

Update on Grant Agreements from the Vermont Property Valuation and Review (PVR) Division

Several of you have been asking about the process for the following grant agreements with the State of Vermont. We at the Tax Department have been working with the Administration to remove the grant agreement requirement, as these are statutorily required disbursements. Below is the list of municipal reimbursement programs PVR runs and a brief explanation of the related process.

As you can see, there are **NO GRANT REQUIREMENTS** from your offices **AT THIS TIME**. We will be in touch with ample notice in 2017 if grants are required for “Equalization” and “Reappraisal” reimbursements.

Program	2016-2017 Payment Process
<p>Current Use – Hold Harmless paid pursuant to 32 V.S.A. 3760</p> <p style="text-align: center;">“Hold Harmless”</p>	<p>NO GRANT APPLICATION NEEDED. Payment will be made on or around Nov. 1, 2016. Funds are paid to the municipality to limit its tax rate increase to zero in the prior year due to the loss of municipal property tax revenue for that year (based on use value of enrolled property as compared to municipal property tax revenue for that year).</p>
<p>State Payment in Lieu of Property Taxed paid pursuant to 32 V.S.A. Chap. 123 Subchapter 4</p> <p style="text-align: center;">“PILOT”</p>	<p>NO GRANT APPLICATION NEEDED. Payment will be made on or before Nov. 1, 2016. Funds are paid to the municipality in lieu of property taxes the recipient would have collected if the properties on which the payments are made were not exempt from property taxes.</p>
<p>State Payment to Municipalities for Assistance with Equalization Study pursuant to 32 V.S.A. 5405(f)</p> <p style="text-align: center;">“Equalization”</p>	<p>GRANT MAY BE REQUIRED IN 2017. Payment is anticipated in March 2017. Municipalities are required to provide grand list information for their town and any additional information as requested by the Director of PVR or the Commissioner of Tax. The payment is mandated by the statute and is intended to compensate the municipality for services provided to the Commissioner in connection with the determination of equalized education property tax grand list and coefficient of dispersion.</p>
<p>State Payment to Municipalities for Reappraisal Costs under 32 V.S.A. 4041a(a)</p> <p style="text-align: center;">“Reappraisal”</p>	<p>GRANT MAY BE REQUIRED IN 2017. Payment is anticipated in March 2017. Payments from the equalization and reappraisal account within the education fund shall only be used for costs related to reappraisal of grand list properties and for maintenance of the grand list. In years in which there is no reappraisal activity or activity constituting grand list maintenance, the funds shall be held in a reserve account until such time as the funds are applied to qualified expenses. Recipient will provide evidence of the funds held in reserve upon request.</p>

For more information or if you have questions, contact Jill Remick or Brad Jackson at:
(802) 828-5860; jill.remick@vermont.gov or brad.jackson@vermont.gov. *Thank you!*