

§ 2124. Statement of purpose

The purpose of this title is to encourage and assist in their own activities and to encourage and assist in the protection of agricultural and forest lands.

**TITLE 32. TAXATION AND FINANCE**

**CHAPTER 124. TAXATION AND FINANCE / AGRICULTURAL / FOREST LANDS**

This title is intended to encourage and assist in their own activities and to encourage and assist in the protection of agricultural and forest lands. It is intended to encourage and assist in their own activities and to encourage and assist in the protection of agricultural and forest lands.

§ 2125. Definitions

For the purpose of this chapter:

(A) "Agricultural land" means any land, whether or not owned by a person, which is used for the purpose of raising or producing any agricultural product, and which is not used for any other purpose.

(B) "Forest land" means any land, whether or not owned by a person, which is used for the purpose of growing or producing any forest product, and which is not used for any other purpose.

(C) "Forest product" means any product of a forest tree, whether or not it is a timber product, and whether or not it is a non-timber product.

(D) "Timber product" means any product of a forest tree, whether or not it is a forest product, and whether or not it is a non-forest product.

(E) "Non-timber product" means any product of a forest tree, whether or not it is a forest product, and whether or not it is a timber product.

Please note that some of the extraneous historical references have been deleted in this version of Chapter 124. For the full text of the history of the Acts and Resolves, please go to The Vermont Statutes Online: [www.leg.state.vt.us/statutes](http://www.leg.state.vt.us/statutes)

## **Title 32: Taxation and Finance**

### **Chapter 124: AGRICULTURAL AND FOREST LANDS**

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#### **§ 3751. Statement of purpose**

The purpose of this subchapter is to encourage and assist the maintenance of Vermont's productive agricultural and forest land; to encourage and assist in their conservation and preservation for future productive use and for the protection of natural ecological systems; to prevent the accelerated conversion of these lands to more intensive use by the pressure of property taxation at values incompatible with the productive capacity of the land; to achieve more equitable taxation for undeveloped lands; to encourage and assist in the preservation and enhancement of Vermont's scenic natural resources; and to enable the citizens of Vermont to plan its orderly growth in the face of increasing development pressures in the interests of the public health, safety and welfare.

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#### **§ 3752. Definitions**

For the purposes of this subchapter:

(1) "Agricultural land" means any land, exclusive of any housesite, in active use to grow hay or cultivated crops, pasture livestock or to cultivate trees bearing edible fruit or produce an annual maple product, and which is 25 acres or more in size except as provided below. There shall be a presumption that the land is used for agricultural purposes if:

(A) it is owned by a farmer and is part of the overall farm unit; or

(B) it is used by a farmer as part of his farming operation under written lease for at least three years; or

(C) it has produced an annual gross income from the sale of farm crops in one of two, or three of the five, calendar years preceding of at least:

(i) \$2,000.00 for parcels of up to 25 acres; and

(ii) \$75.00 per acre for each acre over 25, with the total income required not to exceed \$5,000.00;

(iii) exceptions to these income requirements may be made in cases of orchard lands planted to fruit producing trees, bushes or vines which are not yet of bearing age. For the purposes of this section, the term "farm crops" also includes animal fiber, cider, wine and cheese produced on the

enrolled land or on a housesite adjoining the enrolled land from agricultural products grown on the enrolled land.

(2) "Assessing officials" means the listers or other assessing authority of the municipality or the state of Vermont.

(3) "Board" means the current use advisory board established in section 3753 of this chapter.

(4) "Commissioner" means the commissioner of the department of taxes.

(5) "Development" means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road or other structure, or any mining, excavation or landfill activity. "Development" also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then "development" shall not apply to any portion of the newly-created parcel or parcels which qualifies for enrollment and for which, within 30 days following the transfer, each transferee applies for reenrollment in the use value appraisal program. "Development" also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in subsection 3755(b) of this title, or contrary to the minimum acceptable standards for forest management; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the commissioner of forests, parks and recreation. The term "development" shall not include the construction, reconstruction, structural alteration, relocation or enlargement of any building, road or other structure for farming, logging, forestry or conservation purposes, but shall include the subsequent commencement of a use of that building, road or structure for other than farming, logging or forestry purposes.

(6) "Director" means the director of the division of property valuation and review created by section 2289 of Title 3.

(7) "Farmer" means a person:

(A) who earns at least one-half of the farmer's annual gross income from the business of farming as that term is defined in Regulation 1.175-3 issued under the Internal Revenue Code of 1954; or

(B)(i) who produces farm crops that are processed in a farm facility situated on land enrolled by the farmer in a use value appraisal program or on a housesite adjoining the enrolled land;

(ii) whose gross income from the sale of the processed farm products pursuant to subdivision (i) of this subdivision (B), when added to other gross income from the business of farming as used in subdivision (A) of this subdivision (7), equals at least one-half of the farmer's annual gross income; and

(iii) who produces on the farm a minimum of 75 percent of the farm crops processed in the farm facility;

(C) The agency of agriculture, food and markets shall assist the director in making determinations of eligibility pursuant to subdivision (B) of this subdivision (7).

(8) "Housesite" means the two acres of land surrounding any house, mobile home or dwelling.

(9) "Managed forest land" means:

(A) any land, exclusive of any house site, which is at least 25 acres in size and which is under active long-term forest management for the purpose of growing and harvesting repeated forest crops in accordance with minimum acceptable standards for forest management; or

(B) any land, exclusive of any house site, which is:

(i) certified under subsection 6306(b) of Title 10,

(ii) is owned by an organization that was certified by the commissioner of taxes as a qualified organization as defined in 10 V.S.A. § 6301a and for at least five years preceding its certification was determined by the internal revenue service to qualify as a Section 501(c)(3) organization which is not a private foundation as defined in Section 509(a) of the Internal Revenue Code, and

(iii) is under active conservation management in accord with standards established by the commissioner of forests, parks and recreation.

(10) "Owner" means the person who is the owner of record of any land, provided that a municipality shall not be an owner for purposes of this subchapter. When enrolled land is mortgaged, the mortgagor shall be deemed the owner of the land for the purposes of this subchapter, until the mortgagee takes possession, either by voluntary act of the mortgagor or foreclosure, after which the mortgagee shall be deemed the owner.

(11) "Person" means any individual, firm, corporation, partnership or other form of organization or group of individuals.

(12) "Use value appraisal" means, with respect to land, the price per acre which the land would command if it were required to remain henceforth in agriculture or forest use, as determined in accordance with the terms and provisions of this subchapter. With respect to farm buildings, "use value appraisal" means zero percent of fair market value. The director shall annually provide the assessing officials with a list of farm sales, including the town in which the farm is located, the acreage, sales price, and date of sale.

(13) "Minimum acceptable standards for forest management" refer to certain standards established by the commissioner of the department of forests, parks and recreation.

(14) "Farm buildings" means all farm buildings and other farm improvements which are actively used by a farmer as part of a farming operation, are owned by a farmer or leased to a farmer under a written lease for a term of three years or more, and are situated on land that is enrolled in a use value appraisal program or on a housesite adjoining enrolled land. "Farm buildings" shall include up to \$100,000.00 of the value of a farm facility processing farm crops, a minimum of 75 percent of which are produced on the farm and shall not include any dwelling other than a dwelling in use during the preceding tax year exclusively to house one or more farm employees, as defined in section 4469 of Title 9, and their families, as a nonmonetary benefit of the farm employment. This subdivision shall not affect the application of the definition of "farming" in subdivision 6001(22) of Title 10 or the definition of "farm structure" in subdivision 4413(d)(1) of Title 24.

(15) "Active use" of agricultural land includes that portion of otherwise eligible land that is enrolled in a conservation reserve enhancement program for agricultural lands through a contract with the state or federal government.

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**§ 3753. Current use advisory board; members; chairman**

(a) There is hereby established a current use advisory board.

(b) The membership of the board shall consist of:

(1) The following persons or their designees:

(A) Commissioner of the department of taxes;

(B) Director of the division of property valuation and review;

(C) Secretary of the agency of agriculture, food and markets;

(D) Commissioner of the department of forests, parks and recreation;

(E) Dean of the college of natural resources, agriculture and life sciences of the University of Vermont.

(2) Eight additional members to be appointed by the governor with the advice and consent of the senate. Two of these members shall represent the private agricultural sector; two shall represent the private forestry sector; one shall be experienced in agricultural and forestry property appraisal and valuation techniques; one shall be a representative of local government; one shall be a selectboard member; and one shall be a lister. Fifty-one percent or more of the board membership shall be persons who do not own enrolled land, and have no spouse, child or parent who owns enrolled land. These members shall be appointed for three-year terms, beginning February first of the year in which the appointment is made, except that the initial appointment

of three of the members shall be for a two-year term. Vacancies shall be filled in the same manner as the original appointment for the unexpired portion of the term vacated.

(c) A chair shall be designated biennially by the governor from among the members of the board and any vacancy in the office of chair shall be filled by designation of the governor.

(d) Members of the board who are not state employees shall be paid \$50.00 a day, each, for each day that they are actually engaged in the work of the board. All members shall be paid their actual expenses incurred as a result of that work.

(e) The board shall be attached for administrative purposes to the division of property valuation and review of the department of taxes of the agency of administration.

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#### **§ 3754. Powers and duties of board**

(a) The board shall meet at least annually, prior to February first, to review all past current use land values for agricultural land and managed forest land recommended by past boards, to review the criteria for said lands previously established and to establish new criteria and values as legislation and land management practices may indicate, to establish a schedule of criteria and values to be recommended for the current tax year, and to recommend such changes and improvement in the administration of this subchapter as experience and public reaction may recommend. The board's criteria and recommended values may reflect the class, type, grade and location of the land, together with its productive capacity and income producing capability of agricultural and forest land.

(b) Annually in August the board shall hold a public hearing and such other hearings as they deem necessary to receive public testimony on the criteria and values for use value appraisals in the coming tax year and on the administration of this subchapter.

(c) Prior to February fifteenth each year, the board shall submit to the director its recommended schedule of criteria and values for use value appraisals for the current tax year. The director shall then distribute the valuations to all municipalities, towns and gores, and the assessing officials shall appraise qualifying agricultural and managed forest land at these use values.

(d) The board may adopt rules under the authority granted to agencies by sections 801 through 808 of Title 3 to interpret and carry out the provisions of this subchapter.

(e) A member of the board shall not vote on any issue on which he, or when applicable his agency, has a conflict of interest.

**§ 3755. Eligibility for use value appraisals**

(a) Except as modified by subsection (b) of this section, any agricultural land, managed forest land and farm buildings which meet the criteria contained in this subchapter and in the regulations adopted by the board shall be eligible for use value appraisal.

(b) Managed forest land shall be eligible for use value appraisal under this subchapter only if:

(1) the land is subject to a forest management plan, or subject to a conservation management plan in the case of lands certified under 10 V.S.A. § 6306(b), signed by the owner of a tract which complies with section 3752(9) of this title, filed with and approved by the department of forests, parks and recreation by October 1, which provides for continued conservation management or forest crop production on the tract for at least ten years. During a period of use value appraisal under this subchapter, a conservation or forest management plan for at least ten years, including the 12-month period beginning April 1 of the year for which use value appraisal is sought, signed by the owner, shall be on file with the department in such a manner and in such form as is prescribed by the department. Upon the expiration of a ten year plan, the owner shall file a new plan for at least the next succeeding ten years to remain in the program.

(A) The department may approve a forest management plan which provides for the maintenance and enhancement of the tract's wildlife habitat where clearly consistent with timber production and with minimum acceptable standards for forest management as established by the commissioner of forests, parks and recreation.

(B) The department, upon giving due consideration to resource inventories submitted by applicants, may approve a conservation management plan, consistent with conservation management standards, so as to include appropriate provisions designed to preserve: areas with special ecological values; fragile areas; rare or endangered species; significant habitat for wildlife; significant wetlands; outstanding resource waters; rare and irreplaceable natural areas; areas with significant historical value; public water supply protection areas; areas that provide public access to public waters; open or natural areas located near population centers, or historically frequented by the public. In approving a plan, the department shall give due consideration to: the need for restricted public access where required to protect the fragile nature of the resource; public accessibility where restricted access is not required; facilitation of appropriate, traditional public usage; opportunities for traditional or expanded use for educational purposes and for research.

(2) a management report of whatever activity has occurred, signed by the owner, has been filed with the department of forests, parks and recreation by February 1 of the year following the year when the management activity occurred.

(3) there has not been filed with the director an adverse inspection report by the department stating that the management of the tract is contrary to the forest or conservation management plan, or contrary to the minimum acceptable standards for forest or conservation management. The report of conformance with any management plan shall be on a form prescribed by the commissioner of forests, parks and recreation in consultation with the commissioner of taxes and

shall include a detachable section signed by all the owners that shall contain the federal tax identification numbers of all the owners. The section containing federal tax identification numbers shall not be made available to the general public, but shall be forwarded to the commissioner of taxes within 30 days after receipt and used for tax administration purposes. If any owner shall satisfy the department that he or she was prevented by accident, mistake or misfortune from filing a management plan which is required to be filed on or before October 1 or an annual conformance report which is required to be filed on or before February 1 of the year following the year when the management activity occurred, the department may receive that management plan or annual conformance report at a later date; provided, however, no management plan shall be received later than December 31 and no annual conformance report shall be received later than March 1.

(c) At intervals not to exceed five years, the department of forests, parks and recreation shall audit the management plans and the conformance reports for each parcel of managed forest land qualified for use value appraisal. Likewise, at intervals not to exceed five years, that department shall inspect each tract to verify that the terms of the management plan have been carried out in a timely fashion. If that department finds that the management of the tract is contrary to the conservation or forest management plan, or contrary to the minimum acceptable standards for conservation or forest management, it shall file with the owner, the assessing officials and the director an adverse inspection report within 30 days of the inspection.

(d) After a parcel of managed forest land has been removed from use value appraisal due to an adverse inspection report, a new application for use value appraisal will not be considered for a period of five years, and then shall be approved by the department of forests, parks and recreation only if a compliance report has been filed with the new application certifying that appropriate measures have been taken to bring the parcel into compliance with minimum acceptable standards for forest or conservation management.

(e) Any applicant for appraisal under this subchapter bears the burden of proof as to his or her qualification. Any documents submitted by an applicant as evidence of income shall be held in confidence by any person accepting or reviewing them pursuant to provisions of this subchapter, and shall not be made available for public examination, whether or not such person is subject to the provisions of subdivision 317(a)(6) of Title 1.

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#### **§ 3756. Qualification for use value appraisal**

(a) The owner of eligible agricultural land, farm buildings or managed forest land shall be entitled to have eligible property appraised at its use value provided the owner shall have applied to the director on or before September first of the previous tax year, on a form approved by the board and provided by the director. A farmer, whose application has been accepted on or before December 31 by the director of the division of property valuation and review of the department of taxes for enrollment for the use value program for the current tax year, shall be entitled to have eligible property appraised at its use value, if he or she was prevented from applying on or before September 1 of the previous year due to the severe illness of the farmer.



(b) Before January 15, the director shall submit to the assessing officials a list including a description of each parcel of land and any farm buildings for which an application has been received and preliminarily approved for that year. The listers shall review the list, and shall notify the director before February 15 if there is any reason why any property on the list should not be eligible for use value appraisal.

(c) The director shall notify the applicant no later than April 15 of his or her decision to classify or refusal to classify his or her property as eligible for use value appraisal by delivery of such notification to him or her in person or by mailing such notification to his or her last and usual place of abode. In the case of a refusal, the director shall state the reasons therefore in the notification.

(d) The assessing officials shall appraise qualifying agricultural and managed forest land and farm buildings at use value appraisal as defined in section 3752(12) of this title. If the land to be appraised is a portion of a parcel, the assessing officials shall:

(1) determine the contributory value of each portion such that the fair market value of the total parcel is comparable with other similar parcels in the municipality; and

(2) notify the landowner according to the procedures for notification of change of appraisal. The portion of the parcel that is not to be appraised at use value shall be appraised at its fair market value.

(e) Once a use value appraisal has been applied for and granted under this section, such appraisal shall remain in effect for subsequent tax years pursuant to the provisions of subsection (f) of this section, and until the property concerned is no longer eligible under provisions of section 3752 or 3755 of this chapter, or due to a change of use or as otherwise provided in section 3757 of this chapter. The grant of use value appraisals of agricultural forest land and farm buildings shall be recorded in the land records of the municipality by the clerk of the municipality. The department of taxes may collect from applicants the fees specified in subdivision 1671(a)(6) or subsection 1671(c) of this title, for deposit in a special fund established and managed pursuant to chapter 7, subchapter 5 of this title, and which shall be available as payment for the fees of the clerk of the municipality.

(f) Each year, prior to March 15, the director shall determine whether previously classified property is still eligible for use value appraisal and whether the amount of the previous appraisal is still valid. If the director determines that previously classified property is no longer eligible, or that the property has undergone a change in use such that the use change tax may be levied, in accordance with section 3757 of this chapter, or that the use value appraisal should be fixed at a different amount than the previous year, he or she shall thereafter notify the property owner of that determination by delivery of the notification to him or her in person or by mailing such notification to his or her last and usual place of abode. If a change in use which would render the parcel ineligible occurs between March 1 and April 1, the director shall notify the owner by April 15.

(g) The director shall execute such other forms and the board shall adopt such other procedures and regulations, as are needed to assure a fair opportunity for owners to qualify under this subchapter and to assure compliance with the provisions of this chapter.

(h) By April 15, the director shall mail to each municipality a list of property in the municipality which is to be taxed based on its use value appraisal. The list shall include the owners' names, a grand list number or description of each parcel of land to be appraised at use value, the acreage to be taxed on the basis of use value, the use values to be used for land, and the number and type of farm buildings to be appraised by the assessing officials at use value. The assessing officials shall determine the listed value of the land to be taxed at use value and its estimated fair market value, and fill in these values and the difference between them on the form. This form shall be used by the treasurer or the collector of current taxes to make up tax bills such that the owner is billed only for taxes due on his or her property not enrolled in the program, plus taxes due on the use value of property enrolled in the program. The assessing officials shall submit the completed form to the director by July 5.

(i) The director shall remove from use value appraisal an entire parcel of managed forest land and notify the owner in accordance with the procedure in subsection (b) of this section when the department of forests, parks and recreation has not received a conformance report or has received an adverse inspection report, unless the lack of conformance consists solely of the failure to make prescribed planned cutting. In that case, the director may delay removal from use value appraisal for a period of one year at a time to allow time to bring the parcel into conformance with the plan.

(j) The commissioner may exempt a farmer-owner of agricultural land and farm buildings located within the municipality and otherwise eligible under this subchapter for use value appraisal from the terms of the definition of a "farmer" contained in subdivision 3752(7) of this chapter, for a year at a time, because of personal hardship created by personal or family disability or death, by economic disaster such as loss of farm buildings, equipment, or livestock due to fire or disease, or natural disaster such as flood or drought. The agricultural land and farm buildings concerned shall continue in this instance to be taxed on the basis of use value appraisal.

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#### **§ 3757. Land use change tax**

Subsection (a) effective until July 1, 2006; see also subsection (a) set out below.

(a) Land which has been classified as agricultural land or managed forest land pursuant to this chapter shall be subject to a land use change tax upon the development of that land, as defined in section 3752 of this chapter. Said tax shall be at the rate of 20 percent of the full fair market value of the changed land determined without regard to the use value appraisal; or the tax shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of the director that the parcel has been enrolled more than 10 years. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land prorated on the basis of acreage, divided by the common level of appraisal. Such fair market value shall be

determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

Subsection (a) effective July 1, 2006; see also subsection (a) set out above.

(a) Land which has been classified as agricultural land or managed forest land pursuant to this chapter shall be subject to a land use change tax upon the development of that land, as defined in section 3752 of this chapter. Said tax shall be at the rate of 20 percent of the full fair market value of the changed land determined without regard to the use value appraisal; or the tax shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of the director that the parcel has been enrolled continuously more than 10 years. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land prorated on the basis of acreage, divided by the common level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

(b) Any owner of eligible land who wishes to withdraw land from use value appraisal shall petition for a determination of the fair market value of the land at the time of the withdrawal. Thereafter land which has been withdrawn shall be appraised and listed at its full fair market value in accordance with the provisions of chapter 121 of this title. Said determination of the fair market value shall be used in calculating the amount of the land use change tax that shall be due when and if the development of the land occurs.

(c) The determination of the fair market value of the land as of the date the land is no longer eligible for a use value appraisal, or as of the time of the withdrawal of the land from use value appraisal, shall be made by the director. The determination shall be made within 30 days after the date that the owner or assessing officials petition for the determination and shall be effective on the date of dispatch to the owner.

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the taxpayer. The tax shall be paid to the commissioner for deposit into the general fund. The commissioner shall issue a form to the assessing officials which shall provide for a description of the land developed, the amount of tax payable, and the fair market value of the land at the time of development or withdrawal from use value appraisal. The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of payment, the commissioner shall furnish the owner with one copy, shall retain one copy and shall forward one copy to the local assessing officials and one to the register of deeds of the municipality in which

the land is located. Thereafter, the land which has been developed shall be appraised and listed at its full fair market value in accordance with the provisions of chapter 121 of this title.

(e) The owner of any classified land receiving use value appraisal under this subchapter shall immediately notify the director of:

(1) the development of the land, as defined in section 3752 of this chapter;

(2) of any change or discontinuance of use of the classified land so that it is no longer eligible for use value appraisal or is eligible for a different use value appraisal under this subchapter; and

(3) of any transfer of ownership. A transfer of ownership, alone, will not affect eligibility of the parcel, and no new maps will be required solely because of a transfer.

(f) The application for use value appraisal of agricultural and forest land, once approved by the state, shall be recorded in the land records of the municipality and shall constitute a lien to secure payment of the land use change tax to the state upon development. The landowner shall bear the recording cost. The land use change tax and any obligation to repay benefits paid in error shall not constitute a personal debt of the person liable to pay the same, but shall constitute a lien which shall run with the land. All of the administrative provisions of chapter 151 of this title, including those relating to collection and enforcement, shall apply to the land use change tax.

(g) Upon application, the commissioner may abate a use change tax levy concerning agricultural land found eligible for use value appraisal under subdivision 3752(1)(A) of this title, in the following cases:

(1) if a disposition of such property resulting in a change of use of it takes place within five years of the initial assessment at use value because of the permanent physical incapacity or death of the individual farmer-owner or farmer-operator of the property.

(2) if a disposition of the property was necessary in order to raise funds to continue the agriculture operation of the seller. In this case, the commissioner shall consider the financial gain realized by the sale of the land and whether, in respect to that gain, payment of the use change tax would significantly reduce the ability of the seller to continue using the remaining property, or any part thereof, as agricultural land.

(h) Land condemned as a result of eminent domain or sold voluntarily to a condemning authority in anticipation of eminent domain proceedings is exempt from the levy of a land use change tax under this section.

