80		\$6,865.80	\$88.57	\$6,954.37
Plymouth	\$79,827.84	\$1,708.56	\$81,536.40	\$1,051.82	\$82,588.22
Pomfret	\$2,604.00		\$2,604.00	\$33.59	\$2,637.59
Poultney	\$18,966.89		\$18,966.89	\$244.67	\$19,211.56
Pownal	\$331.20		\$331.20	\$4.27	\$335.47
Putney	\$15.60		\$15.60	\$0.20	\$15.80
Randolph	\$352.80		\$352.80	\$4.55	\$357.35
Reading	\$45,449.40		\$45,449.40	\$586.30	\$46,035.70

Town	FY2022	FY2023 Acquisitions	FY2023	1.29% Adjustment	FY2023 Proposed Payment
Readsboro	\$72.60		\$72.60	\$0.94	\$73.54
Richford	\$12,325.80		\$12,325.80	\$159.00	\$12,484.80
Richmond	\$4,878.60		\$4,878.60	\$62.93	\$4,941.53
Rochester	\$5,551.80		\$5,551.80	\$71.62	\$5,623.42
Rockingham	\$2,821.80		\$2,821.80	\$36.40	\$2,858.20
Roxbury	\$34,032.39		\$34,032.39	\$439.02	\$34,471.41
Royalton	\$1,093.80		\$1,093.80	\$14.11	\$1,107.91
Rupert	\$1,882.80		\$1,882.80	\$24.29	\$1,907.09
Ryegate	\$2,488.20		\$2,488.20	\$32.10	\$2,520.30
Salisbury	\$7,633.46		\$7,633.46	\$98.47	\$7,731.93
Searsburg	\$27.00		\$27.00	\$0.35	\$27.35
Shaftsbury	\$9,073.52		\$9,073.52	\$117.05	\$9,190.57
Sharon	\$7,981.80		\$7,981.80	\$102.97	\$8,084.77
Sheffield	\$2,167.80	\$1.07	\$2,168.87	\$27.98	\$2,196.84
Shelburne	\$178.20		\$178.20	\$2.30	\$180.50
Shoreham	\$2,267.40		\$2,267.40	\$29.25	\$2,296.65
Shrewsbury	\$37,726.27		\$37,726.27	\$486.67	\$38,212.94
South Hero	\$9,591.60		\$9,591.60	\$123.73	\$9,715.33
Springfield	\$4,605.34		\$4,605.34	\$59.41	\$4,664.75
St. Albans Town	\$13,614.00	\$593.07	\$14,207.07	\$183.27	\$14,390.34
Stannard	\$16,658.40		\$16,658.40	\$214.89	\$16,873.29
Starksboro	\$14,028.00		\$14,028.00	\$180.96	\$14,208.96
Stockbridge	\$22,182.60		\$22,182.60	\$286.16	\$22,468.76
Stowe	\$103,340.64		\$103,340.64	\$1,333.09	\$104,673.73
Strafford	\$11,701.20		\$11,701.20	\$150.95	\$11,852.15
Sudbury	\$718.80	\$106.34	\$825.14	\$10.64	\$835.78
Sunderland	\$950.35		\$950.35	\$12.26	\$962.61
Sutton	\$37,641.79		\$37,641.79	\$485.58	\$38,127.37
Swanton	\$6,672.00	\$199.76	\$6,871.76	\$88.65	\$6,960.41
Thetford	\$6,078.00		\$6,078.00	\$78.41	\$6,156.41
Tinmouth	\$5,415.00	\$1,617.58	\$7,032.58	\$90.72	\$7,123.30
Topsham	\$12,495.60		\$12,495.60	\$161.19	\$12,656.79
Townshend	\$8,184.60		\$8,184.60	\$105.58	\$8,290.18
Troy	\$264.00		\$264.00	\$3.41	\$267.41
Tunbridge	\$207.00		\$207.00	\$2.67	\$209.67
Underhill	\$32,318.40		\$32,318.40	\$416.91	\$32,735.31
Vernon	\$10,498.00		\$10,498.00	\$135.42	\$10,633.42
Victory	\$121,192.51		\$121,192.51	\$1,563.38	\$122,755.89
Waitsfield	\$3,513.60		\$3,513.60	\$45.33	\$3,558.93
Walden	\$39,400.76		\$39,400.76	\$508.27	\$39,909.03
Wallingford		\$2,450.15	\$2,450.15	\$31.61	\$2,481.76
Warners Grant	\$2,659.20		\$2,659.20	\$34.30	\$2,693.50
Warren Gore	\$3,994.20		\$3,994.20	\$51.53	\$4,045.73
Washington	\$3,648.60		\$3,648.60	\$47.07	\$3,695.67
Waterbury	\$91,660.20		\$91,660.20	\$1,182.42	\$92,842.62
Waterville	\$1,411.43		\$1,411.43	\$18.21	\$1,429.64

Town	FY2022	FY2023 Acquisitions	FY2023	1.29% Adjustment	FY2023 Proposed Payment
Weathersfield	\$8,798.40		\$8,798.40	\$113.50	\$8,911.90
Wells	\$815.40		\$815.40	\$10.52	\$825.92
West Fairlee	\$855.00		\$855.00	\$11.03	\$866.03
West Haven	\$1,330.20		\$1,330.20	\$17.16	\$1,347.36
West Rutland	\$3,070.20		\$3,070.20	\$39.61	\$3,109.81
West Windsor	\$78.60		\$78.60	\$1.01	\$79.61
Westfield	\$23,773.20		\$23,773.20	\$306.67	\$24,079.87
Westminster	\$135.60		\$135.60	\$1.75	\$137.35
Westmore	\$25,634.90		\$25,634.90	\$330.69	\$25,965.59
Weston	\$4,531.83		\$4,531.83	\$58.46	\$4,590.29
Weybridge	\$7,116.00		\$7,116.00	\$91.80	\$7,207.80
Wheelock	\$16,234.03		\$16,234.03	\$209.42	\$16,443.45
Whiting	\$176.40		\$176.40	\$2.28	\$178.68
Whitingham	\$9,330.00		\$9,330.00	\$120.36	\$9,450.36
Williamstown	\$4,022.40		\$4,022.40	\$51.89	\$4,074.29
Williston	\$1,418.40		\$1,418.40	\$18.30	\$1,436.70
Wilmington	\$1,298.40		\$1,298.40	\$16.75	\$1,315.15
Windsor	\$28,086.00		\$28,086.00	\$362.31	\$28,448.31
Winhall	\$8,410.71		\$8,410.71	\$108.50	\$8,519.21
Wolcott	\$5,275.80		\$5,275.80	\$68.06	\$5,343.86
Woodbury	\$6,343.20		\$6,343.20	\$81.83	\$6,425.03
Woodford	\$3,987.60		\$3,987.60	\$51.44	\$4,039.04
Woodstock	\$10,454.69		\$10,454.69	\$134.87	\$10,589.56
Worcester	\$61,839.81		\$61,839.81	\$797.73	\$62,637.54
<b>Total</b>	<b>\$2,613,276.87</b>	<b>\$14,442.97</b>	<b>\$2,627,719.84</b>	<b>\$33,897.59</b>	<b>\$2,661,617.43</b>