

Ruling 91-01

Vermont Department of Taxes

Date: February 15, 1991

Written By: Jacqueline A. Hughes, Attorney for the Department

Approved By: Joyce H. Errecart, Commissioner of Taxes

You have asked for a ruling on behalf of the [District] as to whether a proposed charter change allowing a payment in lieu of taxes (PILOT) to a town hosting a regional solid waste facility would cause property owned by the District to form a part of the "taxable property" of the host town for purposes of calculating State Aid to Education under 16 V.S.A. § 3458a(c). This ruling relies on your letter dated January 9, 1991, as well as our telephone conversations of January 9, 1991, and January 28, 1991.

The relevant facts are as follows. The District's current charter provides that the District is not exempt from municipal property taxation. This lack of exemption causes all of the District's property to be "taxable property" within the meaning of 16 V.S.A. § 3458a(c). The District proposes to amend its charter to allow a host town to agree to "exempt" the District's property and to accept PILOT payments instead.

It is my opinion that the District's property would still be included in the host town's "taxable property" even with the charter change. 16 V.S.A. § 3458a(c) provides in relevant part: "For purposes of this section, 'taxable property' includes property which has been exempted, in whole or in part, from taxation by action of the town in which that property is located ..." (emphasis supplied). The proposed charter change would require town action for "exemption" and therefore would, under the terms of 16 V.S.A. § 3458a(c), require the District's property to be included in the calculation of State Aid.

The proposed language change in the charter differs from that of the other District's charter referred to in your letter of January 9, 1991, in that the [District] would leave the "exemption" decision up to the town whereas the charter of the [other] District exempts its property without any action of the town. This causes different treatment for State Aid purposes for the two Districts.

This ruling is issued solely to your firm and is limited to the facts presented as affected by current statutes and regulations. Other taxpayers may refer to this ruling to determine the Department's general approach, but the Department will not be bound by this ruling in the case of any other taxpayer or in the case of any change in the relevant statute or regulations.