(i) Nothing in this section shall be construed as permitting an owner to engage in the development of land in violation of any conservation restriction in effect on said land.

(j) Land transferred to the United States Forest Service is exempt from the levy of a use change tax under this section, provided all of the following apply:

- (1) land transferred is eligible for use value appraisal at the time of the transfer;
  - (2) the transfer is in consideration for the receipt from the United States Forest Service of land of approximately equal value, as determined by the commissioner; and
  - (3) the landowner has submitted to the commissioner in writing a binding document that would substitute the land received for the land transferred to the Forest Service, for the purposes of this chapter.
- (k) Conservation and preservation rights and interests held by an agency of the United States or by a qualified holder, as defined in chapter 34 of Title 10, shall be exempt from the levy of a use change tax. Upon request of the agency or qualified holder, the commissioner may petition the director to release the conservation and preservation rights and interests from any lien recorded pursuant to this chapter.

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### **§ 3758. Appeals**

- (a) Whenever the director denies in whole or in part any application for classification as agricultural land or managed forest land or farm buildings, or grants a different classification than that applied for, or the director or assessing officials fix an erroneous use value appraisal, or determine that previously classified property is no longer eligible or that the property has undergone a change in use, the aggrieved owner may appeal the decision of the director to the director, and from there in the same manner and under the same procedures as an appeal from a decision of a board of civil authority, as set forth in subchapter 2 of chapter 131 of this title; and may appeal the decision of the assessing officials in the same manner as an appeal of a grand list valuation.
- (b) Any owner who is aggrieved by the determination of the fair market value of classified land for the purpose of computing the land use change tax may appeal in the same manner as an appeal of a grand list valuation.
- (c) Whenever the commissioner denies a request for an exemption from the terms of the definition of a "farmer" as provided in section 3756(j) of this title, the aggrieved person may appeal the decision to the commissioner, and from there to the superior court in the same manner and under the same procedures as an appeal from a decision of the board of civil authority, as set forth in subchapter 2 of chapter 131 of this title.
- (d) Any owner who is aggrieved by a decision of the department of forests, parks and recreation concerning the filing of an adverse inspection report of the denial of approval of a management plan may appeal to the commissioner of the department of forests, parks and recreation. An appeal of this decision of the commissioner may be taken to the superior court in the same manner and under the same procedures as an appeal from a decision of a board of civil authority, as set forth in subchapter 2 of chapter 131 of this title.

**§ 3760. Payment to municipalities**

(a) Annually the state shall pay to each town the amount necessary to limit its tax rate increase 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 based on fair market value of enrolled property, to zero. The director of property valuation and review shall determine the amount of the available funds under this section to be paid to each town, and a town may appeal the director's decision in the same manner and under the same procedures as an appeal from a decision of a board of civil authority, as set forth in subchapter 2 of chapter 131 of this title. On November 1 of each year, the director of property valuation and review shall pay to each municipality the amount calculated as described in this section. If the appropriation for the year is insufficient to pay the full amount due to every town under this subsection, payments in that year shall be made to such towns proportionately. The director's calculation of payment amounts to municipalities shall be based on grand list values and total tax appropriations as submitted to the director for the prior year.

(b) Assessing officials shall appraise property enrolled in the program at fair market value consistent with other appraisals. On or before July 5, the assessing officials shall provide the director with the listed value of all enrolled property in the municipality. If the director certifies that the value set by the assessing officials is significantly above the fair market value or is not equitable with other assessments, the director's estimate of the fair market value shall be substituted for that of the assessing officials.

(c) A town aggrieved by the director's decision under this section may appeal that decision under the same procedures as an appeal from a decision of the board of civil authority.

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**§ 3761. Notice to property taxpayers**

Each year prior to June 1, the director shall prepare a notice of the current use value appraisal program established by this subchapter describing its pertinent provisions, the manner in which taxpayers may apply to participate, and the dates and deadlines for application. Such notice shall be printed by the director and supplied in sufficient number to each town in the state for inclusion in property tax bills. The town treasurer or collector of taxes shall include such notice in each tax bill, where applicable. Towns which use envelopes or mailers not able to accommodate notices describing the current use value appraisal program may distribute such notices in an alternative manner.

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**§ 3763. Public records**

Notwithstanding any provision to the contrary in 1 V.S.A. § 317, 32 V.S.A. § 3102 or any other provision of law, the names and addresses of taxpayers, the description of eligible property, the current use valuation of such property participating in the current use value appraisal program

under this chapter and the amount reimbursed by the state to the town with respect to the eligible property shall be public records subject to public inspection and copying under 1 V.S.A. chapter 5, subchapter 3.

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**§ 3776. Fee hunting prohibition**

(a) As of September 1, 1997, no person may charge or receive a fee, consideration or other thing of value in exchange for the right to hunt or fish on land enrolled in a use value appraisal program under this chapter.

(b) Upon a finding by the secretary that there has been a violation of the provisions of this section, the land in question shall be removed from the use value appraisal program. Upon development, the land shall be subject to the land use change tax.

# Title 24: Municipal and County Government

## Chapter 51: Finances; Accounts and Audits

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### § 1533: TOWN BOARD FOR THE ABATEMENT OF TAXES

The board of civil authority, with the listers and the town treasurer shall constitute a board for the abatement of town, town school district taxes, and current use taxes. The act of a majority of a quorum at a meeting shall be treated as the act of the board. The above requirement in respect to a quorum need not be met if the town treasurer, a majority of the listers and a majority of the selectmen are present at the meeting.

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### § 1535: ABATEMENT

- (a) The board may abate in whole or part taxes, interest, and collection fees accruing to the town in the following cases:
- (7) use change taxes upon real property sold by an owner who has agricultural land enrolled in the current use appraisal program described in chapter 124 of Title 32 and who is a farmer as defined in 32 V.S.A. §3752(7), in which the sale was necessary in order to raise funds to continue the agriculture operation of the seller-enrollee. In exercising discretion, the board shall consider the financial gain realized by the sale of the land and whether, in respect to that gain, payment of the use change tax would significantly reduce the ability of the seller-enrollee to continue using the remaining property, or any part thereof, as agricultural land, as defined in section 3752 of Title 32.
  - (8) use change taxes due upon agricultural land found eligible for use value appraisal under section 3752(1)(A) of this title, if the tax is a result of a disposition occurring within five years of the initial use value assessment and if the disposition is the result of the permanent physical incapacity or death of the individual farmer-owner or farmer-operator of the property.
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### § 1536: RECORD; DISCHARGE

The board for the abatement of taxes shall make a record of taxes, interest and fees so abated which shall be recorded in the office of the town clerk and a certified copy shall be forwarded forthwith to the collector of taxes and the town treasurer. The collector shall mark in the tax bill the taxes, interest and fees abated and the persons against whom they were assessed shall be discharged from their payment. An abatement of a use change tax shall be separately recorded in the land records of the municipality in which the property subject to the abatement is located and shall effect a release of the land use lien on the portion of the property abated.



## **Title 10: Conservation and Development**

### **Chapter 155: Acquisition of Interests in Land by Public Agencies**

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#### § 6301a: DEFINITIONS

As used in this chapter:

- (1) "State agency" means the agency of natural resources or any of its departments, agency of transportation, department of agriculture, food and markets or Vermont housing and conservation board.
- (2) "Qualified organization" means:
  - (A) an organization qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which is not a private foundation as defined in section 509(a) of the Code, and which has been certified by the commissioner of taxes as being principally engaged in the preservation of undeveloped land for the purposes expressed in section 6301 of this title.
  - (B) an organization qualifying under section 501(c)(2) of the Internal Revenue Code of 1986, as amended, provided such organization is controlled exclusively by an organization or organizations described in subdivision (2)(A) of this section.
- (2) "Taxation" and "Tax" means ad valorem taxes levied by the state and its municipalities.

#### § 6306: EXEMPTION FROM TAXATION

- (b) The commissioner of the department of taxes may certify that real property acquired by a qualified organization under this chapter is being held and maintained for the purposes expressed in section 6301 of this title. As a condition of that certification, the commissioner may require that the qualified organization provide adequate assurances that the property is being so held and maintained, including but not limited to written agreements with the department of taxes, deeds, covenants or other conveyances. Property which is so certified.
  - (1) shall be assessed on the basis of its actual use, if in the nature of an interest in fee simple; and
  - (2) shall be exempt from assessment and taxation, if in the nature of an interest other than fee simple.

For purposes of this section, where a qualified organization holds a lease in the property for a term greater than ten years, including renewal terms, or holds such other interests as the commissioner shall determine to be substantially equivalent to an interest in fee simple, the organization shall be deemed to hold an interest in fee simple.



In order to ensure consistency of conformance with the purposes of the Use Value Appraisal Program, the following minimum requirements must be met:

### **Forest Management Plans**

Forest management is the practical application of silvicultural principles to the growth, harvest, regeneration and conservation of forests in order to maintain healthy forests and to meet the specific objectives of the landowner. While many different landowner objectives may be achieved through active forest management, production of high quality forest products on a sustainable basis shall be the primary focus of management efforts on all enrolled parcels.

The landowners shall carry out the activities listed in the forest management plan as approved by the County Forester. The management plan shall include names and signatures of all legal owners and the address for the owner(s) responsible for attending to Current Use.

All changes or additional activities must be submitted in writing, with the landowner signature(s) and must receive prior approval from the County Forester.

Where markets or other conditions beyond the control of the landowner make it advisable, activities may be carried out up to three years before or after dates specified in management plan.

### **Practices**

Prescribed activities must meet or exceed the following minimum standards and be carried out in accordance with appropriate U.S. Forest Service silvicultural or management guides or handbooks.

#### Regeneration

For newly-regenerated stands, the successful establishment of acceptable species must be not less than 350 stems per acre well distributed throughout the stand three years after the regeneration cut is made or for initial eligibility (350 stems/acre equals an average spacing of 11').

#### Even-Age Management

Intermediate Cutting: Total basal area shall not be reduced below B-level, or by more than one third in densely overstocked stands. The stocking of acceptable growing stock will not be reduced below the "C" level in the appropriate stocking guide (SEE APPENDIX A). If no stocking guide is available, the residual basal area of acceptable growing stock will not be reduced below 60 square feet per acre.

#### Uneven-Age Management

Under uneven-age management the total basal area will not be reduced below minimum levels recommended in the appropriate silvicultural guide. Where no silvicultural guide is available, total basal area will not be reduced below 80 sq. ft./ac.. The ratio of AGS basal area to total basal area should be maintained or increased by any management activities.

### **Erosion Control and Water Quality**

Erosion control and water quality standards are intended to prevent site degradation and protect riparian habitats. It is the obligation of the landowner to ensure that significant soil erosion and/or stream sedimentation does not occur on any lands enrolled in the Use Value Appraisal program. Appropriate preventative soil erosion and stream pollution control practices, as outlined in the

publication entitled "Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont", or a successor publication, shall be employed to the maximum practicable extent on all enrolled parcels. Compliance with all State and Federal rules and regulations regarding erosion control, water quality and wetland protection is required.

### **Inspections for Conformance**

All lands entered in the program are subject to periodic inspection to ensure conformance with the management plan and appropriate standards (SEE FORM 1). If enrolled lands are cut contrary to either the management plan or standards, an adverse inspection report may be filed. Additionally, if erosion control measures are not implemented where deemed necessary to comply with appropriate rules and regulations, an adverse inspection may be filed on those acres affected. An adverse inspection report can result in a Land Use Change Tax being assessed on those acres in violation and the entire parcel being removed from the program for a period of 5 tax years. If the landowner fails to make a prescribed cutting according to the management schedule, an appropriate management plan amendment must be submitted for approval or the landowner may be given one year to complete the prescribed cutting. If not completed within the one year, the parcel would be discontinued from the program for at least one year and until the land comes back into conformance. The lien would remain on the land, but no Land Use Change Tax is due.

Any land which is at least 20 contiguous acres consisting of forest stands which is subject to a forest management plan that was developed by the Department of Forest, Parks and Recreation for the purpose of harvesting riparian forest crops in accordance with accepted forest management practices and which is not capable of growing 70 cubic feet per acre per year plus overhead to be harvested within one year under the provisions of a forest management plan cannot exceed 20% of the total eligible land contained in the county. The management plan must be filed with the county forest officer by October 1 of the year preceding enrollment.

Updated forest management plans are due by April 1, 10 years from the last year of enrollment (Example: If Applicant's last year of enrollment is 2000, updated plan due April 1, 2010). (Example: If Applicant's last year of enrollment is 2005, updated plan due April 1, 2015).

### MINIMUM STANDARDS FOR FOREST MANAGEMENT PLANS

The Department has prepared a sample management plan (FORM 2) for filing under this Value Appraisal. It provides a guide for all required information. Applicant's forms containing at least the following information as required by the Department.

Effective 4/15/06

The forest management plan shall include the following:

- Management plan and description
- A management schedule
- A management map
- The Management Plan Summary Form (FORM 2)

Management Data: The Value Appraisal Forest Management Plan form completed according to the following instructions for an eligible forest containing at least the following information:

- 1) Applicant's name and address shall be included as it appears on the application form.
- 2) Forest stand location shall be indicated.
- 3) Original photo images shall be filed along with copies. If used in preparation of other forms, or management plan.
- 4) Current Land Use System shall be included as it appears on the application form.

For each forest stand:

Stand description shall include species and must accurately represent field conditions. Forest stand is defined as "A group or groups of trees sufficiently uniform in age class distribution, composition and structure and growing on a site of sufficient uniformity to be a distinct management unit." For sampling intensity and procedure guidelines see a Value Appraisal manual guide (see APPENDIX A). Include the sampling procedure used and date(s) sampling took place. For forest stand include plot number and number of trees per stand. For variable radius, include an Initial Area Factor and the number of points taken per stand.

Forest stand number as assigned on the map.

## Eligible Forest Land

Any land which is at least 25 contiguous acres exclusive of house site(s) which is subject to a forest management plan filed with, and approved by, the Department of Forests, Parks and Recreation for the purpose of harvesting repeated forest crops in accordance with accepted forest management practices. Land which is not capable of growing 20 cubic feet per acre per year plus open land not to be restocked within two years under the provisions of a forest management plan cannot exceed 20% of the total eligible land appraised at use value. The management plan must be filed with the county forester by October 1 of the year preceding enrollment.

Updated forest management plans are due by April 1, 10 years from the first year of enrollment. (Example 1: Application and plan date = fall of 1999. First year of enrollment is 2000. Updated plan due April 1, 2010.) (Example 2: Updated plan submitted for 2/1/1999. Next update is due 4/1/2009.)

The Department has prepared a sample management plan format (FORM 2) for filing under Use Value Appraisal. It prompts and provides space for all required information. Alternative formats containing at least the following information, may be accepted by the Department.

The forest management plan shall include the following:

- Management data and descriptions
- A management schedule
- A management map
- The Management Plan Summary Form (FORM 4).

1) **Management Data:** The *Use Value Appraisal Forest Management Plan* form completed according to the following instructions or an alternative format containing at least the following information:

For the entire parcel:

- 1) Applicant's name and address shall be included as it appears on the application form.
- 2) Town where land is located.
- 3) Ortho Photo Number shall be listed along with series, if used in preparation of either the map or management plan.
- 4) Grand List Description shall be included as it appears on the application form.

For each forest stand:

- 5) Sampling Data will be stand specific and must accurately represent field conditions. Forest stand is defined as "A group or groups of trees sufficiently uniform in age class distribution, composition and structure, and growing on a site of sufficiently uniform quality, to be a distinguishable unit." For sampling intensity and procedure guidelines please refer to a mensuration guide (see APPENDIX A). Include the sampling procedures used and date(s) sampling took place. For fixed radius plots, include size and number of plots per stand. For variable radius, include prism Basal Area Factor and the number of points taken per stand.
- 6) Forest Stand Number as assigned on the map.

- 7) Acres an estimate of the number of acres of the specified stand.
- 8) Site Class, the site productivity class or classes of the stand (SEE APPENDIX B).
- 9) Stand History, includes such information as date and type of last treatment or harvest, planting records, etc., if known.
- 10) Stand Description, shall include the following information:
  - a. Age Class Distribution - Whether stand is currently even- or uneven-aged.
  - b. Stocking Level - Whether stand is understocked, adequately stocked, or overstocked.
  - c. Quadratic Mean Stand Diameter, not the average diameter.
  - d. Forest Type - Society of American Foresters Cover Types or equivalent.
  - e. Total Basal Area - Total basal area should be recorded for all poletimber and sawtimber stands. For uneven-age management, the tally should include all trees in the 6-inch class and larger. For even-age management, the tally should include all trees in or touching the main crown canopy (excluding suppressed trees).
  - f. Acceptable Growing Stock Basal Area – Consists of that portion of trees tallied as total basal area that are of commercial species, have the potential to produce sawlog or better quality material now or in the future, and that are in vigorous condition. Commercial species are those tree species that are commonly accepted as being commercially valuable, and do not include such species as; alder spp., American hornbeam (muscle wood), apple, boxelder, common chokecherry, Eastern hophornbeam, gray birch, hawthorn, mountain-ash, mountain maple, pin cherry, striped maple and willow spp..
  - g. Forest Health Conditions -Include insect, tree disease, browsing, abiotic or invasive exotic plant problems within the stand which may affect the silvicultural treatment recommended within the ten-year management period.
- 11) Long-Range Objectives - Must include at least the following:
  - 1) Even-age management
    - a) Present stand age
    - b) Rotation age
  - 2) Uneven-age management
    - a) Diameter objectives for principal species
    - b) Cutting cycle
- 12) Scheduled and Prescribed Treatment - a silvicultural treatment, if needed, shall be prescribed for each stand within the ten-year plan period and shall be consistent with stated objectives. A specific year shall be given for each prescribed treatment. If the prescribed treatment is not implemented within a three-year window before or after the year specified, an amendment is required.

Prescription of a cutting system will be based on the information used in stand analysis in connection with the most current technical publication and stocking guide for the forest type (SEE APPENDIX A). Where no guide is appropriate, the plan should contain adequate information to support the prescribed silvicultural treatment.

It is recognized that the practice of forestry is both art and science, and that specific silvicultural treatments often differ from place to place within a stand due to normal stand variability. Even so, it is the responsibility of the landowner to supply enough detail about the proposed stand prescription that it can be effectively evaluated by the Department of Forests, Parks and Recreation. If the silvicultural prescription calls for the creation of openings larger than ¼ acre in size, provide a statement of the intent and size range of the openings and an estimate of the residual basal area between the openings.

For crop tree release, provide a description of the type of crop trees to be released and the approximate number of crop trees to be released per acre.

**2) Management Schedule:** A ten-year work schedule (SEE FORM 2, Page 2) will be submitted with the management plan and will be updated every ten years. The work schedule should include all prescribed commercial harvest cuttings, non-commercial treatments, and any other treatments necessary to comply with the management plan. All prescribed treatments shall be narrowly focused and stand specific. All supportive data derived from inventory such as stand diagnosis and prescription forms and basal area computation sheets can be attached to the summary sheet for further documentation, if desired. (Give a single year date for each treatment. Policy allows ± three years on single year dates to allow for issues such as changing markets, weather conditions, or insect defoliations.)

**3) Management Map:** The following standards apply to all parcels.

1. The map (for example see APPENDIX C) must be orthophoto based. Four Vermont coordinate system coordinates must be indicated on the map. You may view the orthophotos at your Town Clerk's or County Forester's office. Digital or hard copy orthophotos are available from the Vermont Mapping Program at (802) 241-3552. Maps of parcels larger than 1,000 acres or appearing on more than four orthophotos are exempt from the 1:5,000 map scale providing that the alternate scale used is not less than 1:20,000, is consistent with available aerial photography scales, and that excluded areas (with the exception of power lines) in parcels mapped at alternate scales are mapped at 1:5,000 as an additional inset.
2. The map must include the following:
  - owner's name
  - town in which the parcel is located
  - name of draftsman
  - acreage of parcel
  - orthophoto number and series year
  - north arrow
  - scale of 1:5,000 (unless exempt)
  - locus map to indicate parcel's location
  - lands greater than 1 mile access distance



3. The map must show the boundaries of the entire parcel, the boundaries of the portion of the parcel to be included in the program, and the boundaries of the portion of the parcel to be excluded from the program. These areas must be clearly labeled so the acreage of each area can be listed in a chart. The map must show the location of all buildings and must show all agricultural/open land to be enrolled.
4. The map should include significant physical features such as roads, primary internal trails, streams, ponds, wetlands and power lines. For landlocked parcels, established rights-of-way and/or preferred access route should be shown.
5. Each forest stand must be delineated by a number that corresponds to a description in the forest management plan. The forest type and acreage of each stand must be included.
6. A chart must be included on the map (see example, APPENDIX C) or attached to the map (SEE FORM 3) to show the acreage for agricultural/open land, the acreage of productive forest land by stand, and the acreage of non-productive forest land by stand. If the acreage calculated off the orthophoto does not match the acreage in the town records, the acreage must be prorated to match town records.

NOTE: Remote forest land will be appraised at 75 percent of the forest land use value if it is located greater than one mile from a class 1, 2, or 3 road. The total acreage must appear in the chart as a separate category of "Forest land greater than one mile from a class 1, 2, or 3 road" (either as productive or non-productive). It must be calculated as located beyond one mile as measured in a straight line distance, regardless of ownership, from the nearest class 1, 2, or 3 road. The area must also be delineated on the required map.

- 4) **Management Plan Summary:** The Management Plan Summary form (SEE FORM 4) is used for administrative purposes. Round all numbers to whole numbers.

Instructions for completing the form

The line with (new / /, revised / /, etc.) indicates what type of plan this is. This sheet can also be used for amendments by indicating the revised information by stand and writing an explanation in section 13.

- 1 & 2. These are for purposes of mailing and administrative contacts. If there is more than one owner, use the owner responsible for attending to Current Use. Be sure the management plan itself includes the names, addresses and signatures of all legal owners of a parcel.
3. Record the town(s) the land is in. If the parcel is in two or more towns, separate UVA forms must be completed for each town. This is necessary because taxes are paid by town, not parcel, and the ID# is broken down by town. Check with the county forester to see if they want stand data separated by town.
4. Total Forestry Acres in Parcel are grand list acres minus agricultural land and exclusions. This number should agree with the total of all the stand acreage listed below.
5. Plan Preparer is the person or company responsible for putting together the management plan.

6. This is only important if the land was in Current Use under a previous owner, otherwise leave blank.
7. Landowner signature(s).
8. Date signed.
9. Stand Information

Stand # List stands using same numbers as in management plan and on map. Use additional sheets if necessary. If two activities are planned on the same stand over the next 10 years, list the stand twice and indicate each activity separately (i.e. shelterwood 2005, overstory removal cut, 2015 ).

Acres List acres in each stand to nearest acre.

