

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 329 entitled
3 “An act relating to use value appraisals” respectfully reports that it has
4 considered the same and recommends that the Senate propose to the House that
5 the bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 3757 is amended to read:

8 § 3757. LAND USE CHANGE TAX

9 (a) Land which has been classified as agricultural land or managed
10 forestland pursuant to this chapter shall be subject to a land use change tax
11 upon the development of that land, as defined in section 3752 of this chapter.
12 ~~The tax shall be at the rate of 20 percent of the full fair market value of the~~
13 ~~changed land determined without regard to the use value appraisal; or the tax~~
14 ~~shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of~~
15 ~~the Director that the parcel has been enrolled continuously more than 10 years.~~
16 ~~If changed land is a portion of a parcel, the fair market value of the changed~~
17 ~~land shall be the fair market value of the changed land prorated on the basis of~~
18 ~~acreage, divided by the common level of appraisal. The tax shall be ten~~
19 ~~percent of the full fair market value of the developed or withdrawn land as a~~
20 ~~stand-alone parcel determined without regard to the use value appraisal. Such~~
21 fair market value shall be determined as of the date the land is no longer

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

7 * * *

8 Sec. 2. USE VALUE APPRAISAL “EASY-OUT”

9 Notwithstanding any other provision of law, an owner of property enrolled
10 in use value appraisal under 32 V.S.A. chapter 124 as of the passage of this act
11 who elects to discontinue enrollment of the entire parcel may be relieved of the
12 land use change tax imposed pursuant to 32 V.S.A. § 3757; provided that if the
13 property owner does elect to discontinue enrollment and be relieved of the land
14 use change tax, the owner shall pay the full property tax, based upon the
15 property’s full fair market value, for the 2015 tax year assessment. An election
16 to discontinue enrollment under this provision is effective only if made in
17 writing to the Director of Property Valuation and Review on or before
18 February 1, 2015. An owner who elects to discontinue enrollment under this
19 section or any successor owner may not reenroll the withdrawn parcel or any
20 part of the withdrawn parcel until the 2016 tax year. If the property owner
21 withdraws less than the entire parcel, the provisions of this section do not

1 apply. The “easy-out” provided for in this section shall not be available for
2 any land that has been developed, as that term is defined in 32 V.S.A.
3 § 3752(5), prior to passage of this act.

4 Sec. 3. ASSESSMENT OF PROPERTY

5 On or before November 1, 2014, the Director of Property Valuation and
6 Review shall publish guidance for the local assessing officials concerning:

7 (1) how to assess land permanently encumbered by a conservation
8 easement;

9 (2) how to assess land subject to a use value appraisal; and

10 (3) how to apply the methodologies in subdivisions (1) and (2) of this
11 section in a consistent manner across the State.

12 Sec. 4. 32 V.S.A. § 3752 is amended to read:

13 § 3752. DEFINITIONS

14 * * *

15 (9) “Managed forestland” means:

16 (A) any land, exclusive of any house site, which is at least 25 acres in
17 size and which is under active long-term forest management for the purpose of
18 growing and harvesting repeated forest crops in accordance with minimum
19 acceptable standards for forest management. Such land may include eligible
20 ecologically significant treatment areas in accordance with minimum

1 acceptable standards for forest management and as approved by the
2 Commissioner; or

3 * * *

4 (16) “Methane digester” means a system used to convert manure or
5 other farm products into biogas through an anaerobic digesting process.

6 (A) A methane digester shall be considered a farm building for
7 purposes of this chapter if it is:

8 (i) owned by or leased to a farmer pursuant to subdivision (14) of
9 this section;

10 (ii) actively used to manage manure or other farm products from
11 the farm operation, and the amount of manure or other farm products it
12 manages from the farm operation exceeds the amount of off-farm manure or
13 other farm products it manages; and

14 (iii) situated on land subject to use value appraisal or on a house
15 site that is contiguous with the land receiving a use value appraisal.

16 (B) For the purpose of calculating municipal reimbursements under
17 section 3760 of this title, the Director shall value any methane digester treated
18 as a farm building at zero.

19 Sec. 5. METHANE DIGESTERS; REPORT ON TAXATION OF ENERGY

20 PRODUCTION

1 after receipt and used for tax administration purposes. If any owner shall
2 satisfy the Department that he or she was prevented by accident, mistake, or
3 misfortune from filing ~~a~~ an initial or revised management plan which is
4 required to be filed on or before October 1, or a management plan update
5 which is required to be filed on or before April 1 of the year in which the plan
6 expires, or a management activity report which is required to be filed on or
7 before February 1 of the year following the year when the management activity
8 occurred, the Department may receive that management plan or management
9 activity report at a later date; provided, however, no initial or revised
10 management plan shall be received later than December 31, and no
11 management plan update shall be received later than one year after April 1 of
12 the year the plan expires, and no management activity report shall be received
13 later than March 1.

14 Sec. 7. AGRICULTURAL LANDS SUBJECT TO A USE VALUE

15 APPRAISAL

16 On or before September 1, 2015 and annually thereafter, the owner of
17 agricultural land or buildings enrolled in the use value program as agricultural
18 land or buildings shall certify in writing under oath to the Commissioner that
19 the agricultural land or buildings enrolled by that owner continue to meet the
20 requirements for enrollment in the use value program at the time of the

1 certification. The form of the certification shall be made on a form specified
2 by the Director of Property Valuation and Review.

3 Sec. 8. COUNTY FORESTERS

4 (a) The Secretary of Natural Resources, in consultation with the
5 Commissioner of Taxes and the Commissioner of Forest, Parks and
6 Recreation, shall report to the Senate Committee on Finance and House
7 Committee on Ways and Means on whether the current number of county
8 foresters is sufficient to oversee compliance of forestland subject to a use value
9 appraisal under 32 V.S.A. chapter 124, given the increasing number of
10 forestland parcels, and the increasing acreage of forestland, in the current use
11 program. In addition to any issues the Secretary considers relevant to this
12 report, he or she shall specifically consider whether any or all of the following
13 would be appropriate to strengthening the current use program:

14 (1) providing an additional forester whose sole responsibility would be
15 investigating alleged violations of the current use requirements and doing spot
16 compliance checks for forestland parcels;

17 (2) adding additional foresters to reflect the growth in forestland parcels
18 subject to a use value appraisal; and

19 (3) requiring consulting foresters to be licensed by the State.

20 (b) The report of the Secretary of Natural Resources under this section shall
21 be due on January 15, 2015.

