



Use Value Appraisal

DEPARTMENT OF FORESTS, PARKS AND RECREATION

Keith Thompson, Private Lands Program Manager

February 2, 2023

Presentation Overview



Introduction and Program Purposes



History and Overview



Program Details and Eligibility



Obligations and Responsibilities



Questions

Statutory Purpose

Preserve the **working landscape and the rural character of Vermont.** (32 V.S.A § 3750)

§ 3751 further statement of purpose:

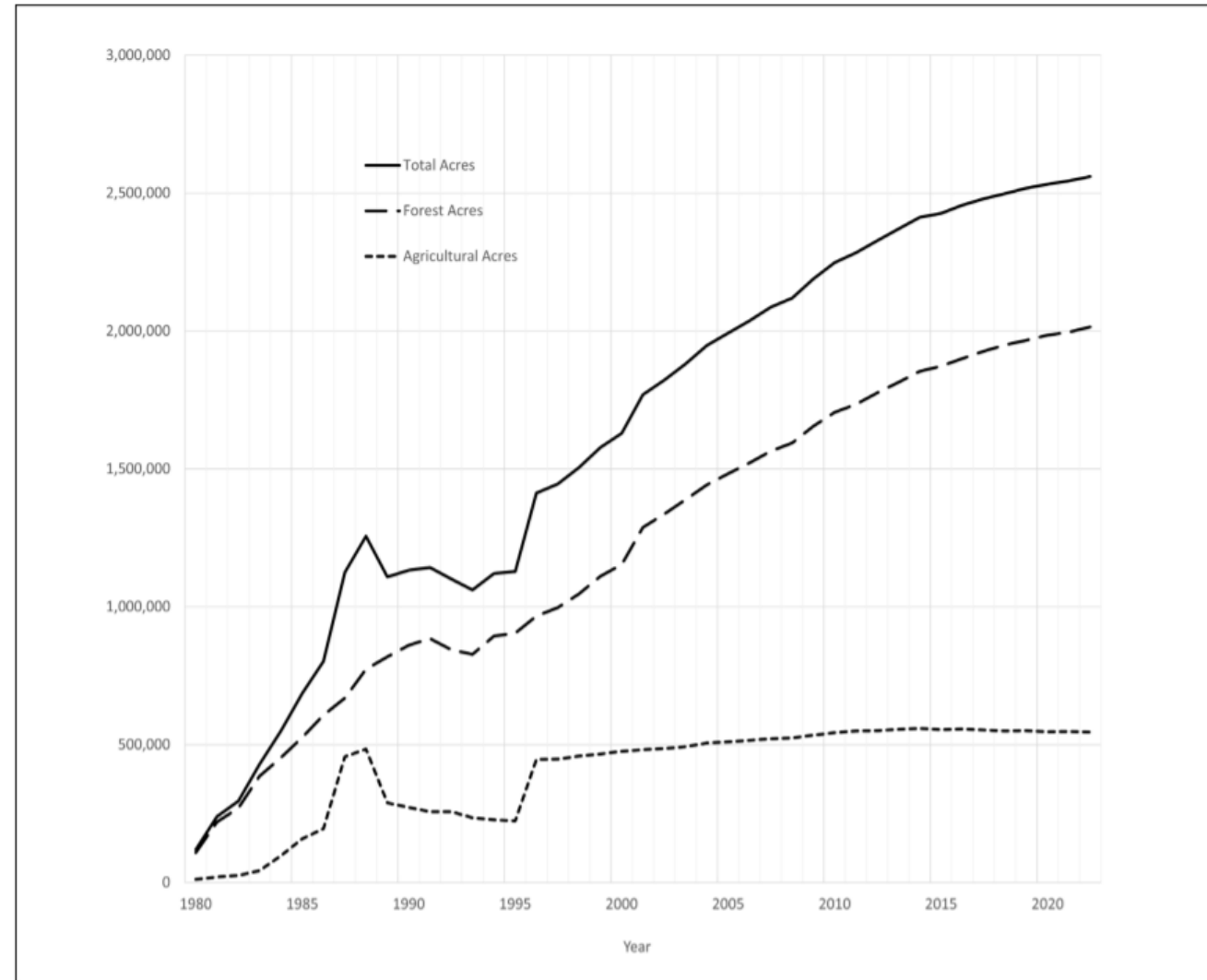
- Keep Vermont's agriculture and forestland in production.
- Protect natural ecological systems.
- Prevent accelerated conversion to development.
- Achieve equitable taxation.
- Assist in preservation and protection of scenic resources.
- Assist Vermonter's in planned orderly growth.