Even-aged, Uneven-aged Indicate the condition of the existing stand by using 1 for Even-aged (stands with two or less size classes) or 2 for uneven-aged (stands with three or more size classes).

Site Class Indicate the predominant site class as defined by UVA standards (APPENDIX B).

Timber Type Use the codes on the backside of the form, if they reasonably describe the timber type. If not, use "12" (other) and describe the timber type in section 12.

MSD Show quadratic mean stand diameter to the nearest inch.

Total BA Enter total basal area.

AGS BA Enter acceptable growing stock basal area.

Management Activities Use one of the codes listed on the backside of the UVA form, if they reasonably describe the management activity intended. If not, enter "13" (Other) and describe the activity in section 11. These descriptions must be clear, understandable, and silviculturally sound.

Scheduled Date Enter the year the activity is planned. There is a three-year window either side of this date (i.e. 2010 allows you to complete the activity between 2007 and 2013). If you cannot complete the activity within that time period, an amendment is necessary.

## FORMS

The following forms can be copied for distribution or use:

- 1 Conformance Inspection Report
- 2 Forest Management Plan
- 3 Chart of Acreage Adjustments
- 4 Management Plan Summary Form
- 5 Forest Management Plan Checklist
- 6 Signature Page
- 7 Power of Attorney
- 8 FP&R Information Brochure
- 9 PV&R Information Brochure
- 10 Calculating Land Use Change Tax
- 11 Calculating Contributory Value

## PART II

The following forms are provided as examples only. Originals may be obtained from Property Valuation & Review:

- 21 Forest Management Activity Report
- 22 Application and Instructions for Enrollment
- 23 Change of Ownership
- 24 Notice of Development or Discontinuance
- 25 Chapter 155, Title 10 Applications

## CURRENT USE PROGRAM CONFORMANCE INSPECTION REPORT

- 1) Landowner Name: \_\_\_\_\_
- 2) Town: \_\_\_\_\_ 3) Inspection Date: \_\_\_\_\_
- 4) Management plan meets/exceeds standards?  Yes  No Comments: \_\_\_\_\_
- 5) Were any areas scheduled for treatment over the last five years?  Yes  No
- | <u>Stand #</u> | <u>Work</u> | <u>Year</u> | <u>Status</u> |
|----------------|-------------|-------------|---------------|
|                |             |             |               |
- 6) Have prescribed treatments been performed in conformance with the management plan?  
 Yes  No
- 7) Parcel recommended for continuation in UVA program?  Yes  No  
Comments/Recommendations: \_\_\_\_\_

Inspecting Forester \_\_\_\_\_ Date \_\_\_\_\_  
Inspection Basis:

- File Inspection  Discussion with \_\_\_\_\_  Field Inspection with \_\_\_\_\_

<b>LANDOWNER'S ADMINISTRATIVE SCHEDULE FOR CURRENT USE</b>	
Every 10 years (Due by April 1 <sup>st</sup> )	Updated Management Plan to County Forester for certification
Every Year (Due by February 1 <sup>st</sup> )	File Forest Management Activity Report with County Forester if Management Activity occurred in the previous calendar year. <i>(Many consultant foresters handle this for a fee).</i>
Every Year	Follow your plan. <i>(Activities need to be done within 3 years on either side of the date stated in the plan.)</i>

**Important Note:** Review and follow your plan. There are substantial penalties for cutting trees in ways that are not described in your plan. You may lose your current use status for at least five years on the entire forested portion and have to pay the Land Use Change Tax on the miscut area. Call the County Forester or your consulting forester before you contract with someone to log your woodlot.

[White - Landowner copy]

[Pink - County Forester copy]

[Yellow - Consulting Forester copy]

VT Dept. of Forests, Parks & Recreation – USE VALUE APPRAISAL FOREST MANAGEMENT PLAN – Page 1 of 2 FORM 2

Applicant Name: _____ Address: _____ Applicant Phone: _____ Applicant e-mail: _____					
Town: _____	Grand List Description: <u>Stand Description</u> EVEN-AGE _____ Or UNEVEN-AGE _____		<u>Long Range Objective</u> EVEN-AGE Management Present Stand Age: _____ Rotation Age: _____  <u>Scheduled Treatment</u> (Type and Year): _____		
Stand No. _____	Acres _____	Site Class _____	Access Distance _____	Forest Type: _____ Stocking Level: _____ Quadratic MSD _____ Total BA _____ AGS BA _____	
Stand History: _____				UNEVEN-AGE Management Species Objectives: _____ Cutting Cycle: _____ Residual BA: _____ Diameter Objectives: _____	
Forest Health Conditions: _____				<u>Scheduled Treatment</u> (Type and Year): _____	
Description of Stand Conditions: _____					
Stand Cruise Data: Prism Factor/Plot size _____ No. of Points/Plots Sampled _____ Sampling Date(s): _____					

**MANAGEMENT SCHEDULE  
USE VALUE APPRAISAL FOREST MANAGEMENT PLAN**

STAND NO.	YEAR	MANAGEMENT PRACTICES TO BE ACCOMPLISHED DURING NEXT 10 YEAR PLAN:	Silvicultural Guide or Tech Ref. Prescription #/Letter, if appropriate

LANDOWNER'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

PREPARED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

CERTIFIED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

USE VALUE  
CHART OF ACREAGE ADJUSTMENTS

Landowner: \_\_\_\_\_

Town: \_\_\_\_\_

Orthophoto #: \_\_\_\_\_

- 1. Town listed acres in parcel \_\_\_\_\_
- 2. Actual acres to be excluded as measured on orthophoto \_\_\_\_\_
- 3. Acres to be entered (line 1 minus line 2) \_\_\_\_\_
- 4. Acres to be entered according to map calculations \_\_\_\_\_
- 5. Factor to prorate (adjust) acres (line 3 divided by 4) \_\_\_\_\_

Area	Type	Map Acres	x	Factor	=	Prorated Acres
	(crop/pasture)	(measured)				
Ag./Open Land (A)	_____	_____		_____		_____
<b>Productive Forest Land</b>						
	(forest type)					
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
	Subtotal =	_____				Subtotal = _____
<b>Non-productive Land</b>						
	(wetland/ledge/non-recreational pond < 20 acres)					
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
Stand _____	_____	_____		_____		_____
	Subtotal =	_____				Subtotal = _____
Enrolled Land (adjusted)		(sum of prorated acres)		_____		
Excluded Land (actual)		(line 2)		_____		
Total Grand List Acres		(line 1)		_____		

**MANAGEMENT PLAN SUMMARY FORM**     new     update<sup>1</sup>     amendment<sup>2</sup>     change of ownership    Page 1 of 2    **FORM 4**

**"FP&R COUNTY FORESTER USE ONLY"**

Parcel ID For Data Entry (by state)# \_\_\_\_\_  
 Year of Plan \_\_\_\_\_

Year of Entry  
 Year of Last Inspection

- 1) Landowner Name (last name, first name) \_\_\_\_\_
- 2) Landowner Address (Street, PO Box) \_\_\_\_\_  
 (Town) \_\_\_\_\_ (State) \_\_\_\_\_ (Zip Code) \_\_\_\_\_
- 3) Town That Parcel Is In \_\_\_\_\_ 4) Total Forestry Acres in Parcel \_\_\_\_\_ (Grand list acreage, minus agricultural and/or non-productive land and exclusions)
- 5) Plan Preparer (last name, first name) \_\_\_\_\_ 6) Previous Owner (last name, first name) \_\_\_\_\_
- 7) Signature \_\_\_\_\_ 8) Date signed \_\_\_\_\_

9) Stand information (this information is for data entry only and does not override what is in actual plan):

Stand #	Acres	Even-aged <sup>(1)</sup> Uneven-aged <sup>(2)</sup> (existing)	Predominant Site Class (1, 2, 3 or 4)	Timber Type	Quadratic M.S.D.	Total BA	AGS BA	Mgmt. Activities	Scheduled Date (± 3 yrs.)

<sup>1</sup> Update of an existing plan that includes all new stand descriptive data. Generally done on a 10-year cycle.  
<sup>2</sup> Change to an existing plan, generally due to purchase or sale of a portion of the property, or a change in prescription. Does not change the 10-year cycle of the existing plan. If this form is filled with an amendment, indicate the amended information in the appropriate stand, and write an explanation in section 13. Amendments must be signed by the landowner(s).



- 10) No activity - (identify stand # and reasons) \_\_\_\_\_
- 11) Management Activities - other (identify stand #) \_\_\_\_\_
- 12) Timber Types - other (identify stand #) \_\_\_\_\_
- 13) Amended prescriptions - (identify stand #) \_\_\_\_\_

**DEFINITIONS**

ACRES-round off to nearest acre  
 EVEN-AGED-stands with two or less size classes  
 UNEVEN-AGED-stands with three or more size classes  
 SITE CLASS-predominant site class as defined by UVA standards  
 QUADRATIC MEAN STAND DIAMETER - to nearest inch  
 TOTAL BA-basal area to nearest ft<sup>2</sup>/acre  
 AGS BA (acceptable growing stock basal area) to nearest ft<sup>2</sup>/acre

**FOREST TYPES**

- 01 aspen and/or white birch
- 02 white pine, red oak
- 03 white pine
- 04 hemlock
- 05 sugar maple
- 06 beech, birch, sugar maple
- 07 beech, red maple
- 08 spruce
- 09 spruce/fir
- 10 pioneer species
- 11 mixed wood (25%-65% softwood)
- 12 other (identify other in section 12)

MANAGEMENT ACTIVITY CODES (if one of the following choices reasonably describes the planned management activity, use it. If not, use #13 other and describe the management activity in Section 11. Note these descriptions are for choosing codes only; they are not the silvicultural standards).

1. Non-commercial forest stand improvement - A treatment made to improve the composition, structure, quality, or growth of young stands.
2. Intermediate thinning - Reduce stocking to B level, or remove up to 33% of basal area in densely overstocked stands. AGS basal area shall not be reduced below recommendations of appropriate guide or 60 sq. ft./ac. when no guide is available.
3. Shelterwood cut - Stand basal area reduced to between 30 and 70 sq. ft. for hardwoods, 80 to 120 sq. ft. for softwoods.
4. Overstory removal cut - Removing overstory after a new featured stand has become established. This applies to two-aged as well as recently regenerated stands. After harvest, residual stand should have minimum of sixty (60) square feet of acceptable growing stock or 350 stems/acre for stands less than six (6) inches MSD.
5. Clearcut - Stand basal area reduced below thirty (30) square feet.
6. Progressive clearcutting - Removing a portion of a stand in strips or patches, to be followed by similar treatments at predetermined dates until entire area is clearcut. If you choose this option, indicate the total time period from first to last cut (e.g., 30 years) in section 13.

**EVEN-AGED MANAGEMENT (Two or less distinct size classes)**

7. Individual Tree Selection - Harvest or improvement cutting that maintains a fairly uniform and continuous crown cover appropriate for regenerating tolerant species.
8. Group Selection - Harvest of groups of trees roughly 1/20 to 2 acres in size. Appropriate for regeneration of species of all tolerance groups.

**MISCELLANEOUS CHOICES**

9. Salvage cut - Removing a portion of a stand because of damage or disease. Resulting residual stand may not fit standards in guides.
10. Sugarbush thinning - Cut designed with the sole objective of establishing or improving a sugarbush. Cut should follow sugarbush guides.
11. Species conversion - Cut done usually in a mixed stand to favor certain species. Treatment should not favor species that are "off site".
12. No activity - Indicate reason such as "stand understocked", in section 10.
13. Other - In cases where none of the above choices comes reasonably close to describing the management activity, put your own description in section 11.
14. Crop Tree Release - Release of timber crop trees on at least 2 sides. For additional information refer to "Crop Tree Management in Eastern Hardwoods". (NA-TP-19-93).

**USE VALUE APPRAISAL MANAGEMENT PLAN CHECKLIST**

Landowner(s) Name(s):	PV&R ID Number:	Parcel ID Number:
Town(s) in which parcel is located:	Plan prepared by:	Date plan checked by County Forester:

Item	Yes	No	Notes
<b>I. PLAN</b>			
A. Applicant Signature(s)			
B. Applicant Name(s)			
C. Mailing Address			
D. Town Where Located			
E. Photo Number(s)			
F. Grand List Description			
G. Landowner e-mail address (optional)			
H. Stand Description			
1. Stand Numbers			
2. Acres/Stand			
3. Site Class			
• How determined			
• 20% rule			
4. Access Distance			
5. Stand History			
6. Age Class Distribution			
7. Stand Cruise Data			
• Prism factor/Plot Size			
• #Points/Plots			
• Sampling Date(s)			
8. Stocking Level			
9. Quadratic Mean Stand Diameter			
10. Forest Type			
11. Total BA			

Item	Yes	No	Notes
12. AGS BA			
13. Forest Health Conditions			
14. Written Stand description – including regeneration information if appropriate			
<b>I. Long Range Objectives</b>			
1. Even-Age Management			
• Present Stand Age			
• Rotation Age			
2. Uneven-Age Management			
• Diameter Objectives			
• Cutting Cycle			
<b>J. Stand Prescription</b>			
1. Reference appropriate Silviculture guide and prescription reference			
2. If Even-Age – – Intent/Size Range of openings – Residual Basal Area			
3. If Uneven-Age – – Species favored for retention – Intent/Size Range of groups – Residual Basal Area			
<b>II. MANAGEMENT SCHEDULE</b>			
A. Treatment Schedule for 10 Years Included			
B. Treatment dates specified by year			
<b>III. MAP</b>			
A. Ortho Scale 1:5,000			
B. Title Block			
1. Owner's Name(s)			
2. Town(s)			

Item	Yes	No	Notes
3. Ortho Photo #			
4. Draftsperson			
C. Boundaries			
1. Stone Walls, Fences, Blazing			
2. Primary Access to Parcel			
D. Significant physical features			
E. Excluded Areas			
F. North Arrow			
G. Locus Map			
H. Coordinates (4)			
I. Acreage Chart			
1. Ag & Forest Land			
2. Productivity Class			
3. Forest Type			
4. Acres by Stand			
J. Non-productive lands			
<b>IV. THE MANAGEMENT PLAN SUMMARY FORM (FORM 4)</b>			

Signature Page

Vermont Current Use Program Forest Management Plan

I (we) certify that my (our) forest land, exclusive of any housesite or other developed portion, is at least 25 acres in size and is under active long-term forest management for the purpose of growing and harvesting repeated forest crops in accordance with minimum acceptable standards for forest management.

This signature page shall constitute an addendum to my forest management plan. By signing below I understand I am signing my forest management plan.

Signature(s): \_\_\_\_\_ Date \_\_\_\_\_  
 \_\_\_\_\_ Date \_\_\_\_\_  
 \_\_\_\_\_ Date \_\_\_\_\_  
 \_\_\_\_\_ Date \_\_\_\_\_  
 \_\_\_\_\_ Date \_\_\_\_\_

Landowner's Name(s): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Address: \_\_\_\_\_  
 \_\_\_\_\_  
 (Continue on back of page if necessary.)

Land located in town(s) of: \_\_\_\_\_

Approved: \_\_\_\_\_ Date \_\_\_\_\_  
 Forester, Vermont Department of Forests, Parks and Recreation

**INSTRUCTIONS FOR COMPLETING VERMONT DEPARTMENT OF TAXES  
SPECIAL POWER OF ATTORNEY (POA)**

**FOR USE VALUE APPRAISAL PROGRAM**

A new law (14 V.S. A. Chapter 123) concerning POAs became effective July 2, 2002. All POAs submitted to the Department of Taxes beginning July 1, 2002 must comply with the new law (however, any POA executed prior to July 1, 2002 and valid under law then in effect will continue to be valid).

The most important changes concern the execution of a POA. A POA which does not comply with the new execution requirements will not be valid. In order to be valid, every Vermont Department of Taxes special POA must meet all of the following execution requirements:

- 1) POAs must be signed by the principal in the presence of at least one witness and acknowledged before a notary public, who cannot be the same person as the witness. The person named as agent cannot serve as witness or notary. **THE DEPARTMENT OF TAXES WILL NOT ACCEPT POAS WHERE THE WITNESS AND NOTARY ARE THE SAME PERSON.**
- 2) The witness must affirm that the principal appeared to be of sound mind and free from duress at the time of signing and that the principal affirmed that he or she was aware of the nature of the document and signed it freely and voluntarily.
- 3) POAs also must be signed by the agent. This does not have to happen at the same time the principal signs, but must happen before the POA can be used. **THE DEPARTMENT OF TAXES WILL NOT ACCEPT POAS UNLESS SIGNED BY THE AGENT.**
- 4) When signing, an agent must attest that he or she accepts appointment as agent and understands the duties of agent, both under the POA and under the law. In addition, there are two optional provisions, which, if chosen in a POA, require attestation by agents. First, if a POA gives an agent a duty to act as to powers given (as opposed to merely the authority to act), the agent must attest that he or she understands that duty. Second, if the agent is expected to use special skills or expertise on behalf of the principal, he or she must so attest.

\*\*\*\*\*

**LINE BY LINE INSTRUCTIONS FOR SPECIAL POA FOR USE VALUE APPRAISAL PROGRAM:**

1. Print name of individual, business, estate or trust.
2. Print Social Security or Federal Identification Number of principal.
3. Print name of Agent.
4. Print address of Agent.
5. Print telephone number of Agent.
6. Check applicable boxes and/or provide specific instructions.
7. State any special skills or expertise of agent which will be exercised by agent on behalf of principal, such as Forester, CPA, attorney-at-law. If none, write "NONE."
8. List any prior Powers of Attorney on file with the Department of Taxes which are NOT revoked.
9. Print name of person signing POA.
10. Signature of person signing POA.
11. Print date POA is signed.
12. Print title of person signing line 10.
13. Print name of witness.
14. Print name of person signing line 10.
15. Signature of witness to person signing line 10.
16. To be filled out and signed by Notary Public for person signing line 10.
17. Print name of agent.
18. Print name of Taxpayer from line 1.
19. Signature of agent.

**FILING INSTRUCTIONS:** If this form is to be used to authorize agent to sign the application for the landowner, it must be recorded in the land records of the municipality.

This form must also be filed with the 1) Department of Forests, Parks and Recreation at 103 South Main Street, Waterbury, VT 05671-0601; 2) the County Forester for forest parcels under a management plan, and with 3) the Division of Property Valuation and Review, PO Box 1577, Montpelier, VT 05601-1577.

**Vermont Department of Taxes  
Special Power of Attorney  
(USE VALUE APPRAISAL PROGRAM)**

\_\_\_\_\_, Social Security/Federal  
(1. Name)

I.D. number \_\_\_\_\_, hereby appoints \_\_\_\_\_  
(2. ID#) (3. Name of Agent)

\_\_\_\_\_  
(4. Address)

\_\_\_\_\_ as its agent and authorizes said agent to perform the  
(5. Telephone number)

following acts on its behalf as they relate to the real property or interest herein owned

by me in \_\_\_\_\_, Vermont:

(6. Check Applicable Boxes)

Application (NOTE: If this form is used to authorize an agent to sign the application for the landowner, it must be recorded in the land records of the municipality)

Forest Management Plan

Forest Management Activity Report

Notice of Development or Discontinuance

Other (specify):  
\_\_\_\_\_

7. Special skills or expertise of Agent (e.g., Forester, CPA, Attorney-at-law).

If none, state "None." \_\_\_\_\_

8. All prior powers of attorney on file with the Department of Forests, Parks and Recreation or the Division of Property Valuation and Review are hereby revoked except:  
\_\_\_\_\_

\_\_\_\_\_  
9. Printed name of person signing POA

\_\_\_\_\_  
11. Date

\_\_\_\_\_  
10. Signature of Taxpayer or authorized Representative

\_\_\_\_\_  
12. Title of person signing POA



**AFFIRMATION OF WITNESS**

I, \_\_\_\_\_, affirm that \_\_\_\_\_  
(13. Name of Witness) (14. Name from Line 9)

appeared to be of sound mind and free from duress at the time this power of attorney was signed, and that he or she affirmed that he or she was aware of the nature of this document and signed it freely and voluntarily.

\_\_\_\_\_  
15. Signature of Witness

(16. FOR USE BY NOTARY)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_, SS. \_\_\_\_\_

At \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_,  
personally appeared \_\_\_\_\_ who acknowledged this  
(Name from Line 9)

Instrument signed by him/her to be his/her free act and deed, and the free act and deed of  
\_\_\_\_\_, before me,  
(Name from Line 1)

\_\_\_\_\_  
Notary Public

My Commission Expires:

**ATTESTATION OF AGENT**

I, \_\_\_\_\_, hereby attest that I accept appointment as  
(17. Name of Agent)  
agent for \_\_\_\_\_ (hereafter "principal"), and:  
(18. Name from Line 1)

that I understand my duties under this power of attorney and under the law;

that I understand that I have a duty to act for the principal as to specified transactions or types of transactions if expressly required to do so in this power of attorney;

that I hereby specifically acknowledge and accept such duties to act in signing this power of attorney;

in the case of such a duty to act, my agreement to act on behalf of the principal is enforceable against me regardless of whether there is any consideration to support a contractual obligation;

that I understand and acknowledge in signing this power of attorney, that if I have been selected as agent with the expectation that I have special skills or expertise I will use those skills on behalf of the principal.

\_\_\_\_\_  
19. Signature for Agent

# Use Value of Forestland in Vermont

## Vermont Department of Forests, Parks and Recreation

Vermont's Use Value Appraisal (UVA) Program, also called "Current Use" or "Land Use", enables landowners who practice long-term forest management to have their enrolled land appraised for property taxes based on its value for forestry rather than its fair market value. When land is enrolled, the State attaches a lien to the deed. Productive forestland appraised under this program receives this assessment as long as it is actively managed, unless the landowner decides to withdraw the land from the program, the legislature ends the program, or the parcel is discontinued by the Division of Property Valuation & Review. If enrolled forestland is developed or harvested improperly, a land use change tax is levied on the developed portion and all or a portion will be discontinued from Current Use.

### Eligibility

To qualify, parcels must contain at least 25 acres and be managed according to a forest plan approved by the Vermont Department of Forests, Parks and Recreation. House sites and land under other private or commercial developments are not eligible. The primary management objective must be long-term production of forest products in accordance with established forest practices. Forest management for wildlife habitat improvement, aesthetics, recreation, or watershed protection are acceptable objectives when consistent and complementary to timber management. Non-productive forestland (e.g. swampy or rock outcrop areas) or open land that will take more than two years to fill in to trees cannot exceed 20% of the total land enrolled for use value appraisal.

Forestland which is *not* eligible includes:



Two acres surrounding any dwelling including houses, camps, and mobile homes.



Land used for commercial mining or removal of gravel.



Any forested areas where the landowner chooses not to harvest trees.



Any utility right-of-way in excess of two acres and wider than 40 feet.

