

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

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 15th, November 15th, February 15th, and May 15th.

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.

Adopted by the Barre City Council on January 7th, 2020.