Program Growth Over Time

2022 Enrollment

| Enrollment Category | Acres (Million) | Parcels (Number) |
|---------------------|-----------------|------------------|
| Forestland | 2.01 | 16,000 |
| Conservation | .04 | 190 |
| Agricultural | .55 | 3,000 |
| Total | 2.56 | 19,500+ |



Forestland Enrollment Growth: 2003 - 2022



- **Acres: 43% increase**
 - 2003: 1.4 million
 - 2022: 2 million
- **Parcels: 70% increase**
 - 2003: 9,000
 - 2022: 16,000

The growth in parcels and acres is not proportionate because forestland enrollments are smaller than they were historically and enrolled parcels are frequently subdivided.

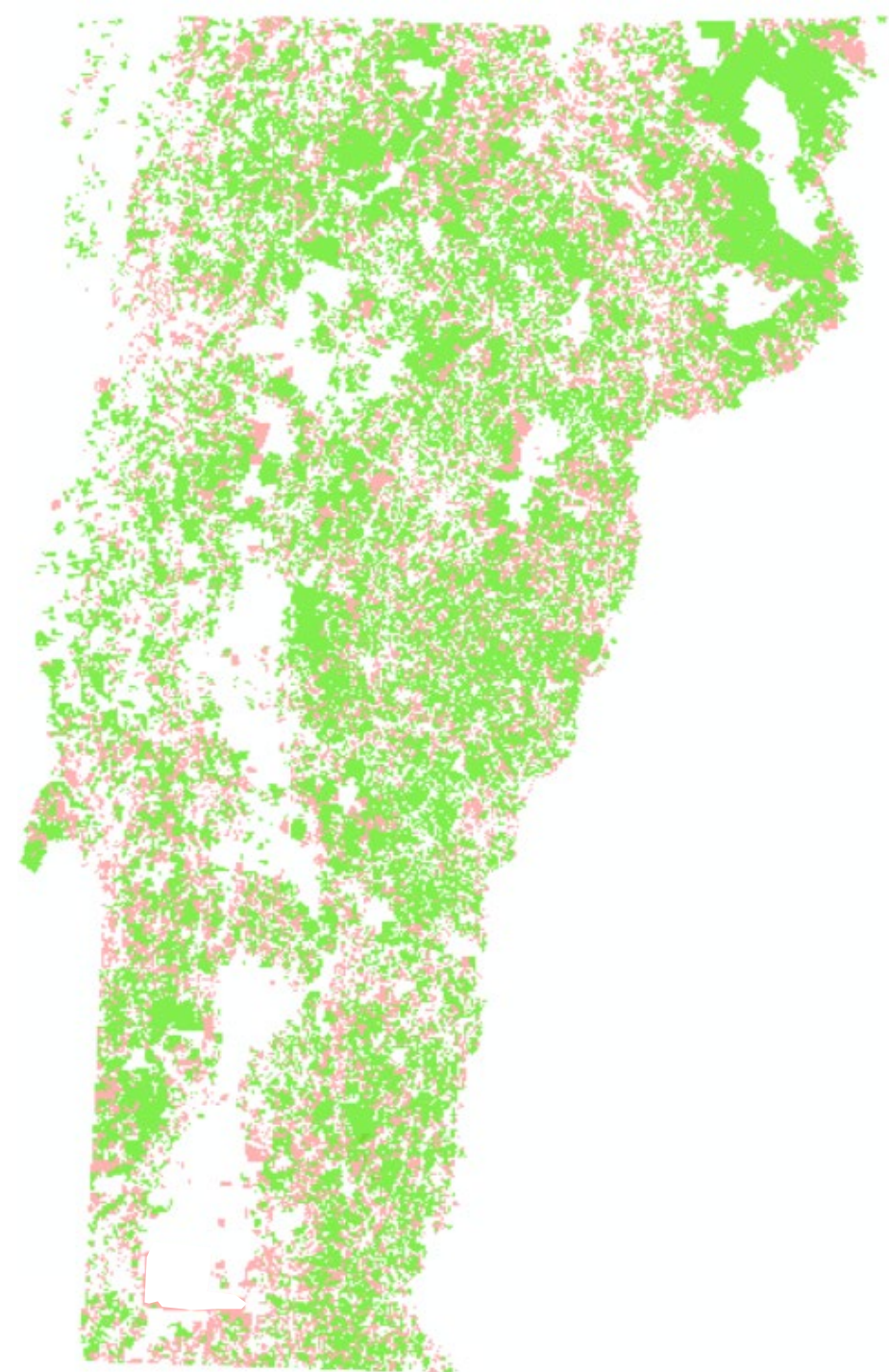
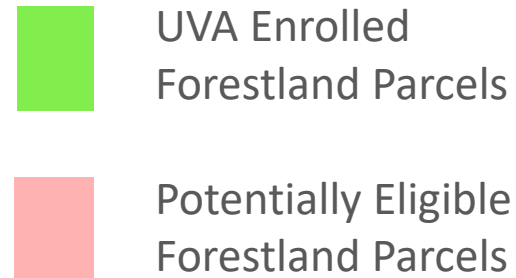
Parcels Enrolled in UVA

55% of eligible forestland parcels are enrolled

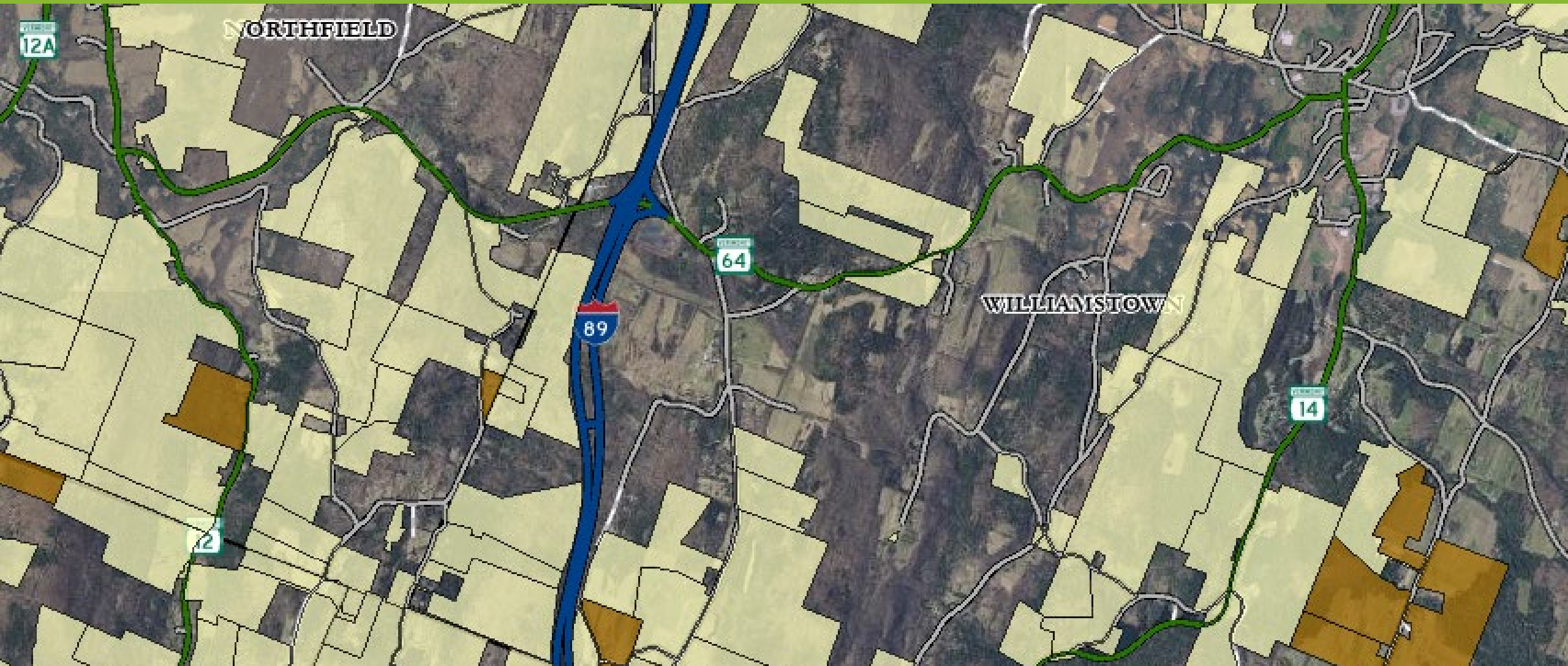
- 16,000 parcels enrolled
- 29,000 parcels eligible

70% of eligible forest acres are enrolled

- 1.98 million acres enrolled
- 2.77 million acres eligible



What Enrollments Look Like



ENROLLMENT CATEGORIES:



AGRICULTURAL
LAND



FORESTLAND



CONSERVATION
LAND

Use Values - 2023

Forestland

\$187/acre

\$140/acre for land greater than one mile from a Class 1, 2, or 3 road.



Agricultural Land

\$456/acre

(Also Open Idle/Ag Land)



Use Value Rates Over Time

| Tax Year | Forestland Value per Acre | Forestland Value > 1 Mile from Road per Acre | Agricultural Land Value per Acre |
|----------|---------------------------|--|----------------------------------|
| 2023 | 187 | 140 | 456 |
| 2022 | 170 | 128 | 429 |
| 2021 | 152 | 114 | 405 |
| 2020 | 151 | 113 | 382 |
| 2019 | 145 | 109 | 362 |
| 2018 | 136 | 102 | 347 |
| 2017 | 135 | 101 | 326 |
| 2016 | 135 | 101 | 306 |
| 2015 | 131 | 98 | 289 |
| 2014 | 118 | 89 | 279 |
| 2013 | 119 | 89 | 265 |

How much do landowners save?

| | ASSESSED VALUE | | | | |
|--------------------------|----------------|----------|-----------|-----------------|----------------|
| | Acres | Per Acre | Total | Tax Rate | Annual Tax |
| Use Value | 100 | \$187 | \$18,700 | 2% | \$374 |
| Fair Market Value | 100 | \$1,000 | \$100,000 | 2% | \$2,000 |
| | | | | Savings: | \$1,626 |

Exclusions and Ineligible Land



If you have a question
– contact PV&R at
802-828-5860

Agricultural Land Eligibility

- ▶ At least 50% of income from farming
- ▶ Must supply tax returns to PV&R
- ▶ Leasing to a farmer with 3-year lease?
- ▶ Minimum acreage - 25ac or not?
- ▶ Income requirements for non-farmers less than 25ac - \$2000/year from farm unit



Agricultural Land Eligibility



- As of 2016 – **Annual** completion of CU-313 Ag Certification. This form is generally mailed to landowner on record from PV&R and is due November 1 EVERY year. This form can be downloaded here: <https://tax.vermont.gov/property-owners/current-use/certification>
- If not on record with PV&R as a farmer by income, tax information from farmer (either lessor or landowner) will be required.
- Maps of ag land are required, but no additional management plan required.
- There is no county forester equivalent for Ag land. When in doubt, contact Property Valuation and review or a county forester.

Agricultural Land and Farm Building Eligibility



If you have a question, see the UVA Application (CU-301) instructions or contact PV&R at 802-828-5860

Conservation Land Eligibility



- **Owned by a 501(c)(3)**, which is not a private foundation, and which has been certified by the Commissioner of Taxes as being principally engaged in the preservation of undeveloped land for the purposes of conservation.
- **Parcel has been certified** by the Tax Department as being eligible for tax exemption.
- **Management advancing conservation goals** consistent with a plan and map meeting minimum acceptable standards.

Forestland Eligibility

- At least **25 acres** of enrolled land, with a **minimum of 20 acres** of productive managed forest - *house sites and commercial developments are not eligible.*
- Management is **approved by FPR** and consistent with a forest management plan and map meeting the **minimum acceptable standards** as established by the Commissioner of FPR.
- Land eligible as Ecologically Significant Treatment Areas (ESTAs) **do not require timber** to be the primary management objective.
- **All Site IV lands are eligible** when all other eligibility conditions are met.



Forestland Enrollment: *Sub-Categories*

Managed **actively** for timber:

- **Must use USDA Forest Service silvicultural guides:**
 - Productive Forestland
- **May use guidelines other than USDA Forest Service silvicultural guides:**
 - Significant Wildlife Habitat
 - Special Places and Sensitive Sites



Lands NOT managed actively for timber

Needs to be substantiated and mapped



Ecologically Significant Treatment Areas - ESTAs

- Natural Communities of Statewide Significance
- Rare, Threatened, and Endangered Species
- Riparian Areas
- Vernal Pools with Amphibian Breeding Habitat
- Forested Wetlands
- Old Forests

Miscellaneous

- Up to 1 acre for legitimate conservation objective

Reserve Forestland (July 1, 2023)

- Managed for attainment of old forest values and functions

Lands NOT managed actively for timber

Needs to be substantiated and mapped

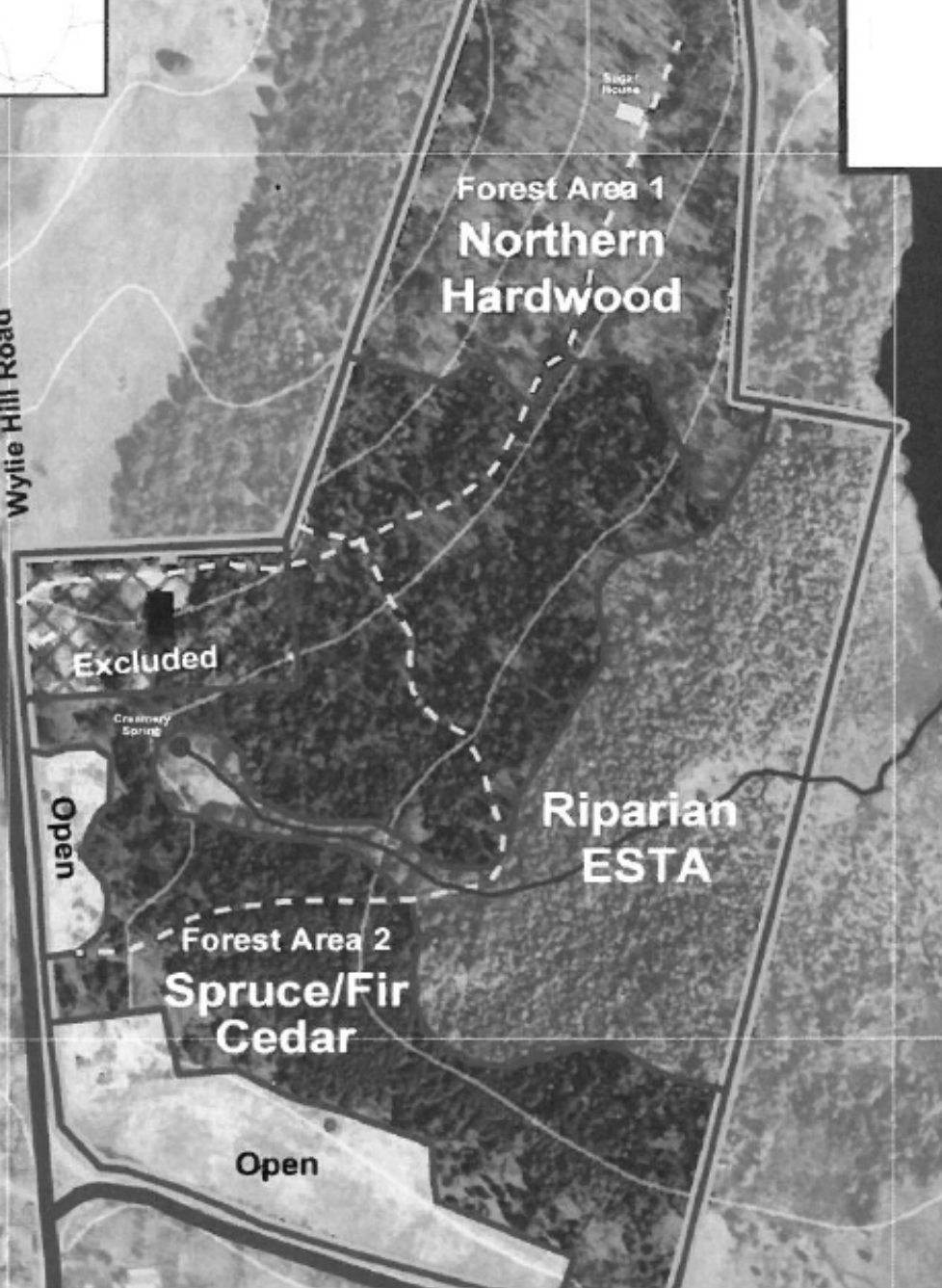


Site IV soils

- Usually, wetlands or rock outcrops

Non-forested lands

- “Open Land”



Example Project

Often parcels are enrolled in several categories

| Category | Acres |
|--|-------------|
| Productive Forestland | |
| Northern Hardwood | 8.5 |
| Spruce/Fir/Cedar | 15 |
| Open / Idle Agricultural Land | 4 |
| Ecologically Significant (ESTA) | |
| Riparian ESTA | 9 |
| Excluded | 2 |
| TOTAL | 38.5 |

The Forest Management Plan:

Prepared by private licensed consulting forester.

Long term management goals.

Describe stand conditions, objectives, and include a map and schedule of treatments.

Updated plan required every 10 years (adopted plans will be valid for remainder of 10 year cycle)



Ongoing Responsibilities

- ▶ Parcel management follows management plan.
- ▶ Submit Forest Management Activity Report (FMAR).
- ▶ Inspected periodically.



Management of UVA enrolled forestland needs to include producing forest products but should be aligned with the landowner's goals. Management for recreation, aesthetics, wildlife, water quality are compatible with timber management.



Where land use history has altered hydrology, introduced invasive plants, simplified the forest structure, or where climate change and other stressors threaten forest health, active management can be a critical tool to fund and implement restoration and climate-adaptive silviculture when they are most valuable ecologically.

Forest Management Plan Contents



Property Summary



Parcel Resource Information



Stand Descriptions

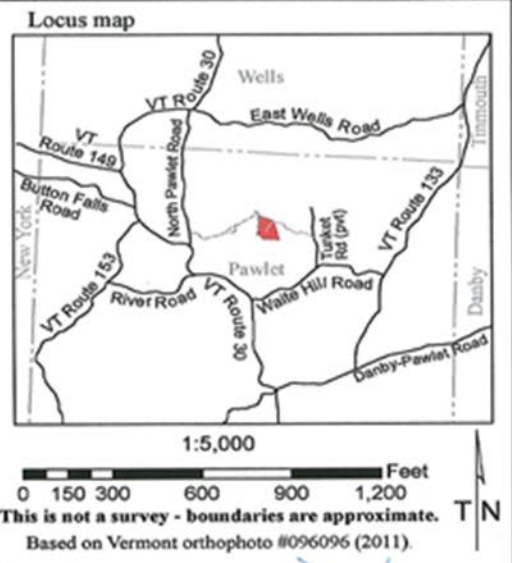
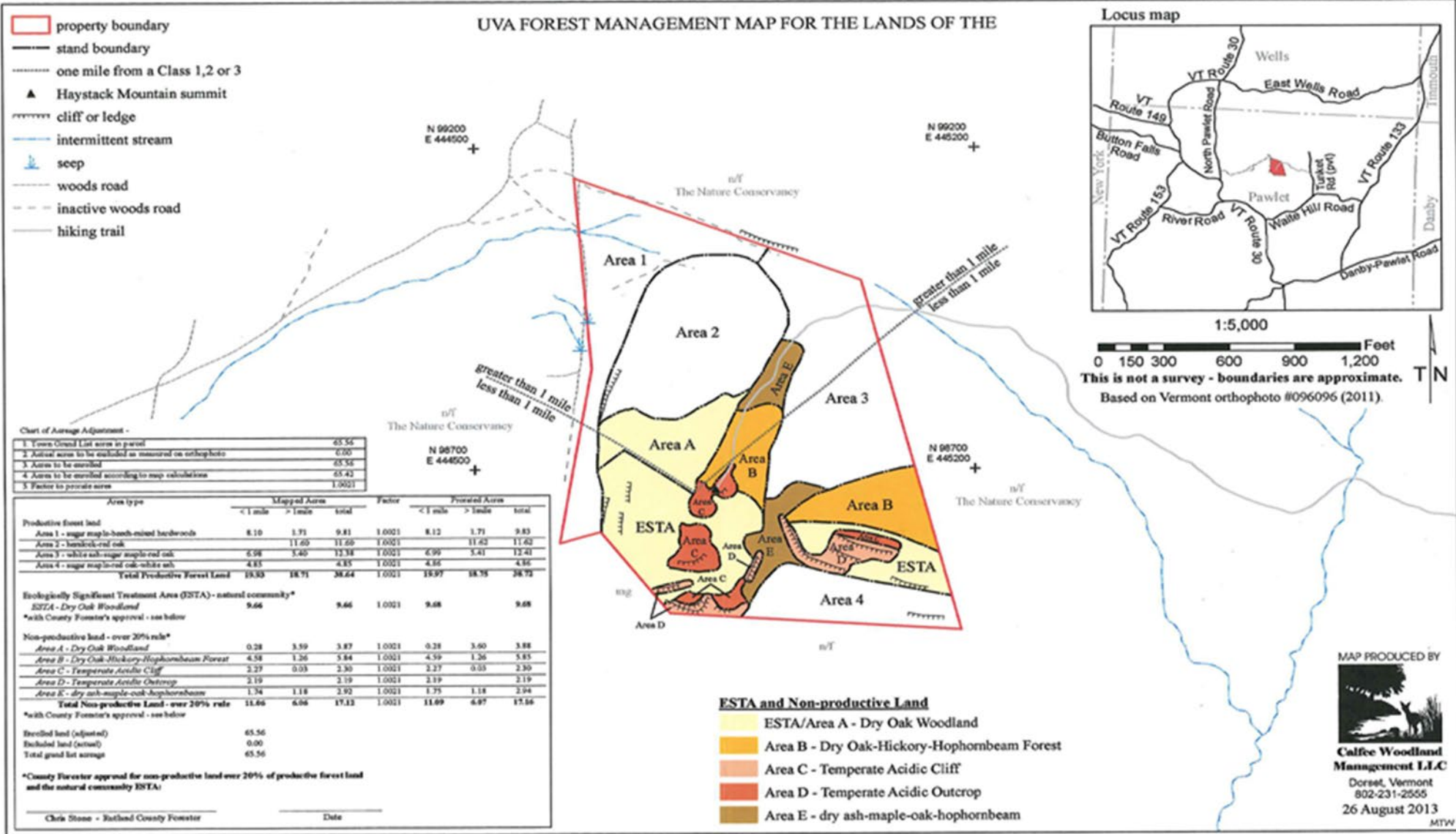


Management Prescriptions



Mapping

UVA FOREST MANAGEMENT MAP FOR THE LANDS OF THE



Chris Stone - Rutland County Forester Date

MAP PRODUCED BY

Calfee Woodland Management LLC
 Dorset, Vermont
 802-231-2555
 26 August 2013
 MITW



Staying Enrolled



Staying Enrolled







UVA Inspections

USE VALUE APPRAISAL PROGRAM CONFORMANCE INSPECTION REPORT

1) Landowner Name: Francis Woodlot

2) Town: Shrewsbury 3) Inspection Date: 6/9/2015

4) Plan Preparer/Current Forester: Fred Forrester

FOREST MANAGEMENT PLAN UPDATE DUE APRIL 1ST, 2022

Comments: SPAN 59418710332

5) Were any areas scheduled for treatment since the last inspection? Yes No

| <u>Stand ID</u> | <u>Treatment</u> | <u>Year</u> | <u>Status</u> |
|-----------------|---------------------------|-------------|---------------|
| 1 | Overstory Removal | 2014 | In Progress |
| 2 | Partial Overstory Removal | 2014 | In Progress |
| 3 | Shelterwood | 2014 | Not Visited |

6) Have prescribed treatments been performed in conformance with the management plan? Yes No Stand 1 treatment has retained good pockets and variable stocking of quality hardwood poletimber. Stand 2 treatment has resulted in lower stocking of quality poles and sawtimber, and will encourage the growth of the abundant ground-level regeneration. No harvesting was observed in Stand 3, but only portions of the stand boundary were visited.

7) Parcel recommended for continuation in UVA program? Yes Yes, IF No
Comments/Recommendations: Harvesting operations were suspended at the time of the field inspection. Poled fords and temporary bridges were in place. Some reinforced waterbars were observed and the skid trails are well vegetated and stable.

Inspecting Forester: Chris Stone Date: 6/29/2015

Inspection Basis: File Inspection Discussion with Fred Forester
 Field Inspection

| LANDOWNER'S ADMINISTRATIVE SCHEDULE FOR CURRENT USE | |
|--|--|
| Every 10 years (Due by April 1 st) | Updated Management Plan to County Forester for certification |
| Whenever activity occurs (Due by February 1st following the calendar year of activity) | File Forest Management Activity Report with County Forester if Management Activity occurred in the previous calendar year. |
| EVERY YEAR | Follow your plan. (Activities need to be done within 3 years on either side of the date stated in the plan.) |

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 area cut contrary or developed. Call the County Forester or your consulting forester **before you contract with someone to log your woodlot.**

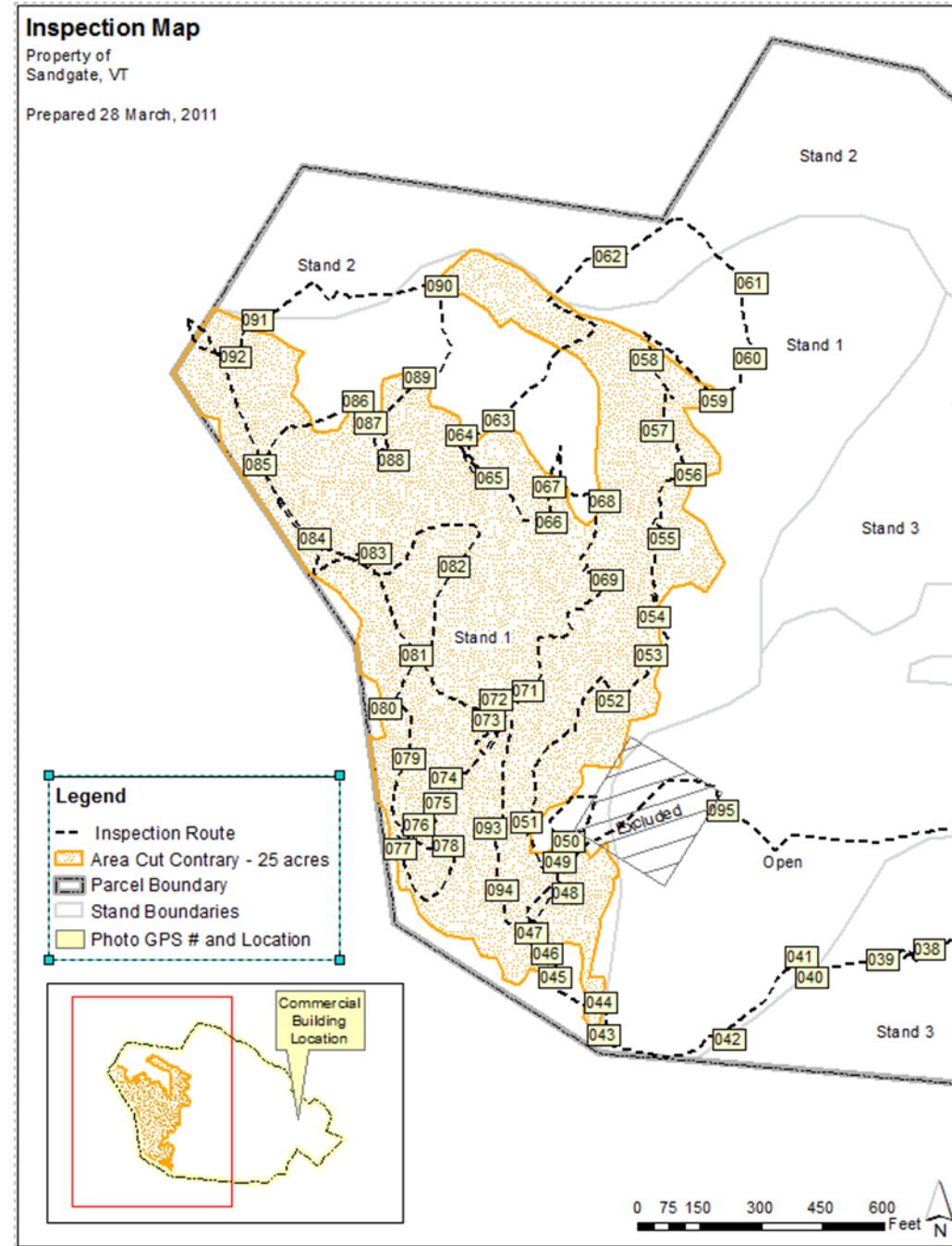
Removal of Land from UVA

- **Voluntary Withdrawal**
 - Lien Remains
 - Lien is Cleared with Payment of Land Use Change Tax
- **Administrative Removal**
 - Performed by Tax Department for:
 - Failure to maintain eligibility
 - Failure to confirm eligibility
 - Correcting erroneous enrollments
 - “Development”
 - Typical
 - Subdivision and ownership
 - Cutting Contrary to the Forest Management Plan

Cutting Contrary to the Forest Management Plan

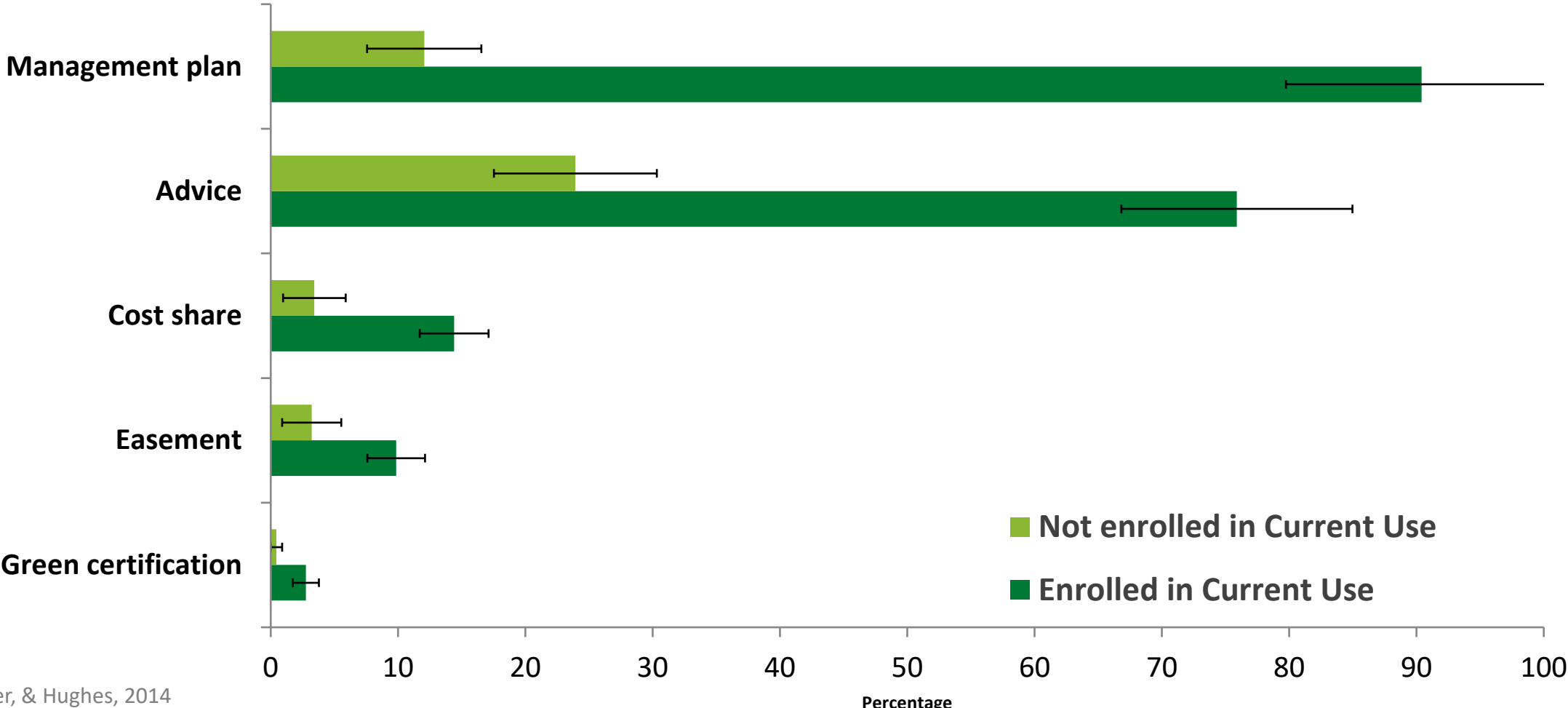
- Removal of entire property for 5 years
- Land Use Change Tax levied on acreage cut contrary

(Generally, 5 – 10 parcels per year)



Extended Benefits of UVA Program

Percentages of family forest land and ownerships with 25+ acres



Butler, Butler, & Hughes, 2014