Landowners do not need to enroll the entire parcel in the program. If a landowner chooses to enroll only a portion of their parcel, the excluded land must be carefully described and shown on the required map. Those lands will continue to be taxed at the fair market value. Town listers may increase the fair market value of excluded portions.



### The Application Process

Applications must be received or postmarked by September 1 at the Vermont Tax Department's Division of Property Valuation & Review for entry the following tax year. Applications are available at the Division of Property Valuation &

Review or from your county forester. Town clerks often have them as well.

By October 1, a forest management plan signed by the owner(s), and three copies of the property map drawn to program standards must be submitted to the county forester in the county where the property is located. Both the plan and the map must conform to standards of the Department of Forests, Parks and Recreation.

By mid-April, the Division of Property Valuation & Review will notify landowners of the acceptance or rejection of their land into the program.

**The Forest Management Plan**

To be enrolled, forestland must have an approved, 10-year forest management plan. This document should clearly express the landowner's long-term forest management goals, describe forest stand conditions, silvicultural objectives, and include both a detailed map and schedule for silvicultural treatments.

Plans expire after ten years. In order to keep their land assessed at use value, the landowners need to submit a new or updated 10-year plan.

Since the plan must assure that the land is being managed according to accepted forest standards, many landowners contract with private consulting foresters for help developing, writing, and implementing the plan. County foresters who are employed by the State do not write use value plans. Their role is to advise landowners and consulting foresters, review and approve management plans and Forest Management Activity Reports, and to conduct on-site monitoring.



**Ongoing Responsibility**

Landowners have a continuing responsibility to manage the enrolled parcel in a manner prescribed by their forest management plan. For continued eligibility, a Forest Management

Activity Report must be filed with the county forester by February 1 detailing any forestry activities from the preceding year. If none occurred, no report is due.

All forestland parcels will be field inspected by county foresters periodically to ensure accuracy of the management plan and to monitor scheduled forestry activities.

**Use Value and Taxes**

Land is divided into categories based on current use. Use values are determined annually by the Current Use Advisory Board. In 2006 these values were:

*Forestland* \$127/acre (\$95/acre for land greater than one mile from a Class 1, 2, or 3 road.)

*Agricultural Land* \$146/acre

The local property tax rate is assessed against the enrolled land's use value (see above) instead of Fair Market Value (FMV). As an example, under FMV, 100 acres of productive forestland may be assessed at \$800/acre. If the sum of all property tax rates is \$2.50/per \$100 of assessed value, the annual tax on this land would be \$2,000. If this parcel was in Current Use, it would be listed at \$127/acre and the annual property tax on this 100 acres would be \$317.50. The difference in this case would be \$1,682.50. Tax savings on lands with portions excluded from Current Use can be more complicated to figure and should be calculated after a town lister assesses the excluded land.

	Acres	Assessed Value		Tax Rate	Annual Tax
		Per Acre	Total		
Use Value	100	\$127	\$12,700	2.5%	\$317.50
Fair Market Value	100	\$800	\$80,000	2.5%	\$2,000



## Development and Penalties

When landowners enroll land in Current Use, the State records a lien on the property in the town records. This lien guarantees that Vermont can collect the Land Use Change Tax if the land is developed. Currently, the tax is 20% of the fair market value for lands enrolled 10 tax years or less and 10% for lands enrolled 11 or more tax years. The definition of "development" includes subdivisions creating parcels less than 25 acres, buildings or roads not used for farming or forestry, commercial mining, excavation, or the cutting of timber contrary to state silvicultural standards for Current Use and/or the approved management plan. The lien that subjects the parcel to the Land Use Change Tax remains with the land until it is paid.

Owners of enrolled forestland that is harvested contrary to the management plan or the silvicultural standards are penalized. They must pay the Land Use Change Tax on the mistreated acres. The lien is removed from only that portion. Additionally, the entire forest parcel becomes ineligible for UVA. The property may be re-enrolled after five tax years with a plan that addresses the new state of the forest.

## Land Transfer

When an enrolled parcel is transferred to new ownership, and is to remain in the Current Use program, the new owners must submit a *Notice of Change of Ownership* form and an *Application* to the Division of Property Valuation & Review within 30 days of title conveyance. Transfers include all cases where legal ownership changes by deed, including trusts. This includes transfer from one generation of a family to another, and a change in the owners involved in a group ownership. In addition to submitting new forms, an updated map must be prepared if the old map does not meet current standards, or there is a change in acreage enrollment or category. Two copies of the map must be filed with the Division of Property Valuation & Review, and one copy with the county forester. The county forester must also receive and approve a new

management plan signed by the new owner(s) or signature cover sheet signed by the new owner(s) adopting the plan of the previous owner.

If only a portion of an enrolled parcel is to be transferred, and both owners wish to remain under use value, both must file *Notice of Change of Ownership* forms, new *Applications*, and new maps. They must file modified forest management plans and maps with the county forester.

## Withdrawal

To withdraw a parcel, a landowner must file a *Notice of Development or Discontinuance* form with the Division of Property Valuation & Review. If only a portion of a parcel is withdrawn, a modified forest management plan and map explaining the change in acreage must be filed with the county forester. The Division of Property Valuation & Review requires two copies of the amended map along with the *Notice of Development or Discontinuance*.

Landowners who wish to clear the title (remove the lien) must pay the Land Use Change Tax.



For more information regarding forest land enrollment, please contact your county forester.

Addison	(802) 388-4969 x13	Lamoille	(802) 888-5733
Bennington	(802) 375-1217	Orange	(802) 476-0173
Caledonia	(802) 751-0111	Orleans	(802) 334-7325 x12
Chittenden	(802) 879-5694	Rutland	(802) 786-3852
Essex	(802) 751-0111	Washington	(802) 476-0172
Franklin	(802) 524-6501	Windham	(802) 257-7967 x 15
Grand Isle	(802) 524-6501	Windsor	(802) 296-7630 x 14

For information regarding enrollment of agricultural land, contact:

Current Use Section  
**Division of Property Valuation & Review**  
109 State Street, Pavilion Building  
PO Box 1577  
Montpelier, VT 05601-1577  
Phone: (802) 828-5861



This document is available upon request in large print, braille, and audio cassette by contacting Vermont Forests, Parks and Recreation. Vermont TDD 1-800-253-0191.

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Agency of Natural Resources  
**Department of Forests, Parks & Recreation**  
103 South Main Street, Building 10 South  
Waterbury, Vermont 05671-0601



[www.vtfpr.org](http://www.vtfpr.org)

## USE VALUE APPRAISAL OF AGRICULTURAL, FOREST, CONSERVATION AND FARM BUILDINGS PROPERTY

Chapter 124 of Title 32 provides for a program which taxes farm and forest property according to its use value. The purpose of the program is to keep agricultural and forest land in production, and to slow development of these lands.

Enrolled property must remain in agriculture, forest or conservation use to be taxed at use value. If the property is developed, a land use change tax will be due. If only a portion of the property is developed, the penalty will apply only to that portion.

### **⊗ APPLICATIONS**

Application forms are available at your Town Clerk's Office, or from Property Valuation and Review.

Completed applications are due by September 1, for enrollment the following tax year. For parcels which contain managed forest land or conservation land, 3 copies of the map and one copy of the forest or conservation management plan are due on October 1. For parcels which do not contain managed forest or conservation land, maps are due on September 1 with the application.

By April 15, applicants will be notified of the Director's decision concerning the parcel's eligibility and the use value for the current tax year. If the landowner does not file a formal withdrawal with the Director, the property will be enrolled as of the date of the grievance hearing of the town where the parcel is located.

Once enrolled, the property will automatically continue in the program, unless it is withdrawn by the owner or the division of property valuation and review, it is converted or developed, or it becomes ineligible. Whenever property is withdrawn, developed or becomes ineligible, a Notice of Development or Discontinuance will be issued for the affected tax year. A Notice of Assessment will also be issued stating the fair market value of the withdrawn portion and for any developed portion and the amount of any land use change tax that may be due.

Eligibility requirements and penalties for conversion are discussed separately on the following pages.

Below are brief statements about the eligible property, tax benefits, and the penalty for development or conversion.

#### **⊗ Agricultural land:**

At least 25 contiguous acres in active agricultural use; or smaller parcels which generate at least \$2,000 annually from the sale of farm crops; or actively used agricultural land owned by or leased to a farmer;

Taxed at use value.

Perpetual obligation to pay land use change tax of 10% or 20% of fair market value of developed portion.

#### **▲ Forest land:**

At least 25 contiguous acres of forest land managed according to state standards and an approved forest management plan.

Taxed at use value.

Perpetual obligation to pay land use change tax of 10% or 20% of fair market value of developed portion.

#### **▲ Conservation land:**

Any land, exclusive of any house site which is certified under subsection 6306(b) of Title 10, is owned by an organization that was certified by the commissioner of taxes as a qualified organization as defined in 10 V.S.A. § 6301a and for at least five years preceding its certification was determined by the internal revenue service to qualify as a Section 501(c)(3) organization which is not a private foundation as defined in Section 509(a) of the Internal Revenue Code, and is under active conservation management in accord with standards established by the commissioner of forests, parks and recreation.

Taxed at use value.

Perpetual obligation to pay land use change tax of 10% or 20% of fair market value of developed portion.

#### **Farm Buildings:**

Eligible farm buildings include all farm buildings and other farm improvements which are actively used by a farmer as part of a farming operation, are owned by a farmer or leased to a farmer under written lease for a term of three years or more, and are situated on land that is enrolled in a use value appraisal program or on a housesite adjoining enrolled land. Eligible farm buildings are exempt from all property taxes.

⊗ For More Information Contact Property Valuation and Review (802) 828-5861 ☎

**⊗ STATUTORY PROGRAM DEFINITIONS**  
**➤ TITLE 32, SECTION 3752**

- (1) "*Agricultural land*" means any land, exclusive of any house site, in active use to grow hay or cultivated crops, pasture livestock or to cultivate trees bearing edible fruit or produce an annual maple product, and which is 25 acres or more in size except as provided below. There shall be a presumption that the land is used for agricultural purposes if:
- (A) it is owned by a farmer and is part of the overall farm unit; or
  - (B) it is used by a farmer as part of his farming operation under written lease for at least three years; or
  - (C) it has produced an annual gross income from the sale of farm crops in one of two, or three of the five, calendar years preceding of at least:
    - (i) \$2,000.00 for parcels of up to 25 acres; and
    - (ii) \$75.00 per acre for each acre over 25, with the total income required not to exceed \$5,000.00;
    - (iii) exceptions to these income requirements may be made in cases of orchard lands planted to fruit producing trees, bushes or vines which are not yet of bearing age.
- For the purposes of this subdivision, the term "farm crops" also includes animal fiber, cider, wine and cheese produced on the enrolled land or on a housesite adjoining the enrolled land from agricultural products grown on the enrolled land.
- (2) "*Assessing officials*" means the listers or other assessing authority of the municipality or the state of Vermont;
- (3) "*Board*" means the current use advisory board established in section 3753 of this chapter;
- (4) "*Commissioner*" means the commissioner of the department of taxes;
- (5) "*Development*" means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road or other structure, or any mining, excavation or landfill activity. "Development" also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, parent, grandparent, child, grandchild, niece, nephew or sibling of the transferor, or to the surviving spouse of any of the foregoing then "development" shall not apply to any portion of the newly-created parcel or parcels which qualifies for enrollment and for which, within 30 days following the transfer, each transferee applies for re-enrollment in the use value appraisal program. "Development" also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or conservation management plan as provided for in section 3655(b) of this title, or contrary to the minimum acceptable standards for forest management; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the commissioner of forests, parks and recreation. The term "development" shall not include the construction, reconstruction, structural alteration, relocation or enlargement of any building, road or other structure for farming, logging, forestry or conservation purposes, but shall include the subsequent commencement of a use of that building, road or structure for other than farming, logging or forestry purposes;
- (6) "*Director*" means the director of the division of Property Valuation & Review created by section 2289 of Title 3;
- (7) "*Farmer*" means a person who earns at least one-half of his annual gross income from the business of farming as that term is defined in Regulation 1.175-3 issued under the Internal Revenue Code of 1986;
- (8) "*House site*" means the two acres of land surrounding any house, mobile home or dwelling;
- (9) "*Managed Forest land*" means:
- (A) any land, exclusive of any house site, which is at least 25 acres in size and which is under active long-term forest management for the purpose of growing and harvesting repeated forest crops in accordance with minimum acceptable standards for forest management; or
  - (B) any land, exclusive of any house site, which is:
    - (i) certified under subsection 6306(b) of Title 10,
    - (ii) is owned by an organization that was certified by the commissioner of taxes as a qualified organization as defined in 10 V.S.A. § 6301a and for at least five years preceding its certification was determined by the internal revenue service to qualify as a Section 501(c)(3) organization which is not a private foundation as defined in Section 509(a) of the Internal Revenue Code, and
    - (iii) is under active conservation management in accord with standards established by the commissioner of forests, parks and recreation;



