

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 * * * **Land Use Change Tax** * * *

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

10 § 3757. LAND USE CHANGE TAX

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15 withdrawn land determined without regard to the use value appraisal.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

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

9 * * *

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

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

1 withdrawn parcel until fiscal year 2017. If the property owner withdraws less
2 than the entire parcel, the provisions of this section do not apply. The
3 “easy-out” provided for in this section shall not be available for any land that
4 has been developed, as that term is defined in 32 V.S.A. § 3752(5), prior to
5 passage of this act.

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9 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE