

Approved by Barre City Council on 2/15/2011

**BARRE CITY COUNCIL  
PAYMENT IN LIEU OF TAX (P.I.L.O.T.) POLICY**

**PROPOSED DATE OF ADOPTION.** February 8, 2011.

**PURPOSE.** The purpose of this policy is to recognize the value that non-profit organizations bring to the citizens of the city of Barre, while maintaining the taxable property value (a.k.a. the grand list) within the city.

**ACQUISITION OF PROPERTY BY A 501 (c) (3) ORGANIZATION.** In instances where a 501(c)(3) organization proposes to acquire real property within the city, seeks a P.I.L.O.T. agreement with the city and proposes to make no substantial improvements to the property, the annual P.I.L.O.T. payment shall be as follows:

**TAX ASSESSMENT x MUNICIPAL TAX RATE = ANNUAL P.I.L.O.T. PAYMENT**

**SUBSTANTIAL IMPROVEMENTS.** In instances where a 501(c)(3) organization proposes to acquire real property within the city, seeks a P.I.L.O.T. agreement with the city and proposes to make improvements to the property that will result in an improved assessment value greater than 200% of the assessed value prior to improvements, the annual P.I.L.O.T. payment shall be as follows:

**TAX ASSESSMENT x MUNICIPAL TAX RATE x 50% = ANNUAL P.I.L.O.T. PAYMENT**

"Tax Assessment" is defined as the value assessed by the Barre City Assessor. "Municipal Tax Rate" is defined as the municipal tax rate in effect.

**PAYMENT DATES.** Annual P.I.L.O.T. payments shall be calculated utilizing the city's fiscal year (July 1 - June 30th). Quarter P.I.L.O.T. payments shall be due and payable on August 15<sup>th</sup>, November 1<sup>st</sup>, February 15<sup>th</sup>, and May 1<sup>st</sup>.

This policy shall not apply, except through mutual agreement of the city of Barre and an affected non-profit agency, to any P.I.L.O.T. agreements in place as of the enactment date.