- (10) "*Owner*" means the person who is the owner of record of any land, provided that a municipality shall not be an owner for purposes of this subchapter. When enrolled land is mortgaged, the mortgagor shall be deemed the owner of the land for the purposes of this subchapter, until the mortgagee takes possession, either by voluntary act of the mortgagor or foreclosure, after which the mortgagee shall be deemed the owner;
- (11) "*Person*" means any individual, firm, corporation, partnership or other form of organization or group of individuals;
- (12) "*Use value appraisal*" means, with respect to land, the price per acre which the land would command if it were required to remain henceforth in agriculture or forest use, as determined in accordance with the terms and provisions of this subchapter. With respect to farm buildings, "use value appraisal" means 0 percent of fair market value.
- (13) "*Minimum acceptable standards for forest management*" refer to certain standards established by the commissioner of the department of forests, parks and recreation.
- (14) "*Farm buildings*" means all farm buildings and other farm improvements which are actively used by a farmer as part of a farming operation, are owned by a farmer or leased to a farmer under a written lease for a term of three years or more, and are situated on land that is enrolled in a use value appraisal program or on a house site adjoining enrolled land; but "farm buildings" shall not include any dwelling other than a dwelling in use during the preceding tax year exclusively to house one or more farm employees, as defined in section 4469 of Title 9, and their families, as a non-monetary benefit of the farm employment.

➤ **TITLE 9, SECTION 4469**

- (1) "*Farm employee*" means an individual employed by a farm employer in farming operations.
- (2) "*Farm employer*" means an individual who earns at least one-half of his or her annual gross income from the business of farming as that term is defined in Section 1.175-3 of the regulations issued by the United States Department of the Treasury under the Internal Revenue Code of the United States, as amended.
- (3) "*Housing provided as a benefit of farm employment*" means housing owned or controlled by the farm employer, whether located on or off the farm premises, and provided for the occupancy of the farm employee and his or her family or household members for no consideration other than the farm employee's labor. Payment of utility and fuel charges paid by the farm employee does not affect the designation of housing provided as a benefit of farm employment.

Ⓢ Ⓢ AGRICULTURAL AND FARM BUILDINGS PROGRAM Ⓢ Ⓢ

ELIGIBLE PROPERTY

In general, agricultural land must be at least 25 acres and in active use to do one of the following: grow and annually harvest hay or cultivate crops; cultivate and harvest Christmas trees; cultivate trees to produce an annual crop of edible fruit or syrup; pasture at least one animal unit per three acres for a minimum of 30 days per year. (An animal unit is defined as one horse, one cow, one mule, five goats, or five sheep).

Parcels less than 25 acres may be enrolled if they have produced an annual gross income of at least \$2,000 from the sale of farm crops in one of two or three of five immediately preceding calendar years, or if they are owned by or leased to a farmer and actively used.

Housesites must be excluded (2 acres surrounding each dwelling, house, mobile home or camp). Actual acreage of developed land must be excluded along with any land used for fee hunting or fishing.

Land surrounding activities other than agriculture must be excluded.

Owners do not have to be farmers to participate.

*Fee hunting prohibition:* As of September 1, 1997, no person may charge or receive a fee, consideration or other thing of value in exchange for the right to hunt or fish on land enrolled in a use value program.

TAX BENEFITS

Land will be taxed based on its use value established annually by the Current Use Advisory Board and eligible farm buildings are exempt from all property taxes.

REQUIREMENTS AND TERMS

Property must continue to be actively used for agriculture purposes.

DEVELOPMENT AND PENALTIES

Once land is enrolled, it is subject to a lien. If this land is ever developed, the owner at the time of development must pay the land use change tax. The land use change tax is calculated as 10% or 20% of the fair market value of the developed portion prorated on the basis of acreage divided by the common level of appraisal. If land has been enrolled more than 10 years, the rate is 10%. If land has been enrolled 10 years or less the rate is 20%.

In this program, development includes: subdivision so that one or more of the resulting parcels is less than 25 acres; construction of buildings, roads, or structures not used for farming purposes; commercial mining, excavation or landfill activity.

The obligation to pay this tax runs with the land in perpetuity. The tax is not due unless and until the land is developed; however, it may be prepaid if the landowner wishes to clear the title.

WITHDRAWAL

All or a portion of the land may be withdrawn by the owner. If the land is not developed, the land use change tax would not be due. However, the land use change tax would be due if the land is ever developed in the future. The tax would be calculated as 10% or 20% of the fair market value of the developed portion as of the date that the land was withdrawn from the program.

TRANSFER OF OWNERSHIP

*FORM LU-CHANGE:00-CHANGE OF OWNERSHIP* and an updated application with maps must be completed and forwarded within 30 days of the conveyance to Property Valuation and Review, Current Use Appraisal Program, PO Box 1577, Montpelier, VT 05601-1577 if:

- 1) enrolled land is conveyed and is to remain in the program by the new owner.
- 2) a portion of the property is retained by the original owner and is to continue to be enrolled by the original owner.

## FOREST AND CONSERVATION PROGRAM

### ELIGIBLE PROPERTY

At least 25 contiguous acres of forest land, managed according to both state standards and a forest management plan approved by the Department of Forests, Parks and Recreation. Land which is not capable of growing 20 cubic feet per acre per year plus open land not to be restocked within two years under the provisions of a forest management plan cannot exceed 20% of the total eligible land appraised at use value. Any land owned by a qualifying organization and managed according to a conservation management plan approved by the Department of Forests, Parks and Recreation.

Housesites must be excluded (2 acres surrounding each dwelling, house, mobile home or camp). Actual acreage of developed land must be excluded along with any land used for fee hunting or fishing.

Land surrounding activities other than forestry must be excluded.

*Fee hunting prohibition:* As of September 1, 1997, no person may charge or receive a fee, consideration, or other thing of value in exchange for the right to hunt or fish on land enrolled in a use value appraisal program.

### TAX BENEFITS

Land will be taxed based on its use value which is established annually by the Current Use Advisory Board.

### REQUIREMENTS AND TERMS

Property must be managed according to the approved forest or conservation management plan and according to state standards. It will be inspected at least once every 5 years. The main objective in requiring a management plan is to assure that the land is managed carefully. It is not intended to force a landowner into a particular type of management. A private consulting forester should be asked to prepare, or help prepare, a management plan which meets the landowner's objectives as well as the state standards.

A Forest Management Activity Report, must be filed by February 1 with the Department of Forests, Parks and Recreation to report any management activity which occurred in the previous year.

### DEVELOPMENT AND PENALTIES

Once land is enrolled, it is subject to a lien. If this land is ever developed, the owner at the time of development must pay the land use change tax. The land use change tax is calculated as 10% or 20% of the fair market value of the developed portion prorated on the basis of acreage divided by the common level of appraisal. If land has been enrolled more than 10 years, the rate is 10%. If land has been enrolled 10 years or less, the rate is 20%.

In this program, development includes: subdivision so that one or more of the resulting parcels is less than 25 acres; construction of buildings, roads, or structures not used for forestry purposes; commercial mining, excavation or landfill activity, or cutting timber contrary to the management plan or contrary to state standards.

The obligation to pay this tax runs with the land in perpetuity. The tax is not due unless and until the land is developed; however, it may be prepaid if the landowner wishes to clear the title.

### WITHDRAWAL

All or a portion of the land may be withdrawn by the owner. If the land is not developed, the land use change tax would not be due. However, the land use change tax would be due if the land is ever developed in the future. The tax would be calculated as 10% or 20% of the fair market value of the developed portion as of the date that the land was withdrawn from the program.

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- 1) enrolled land is conveyed and is to remain in the program by the new owner.
- 2) a portion of the property is retained by the original owner and is to continue to be enrolled by the original owner.

## How To Calculate Land Use Change Tax

For Properties enrolled in the Use Value Appraisal for 10 years or less:

$$\frac{\text{(Assessed Value of Enrolled Acres)} - \text{(Common Level of Appraisal)}}{\text{Total Enrolled Acres}} \times \text{Acres Developed} \times .20 = \text{Tax}$$

For Properties enrolled in the Use Value Appraisal for more than 10 years:

$$\frac{\text{(Assessed Value of Enrolled Acres)} - \text{(Common Level of Appraisal)}}{\text{Total Enrolled Acres}} \times \text{Acres Developed} \times .10 = \text{Tax}$$

## Calculating Contributory Value

The section regarding contributory value in the Current Use statute was changed in 1996. Section 3756d now reads:

- (d) The assessing officials shall appraise qualifying agricultural and managed forest land and farm buildings at use value appraisal as defined in section 3752(12) of this title. If the land to be appraised is a portion of a parcel, the assessing officials shall:
- (1) determine the contributory value of each portion such that the fair market value of the total parcel is comparable with other similar parcels in the municipality; and
  - (2) notify the landowner according to the procedures for notification of change of appraisal. The portion of the parcel that is not to be appraised at use value shall be appraised at its fair market value.

In practice, this means that the fair market value of excluded lands and buildings is deducted from the total parcel value to determine the contributory value of the enrolled portion. The town listers make the final determination of allocation.

In some cases excluded lands and buildings can have a very high fair market value which can considerably reduce the expected tax reduction. For example, the listers assess a 100-acre wooded parcel's fair market value at \$300,000. They assess the house at \$200,000 and the two acres around the house at \$50,000 for a total homestead value of \$250,000. Since the house and two-acre homestead are excluded from Use Value, the contributory value of the 98 acres of enrolled land will be  $\$300,000 - \$250,000 = \$50,000$ .

It is this \$50,000 contributory value that will be reduced on the grand list to its use value of, in 2002, [(98 acres) (\$105 /acre) =] \$10,290. If the town tax rate is \$2.00 / \$100.00 of value, the taxes on the enrolled 98 acres will be [(\$2.00 / \$100.00) (\$10,290) =] \$205.80. Without Use Value, the taxes on the 98 acres would be [(\$2.00 / \$100.00) (\$50,000) =] \$1,000. Use Value Appraisal would save the owner [\$1,000 - \$205.80 =] \$794.20.

Rev. 2/3/03