

H.329 Use Value Appraisals

Side by side comparison of house passed version and
Senate Agriculture proposal of amendment

Subject	As Passed the House	As Passed Senate Committee on Agriculture
<p>Definitions 32 V.S.A. § 3752</p>	<p>“use value appraisal” local assessing officials no longer rely on sales information from the director</p>	<p>“housesite” excludes dwellings housing farm employees 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” adds definition of parcel to clarify that for the purpose of current use, any subdivided lot shall count as its own parcel</p>
<p>Forest Management Plans 32 V.S.A. § 3755</p>	<p>[No similar provision]</p>	<p>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</p>
<p>Portions of Parcels 32 V.S.A. § 3756</p>	<p>(Sec. 2) Clarifies that partial withdrawals are now valued at fair market value of the withdrawn land</p> <p>(Sec. 4) § 3756(i) Adds 30-day notice to owner requirement prior to removing parcel of managed forestland</p>	<p>3756(d) Changes the way assessors appraise a portion of a parcel:</p> <ol style="list-style-type: none"> 1) Determine FMV of entire parcel (comparable to similar parcels in municipality) 2) Determine FMV of unenrolled portion as separate parcel

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	<p>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”</p>	<p>3) Value of enrolled land = FMV of whole parcel minus the value of the portion of a parcel.</p> <p>Allows owners to exclude from enrollment two types of portions of parcels:</p> <ol style="list-style-type: none"> 1) Two-acre “floating” portions within a parcel that remain un-enrolled 2) An undeveloped, contiguous portion of a parcel from enrollment <p>Both types of portion of a parcel are taxed as described in § 3756(d)</p>
<p>Land Use Change Tax 32 V.S.A. § 3757</p>	<p>The LUCT is 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</p> <p>Transfers to family members do not interrupt the counting of continuous years, but there are specific rules about who is a family member</p> <p>Removes language requiring a prorated appraisal for partial withdrawals and adds language stating that partial withdrawals will be valued at the fair market value of the withdrawn land</p> <p>Adds many changes to require local officials to assess land subject to the LUCT, but the Division of Property</p>	<p>Increases the penalty for partial withdrawals when the land has been enrolled for less than 10 years to 10 percent of the full FMV of the withdrawn land as a separate parcel</p>

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	Valuation and Review still remains the entity that receives the payments. After receiving payment, the Division of Property Valuation and Review sends half of the penalty money back to the municipalities	
Easy Out	<p>Sections 5 and 6</p> <p>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. The easy out is not available for any parcel that is already developed when this act is passed</p>	<p>Allows people who are currently enrolled to withdraw their land under the old rules until the October 1 after passage</p> <p>Landowner enrolled for less than 10 years may withdraw entire parcel and not have to pay the first 100k in LUCT. Owner cannot reenroll part of the parcel for 5 years. If owner withdraws only part of the parcel, easy out provisions do not apply. Easy out not available for any parcel that is already developed when the act passes</p>
Development and Subdivision 32 V.S.A. § 3760(b)	[No similar provision]	Addresses the issue of subdividing enrolled properties into parcels. Instructs the assessing officials to report to the Director of PV&R along with the listed value of all enrolled property in a municipality, a list of all enrolled properties that were subdivided in the past year, and the size of the resulting parcels
Parcel Definition 32 V.S.A. § 4152(a)(3)	[No similar provision]	Specifies that the definition of “parcel” under Grand Tax Lists chapter is limited to that chapter. Separates the 2 definitions of parcel so that for current use, a subdivided lot shall count as a separate parcel

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Valuation Audits 32 V.S.A. § 3760a	[No similar provision]	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
PV&R Status Report		Adds directive that PV&R provide a status report on the valuation audits to the Committees on Agriculture, House Ways and Means, and Senate Finance by January 15, 2015
County Foresters		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
Appropriation		Establishes a current use analyst position in the Dept. of Taxes
2008 Acts and Resolves No. 205 ESTAs		Amends 2008 session law to allow Commissioner to waive the requirement that no less than 80% of class I, II, and III lands be managed for timber production
Study Committee on Municipal Reimbursements	(Sec. 7) Establishes a study committee to examine how reimbursement payments are made to the municipalities	[No similar provision]
Assessment of Property	(Sec. 8) Requires the Director of Property Valuation and Review to publish guidance on how to assess land subject to a conservation easement and land subject to a use	[No similar provision]

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	value appraisal, and how to do so consistently across the State. The guidance must be published by April 15, 2014	
Repeals	(Sec. 9) Repeals wastewater amendments from 2011 and 2012	[No similar provision]
Effective Dates	<p>The changes to the LUCT take place 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>The rest of the act goes into effect July 1, 2013</p>	July 1, 2014 and applies to grand lists compiled after that date, except LUCT provision, which shall take effect on October 1, 2014