

H.329 Use Value Appraisals
Side by Side Comparison

Subject	As Passed the House	As Passed Senate Committee on Agriculture	As Passed Senate Committee on Natural Resources and Energy
<p>Definitions 32 V.S.A. § 3752</p>	<p>Sec. 3 “use value appraisal” local assessing officials no longer rely on sales information from the Director</p>	<p>Sec. 1 “housesite” excludes dwellings housing farm employees from housesite definition if a dwelling qualifies as a farm building</p> <p>“farm building” expands definition to include dwellings used to house farm employees, even if located on a housesite that is not contiguous with the land receiving a use value appraisal</p> <p>“managed forestland” broadens definition to allow Commissioner the authority to approve ESTA enrollments in excess of the 80/20 rule</p> <p>“methane digesters” defines methane digesters and directs PVR to value them at \$0.00 for the purposes of calculating municipal reimbursements</p> <p>“parcel” new definition: for the purpose of current use, any subdivided lot shall count as its own parcel</p>	<p>[No similar provision]</p>

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Definition 32 V.S.A. § 4152(a)(3)	[No similar provision]	Sec. 7 “parcel” specifies that the definition of “parcel” under Grand Tax Lists chapter applies only to that chapter	[No similar provision]
Forest Management Plans 32 V.S.A. § 3755	Sec. 4 Adds 30-day notice to owner requirement prior to removing parcel of managed forestland from use value appraisal if owner fails to file a <u>required</u> management activity report. People are only required to file a management activity report if they do something; inserted word “required”	Sec. 2. Allows the Commissioner to accept initial or revised management plans or management plan updates up to one year after the due date in the case of accident, mistake, or misfortune	[No similar provision]
Portions of Parcels 32 V.S.A. § 3756(d)	Sec. 2 (d)(2) ... The portion of the parcel that is not to be appraised at use value shall be appraised at its fair market value <u>determined in this subsection</u> No further provision to clarify that portions of parcels are to be appraised at fair market value of the portion as a separate parcel	Sec. 3 Changes the way assessors appraise a portion of a parcel: 1) Determine FMV of entire parcel (comparable to similar parcels in municipality) 2) Determine FMV of unenrolled portion as separate parcel 3) Value of enrolled land = FMV of whole parcel minus the FMV of the portion as a separate parcel	[No similar provision]

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Portions of Parcels 32 V.S.A. § 3756(b)	[No similar provision]	Allows owners to exclude from enrollment two types of portions of parcels: 1) Two-acre “floating” portions within a parcel that remain unenrolled 2) An undeveloped, contiguous portion of a parcel Portions are taxed on the FMV of the portion as a separate parcel, as described by § 3756(d) (as amended)	[No similar provision]
Land Use Change Tax 32 V.S.A. § 3757	Sec. 1 10% for land continuously enrolled for less than 12 years 8% for land continuously enrolled 12 to 20 years 5% for land continuously enrolled for over 20 years Removes language requiring a prorated appraisal for partial withdrawals Transfers to family members to not interrupt the counting of continuous years, but there are specific rules about who is a family member	Sec. 4 Increases the penalty for partial withdrawals when the land has been enrolled for less than 10 years to 10% of the full FMV of the withdrawn land as a separate parcel <i>Existing law:</i> <i>Whole withdrawals remain at 20% or 10% of FMV, depending on time enrolled</i> <i>Partial withdrawal for land enrolled for more than 10 years remains 10% of prorated value of withdrawn portion</i>	Sec. 1 Imposes 10% of FMV penalty on any land withdrawn in whole or in part, regardless of time enrolled For partial withdrawals, portion is assessed at the FMV of the portion as a separate parcel

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<p>LUCT (cont.)</p>	<p>FMV for purposes of LUCT is determined as of the date the land is developed or earlier if owner petitions for withdrawal and pays LUCT within 30 days</p> <p>Adds many changes to require local officials to assess land subject to the LUCT, PV&R still remains the entity that receives the payments. After receiving payment, the PV&R sends half of the penalty money back to the municipalities</p>	<p>[No similar provision]</p>	<p>[No similar provision]</p>
<p>Easy Out</p>	<p>Secs. 5 & 6 Landowner may withdraw entire parcel and not have to pay the first \$100,000 in LUCT. Must withdraw by October 1, 2013. Owner cannot reenroll part of the parcel for 5 years. If the owner withdraws only part of the parcel, the easy out provisions do not apply, and the normal LUCT is due. No easy out for any parcel that is already developed when this act is passed</p>	<p>Sec. 5 Same as House version, but must withdraw by October 1, 2014 and is only available for land enrolled for less than 10 continuous years</p> <p>Includes provision that no municipal reimbursement shall be paid for that land in fiscal year 2016</p>	<p>Sec. 2 Landowner may withdraw entire parcel and not have to pay LUCT. Must withdraw by February 1, 2015, and may not reenroll for 1 year (tax year 2016). An owner who withdraws shall pay the full property tax on the FMV of the land for the 2015 tax year</p>

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Development and Subdivision	[No similar provision]	<p>Sec. 6. 32 V.S.A. § 3760(b)</p> <p>Addresses the issue of subdividing enrolled properties into parcels. Instructs the assessing officials to report to the Director of PV&R a list of all enrolled properties that were subdivided in the past year, and the size of the resulting parcels</p>	[No similar provision]
Local Assessment Issue	<p>Sec. 8. Assessment of Property</p> <p>Requires the Director of PV&R to publish guidance on how to assess land subject to a conservation easement and land subject to a use value appraisal, and how to do so consistently across the State. The guidance must be published by April 15, 2014</p>	<p>Sec. 8. Valuation Audits 32 V.S.A. § 3760a</p> <p>Requires PV&R to conduct annual audits of five towns to determine the accuracy of local assessments for enrolled parcels. Where an audit reveals that a townwide appraisal reached by local assessors is more than 10% higher than PVR's townwide assessment, the State may assess the cost of the audit to the town</p> <p>Sec. 9. PV&R Status Report Directs PV&R to provide a status report on the valuation audits to the Committees on Agriculture, House</p>	<p>Sec. 3. Assessment of Property</p> <p>Requires the Director of PV&R to publish guidance on how to assess land subject to a conservation easement and land subject to a use value appraisal, and how to do so consistently across the State. The guidance must be published by November 1, 2014</p>

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		Ways and Means, and Senate Finance by January 15, 2015 Sec. 12: Appropriation Establishes a current use analyst position in the Dept. of Taxes	
Study Committee on Municipal Reimbursements	Sec. 7 Establishes a study committee to examine how reimbursement payments are made to the municipalities	[No similar provision]	[No similar provision]
County Foresters	[No similar provision]	Requires a study of the adequacy of the current number of county foresters. Report of Secretary of Natural Resources due by January 15, 2015 to House Ways and Means and Senate Finance Committees	[No similar provision]
Ecologically significant treatment areas (ESTAs)	[No similar provision]	Amends 2008 Act No. 205 session law to allow Commissioner of Forests, Parks and Recreation to waive the requirement that no less than 80% of class I, II, and III lands be managed for timber production	[No similar provision]
Repeals	Sec. 9 Repeals wastewater amendments from 2011 and 2012	[No similar provision]	[No similar provision]

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Effective Dates	<p>LUCT change takes effect on October 2, 2013. If an owner wants to take advantage of the easy out under the old rules, he or she must do so on or before October 2, 2013</p> <p>Rest of act takes effect July 1, 2013</p>	<p>July 1, 2014 and applies to grand lists compiled after that date, except LUCT provision, which shall take effect on October 1, 2014</p>	<p>July 1, 2014</p>