

1 TO THE HONORABLE SENATE:

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

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

9 § 3757. LAND USE CHANGE TAX

10 (a) Land which has been classified as agricultural land or managed  
11 forestland pursuant to this chapter shall be subject to a land use change tax  
12 upon the development of that land, as defined in section 3752 of this chapter.  
13 ~~The tax shall be at the rate of 20 percent of the full fair market value of the~~  
14 ~~changed land determined without regard to the use value appraisal; or the tax~~  
15 ~~shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of~~  
16 ~~the Director that the parcel has been enrolled continuously more than 10 years.~~  
17 ~~If changed land is a portion of a parcel, the fair market value of the changed~~  
18 ~~land shall be the fair market value of the changed land prorated on the basis of~~  
19 ~~acreage, divided by the common level of appraisal. The tax shall be ten~~  
20 ~~percent of the full fair market value of the developed or withdrawn land~~  
21 ~~determined without regard to the use value appraisal. Such fair market value~~

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

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

10 Notwithstanding any other provision of law, an owner of property enrolled  
11 in use value appraisal under 32 V.S.A. chapter 124 as of the passage of this act  
12 who elects to discontinue enrollment of the entire parcel may be relieved of the  
13 land use change tax imposed pursuant to 32 V.S.A. § 3757; provided that if the  
14 property owner does elect to discontinue enrollment and be relieved of the land  
15 use change tax, the owner shall pay the full property tax, based upon the  
16 property’s full fair market value, for the 2015 assessment. An election to  
17 discontinue enrollment under this provision is effective only if made in writing  
18 to the Director of Property Valuation and Review on or before February 1,  
19 2015; and an owner who elects to discontinue enrollment under this section or  
20 any successor owner may not reenroll the withdrawn parcel or any part of the  
21 withdrawn parcel until fiscal year 2017. If the property owner withdraws less

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

5 Sec. 3. ASSESSMENT OF PROPERTY

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

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

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

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

13 Sec. 4. EFFECTIVE DATE

14 This act shall take effect on July 1, 2014.

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17 (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE