

# Vermont Use Value Appraisal Program (Current Use)

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# Purpose (32 V.S.A. Chapter 124)

- to encourage and assist the maintenance of Vermont's **productive agricultural and forestland**;
- 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

# Current Enrollment

Currently, there are more than 19,600 parcels of land enrolled totaling more than 2.5 million acres, about one-third of Vermont's total acreage.

**Table 11: Annual Current Use Enrollment**

Tax Year	Parcels	Owners	Agricultural Acres	Forest Acres	Total Acres
2023	19,606	16,097	543,200	2,025,316	2,568,516
2022	19,535	15,954	545,477	2,014,163	2,559,641
2021	19,415	15,840	547,617	1,996,378	2,543,995

# Farm Buildings

- › Taxed at 0% of Fair Market Value
- › For 2023, the value of farm buildings on a parcel enrolled in the program ranged from \$500 to \$7.74 million.
- › The total assessed value of enrolled farm buildings for the 2022 tax year was \$319,427,340 on 1,753 parcels.

# Taxation Impacts

Annually, the municipalities are paid a “hold harmless payment” from the General Fund to make up for the foregone municipal revenue of Current Use enrollment. This payment in 2023 was over \$19 million.

Enrollment in the program results in foregone Education Tax revenue of \$50 million.

# Taxation Impacts

**Table 14: Current Use Tax Savings to Landowners**

Tax Year	Municipal Tax Savings to Enrolled Landowners	Education Tax Savings to Enrolled Landowners	Total Tax Savings to Enrolled Landowners
2023	\$19,354,487	\$50,228,157	\$69,582,644
2022	\$18,075,693	\$47,552,112	\$65,630,805
2021	\$17,237,387	\$49,377,071	\$66,614,458
2020	\$17,322,844**	\$49,179,608**	\$66,502,452**
2019	\$16,507,284	\$47,594,167	\$64,101,451
2018	\$16,195,274**	\$46,925,733**	\$63,121,007**
2017	\$15,553,999**	\$45,361,043**	\$60,915,042**
2016	\$14,530,332**	\$45,161,146**	\$59,691,478**
2015	\$14,519,248	\$44,609,223	\$59,128,471
2014	\$14,530,332	\$45,161,146	\$59,691,478
2013	\$13,890,827	\$43,110,537	\$57,001,364

# Who is involved in Current Use administration?

- › Landowners
- › Consulting Foresters; Real Estate Attorneys
- › County Foresters at Department of FPR
- › Current Use Specialists at PVR
- › Current Use Advisory Board
- › Listers and Assessors
- › Town Clerks

# 2023 Processing

- › For 2023, the Current Use Program reviewed 1,732 applications.
- › Of these, 304 were new enrollments
- › 301 were additions
- › 1,127 were associated with transfers
- › Of the 1,732 applications, the Department of Forests, Parks, and Recreation's County Foresters were involved in the review of 1,432 applications.



# Current Use Advisory Board – Use Values

- › The Current Use Advisory Board (CUAB) is charged with adopting rules, providing administrative oversight, and establishing use values.
- › The CUAB meets annually to set use values using data provided by the Agency of Agriculture, Food and Markets and by the Department of Forests, Parks and Recreation.
- › Pertinent data includes but is not limited to the net annual stumpage value per acre for forestland use values.
- › Pasture and crop land rental are the basis for determining the use value of agricultural land.

## 2024 Use Values:

**Ag: \$483**

**Forest: \$188**

**Forest GTM: \$141**

# Why Enroll?

- › 98 acres enrolled of ag and forest with 2 acres excluded
  - Enrolled Land Value \$185,000 and Excluded Land Value \$40,000
- › Grand List Value set by Town is \$225,000. Tax Rate is 2.5212
- › Exempt Reduction is \$167,900 (use value calculation)--Grand List Value is brought down to \$57,100
- › Without Current Use, taxes are  $\$225,000 \times 2.5212/100 =$   
**\$5,673**
- › With Current Use, taxes are  $\$57,100 \times 2.5212/100 =$   
**\$1,440**
- › Annual Savings on property taxes = **\$4,233**

# Why Not?

- › Contingent Lien placed on the land at the time of approved enrollment
- › Cost to prepare application materials & updates
- › If property value is low, savings are minimal
- › If developed, Land Use Change Tax become due – Significant amount of \$\$
- › Forest land requires Forest Mgmt. Plan, regular harvesting, inspections by state
- › Agricultural land and buildings require annual certification

# Forestland Enrollment

- › At least 25 acres of enrolled land, exclusive of house sites and developments, with minimum 20 acres of productive managed forest
- › Forest management plan with map
- › Lands where timber is not principal objective may be enrolled with for:
  - Ecologically Significant Treatment Areas (ESTAs)
  - Reserve forest land
  - Significant wildlife habitat
  - Special places
  - Sensitive sites
- › Site IV lands: all eligible with minor caveats (Site IV is not capable of producing 20 cubic feet of wood per acre per year)
- › If owner is a “qualified” farmer, unlimited non-productive forest land & up to 25 acres of productive forestland can be enrolled

# Agriculture Land & Buildings

- › In Active Agricultural Use
  - Pasture livestock
  - Grow crops/hay
  - Orchards
  - Produce an annual maple product
- › If less than 25 acres, owner must be “qualified” farmer; leased to a qualified farmer; or \$2,000/year income from the sale of farm crops
  - At least 50% of Gross Annual Income from the business of farmer per IRS definition
- › Annual agricultural certification
- › Ag Buildings must be in active agricultural use and either owner or leased to a “qualified” farmer

# What is “Development”?

- › 2-acre housesite for a dwelling, house, mobile home
  - As of 2021, can have multiples dwellings in a 2 acre site—cluster development
- › Creating a parcel less than 25 acres
  - EXCEPT when the resulting parcel is eligible for enrollment AND it was transferred to an immediate family member
- › Cut Contrary portion of an adverse Inspection of forest land
- › Construction of any building, road, or other structure, or any mining, excavation or landfill activity.
  - Unless the building, road, or other structure is used for farming, logging, forestry, or conservation purposes.
- › Agricultural Land Water Quality Violation report by AAFM to Tax

# Land Use Change Tax

- › Land Use Change Tax is due upon “development” of the land or if you wish to remove the lien
- › Withdrawal is not “development”
- › 10% of the “Fair Market Value” of the land as a “separate parcel”
- › Municipality receives 50% up to \$2,000 of the Land Use Change Tax that is collected.

# Land Use Change Tax

Table 15: Withdrawals of Enrolled Land and Buildings and Land Use Change Tax (LUCT)

Calendar Year	LUCT Assessed on Developed Acres	LUCT passed on to Municipality	Acres Developed and/or Lien Removal Requested	Acres Withdrawn (LUCT Not Due)	Number of Farm Buildings Withdrawn	Number of Completed Withdrawals
2023	\$1,501,211	\$43,622	1,809	23,366	169	716
2022	\$1,725,911	\$556,911	2,013	23,516	260	778
2021	\$1,289,306	\$407,463	1,466	18,259	90	511
2020	\$516,061	\$229,261	889	20,362	106	451
2019	\$761,257	\$274,904	1,196	17,452	133	492
2018	\$714,088	\$311,085	1,028	19,844	295	592



# Upgrades to Systems at Tax

The Current Use program relies on an older IT system and remains heavily reliant on paper and manual processes.

This year we will shift key program functionality into the Department's existing integrated IT system, VTax, which would streamline and automate many manual, paper-intensive processes.

We also are going to be as digitizing decades of current use records that the Department needs to maintain.

# Where can I find out more?

- › Department of Forest, Parks and Recreation: [Use Value Appraisal \(Current Use\) | Department of Forests - Parks and Recreation \(vermont.gov\)](#)
- › Department of Taxes PVR Annual Report: [Property Valuation & Review Annual Report | Department of Taxes \(vermont.gov\)](#)
- › Current Use Program Application: [Current Use | Department of Taxes \(vermont.gov\)](#)

# Contact Us

Where can I find out more?



[Tax.currentuse@vermont.gov](mailto:Tax.currentuse@vermont.gov)



(802) 828-5860



[Current Use | Department of Taxes \(vermont.gov\)](https://www.vermont.gov)

[Property Valuation & Review Annual Report | Department of Taxes \(vermont.gov\)](https://www.vermont.gov)