

1 Introduced by Committee on Natural Resources and Energy

2 Date:

3 Subject: Conservation and development; taxation; State lands; use value  
4 appraisal; maple sugar production

5 Statement of purpose of bill as introduced: This bill proposes to increase the  
6 tapping fees for licenses issued by the Department of Forests, Parks and  
7 Recreation for maple sap collection on State lands. The bill would authorize  
8 the Department to modify the fee in the future by rule. The bill would also  
9 exempt land acquired by the Agency of Natural Resources (ANR) from the  
10 land use change tax in order to release lands acquired by ANR from land use  
11 change tax liens.

12 An act relating to State lands

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 10 V.S.A. § 2606b is amended to read:

15 § 2606b. LICENSE OF ~~FOREST LANDS~~ FORESTLANDS FOR MAPLE  
16 SUGAR PRODUCTION

17 (a) The ~~general assembly~~ General Assembly finds and declares that:

18 (1) Maple sugaring is an important cultural tradition of Vermont life that  
19 should be maintained and encouraged.

1           (2) Maple sugaring is an important component of the agricultural and  
2 forest products economy in Vermont and is increasingly necessary for farmers  
3 that must diversify in order to continue to farm in Vermont.

4           (3) Maple sugaring is a sustainable use of ~~forest land~~ forestland.

5           (4) State ~~forest land~~ forestland should be managed and used for multiple  
6 uses, including maple sugar production.

7           (b) It is hereby adopted as ~~state~~ State policy to permit limited use of  
8 designated ~~state-owned~~ State-owned land under the jurisdiction of the  
9 ~~department~~ Department for maple sugar production.

10           (c) Beginning on July 1, 2009, pursuant to guidelines developed ~~jointly~~ by  
11 the ~~department of forests, parks and recreation and the Vermont maple sugar~~  
12 ~~makers' association~~ Department of Forests, Parks and Recreation, in  
13 consultation with the Vermont Maple Sugar Makers' Association, the  
14 ~~department shall~~ Department may issue licenses for the use of ~~state forest land~~  
15 State forestland for the tapping of maple trees, the collection of maple sap, and  
16 the transportation of such sap to a processing site located off ~~state forest land~~  
17 State forestland or to sites located on ~~state forest land~~ State forestland if  
18 approved by the ~~commissioner~~ Commissioner. All tapping of maple trees  
19 authorized under a license shall be conducted according to the guidelines for  
20 tapping maple trees ~~agreed to~~ established by the ~~department and the Vermont~~  
21 ~~maple sugar makers' association~~ Department of Forests, Parks and Recreation,

1 in consultation with the Vermont Maple Sugar Makers' Association. Each  
2 person awarded a license under this section shall maintain and repair any road,  
3 water crossing, or work area according to requirements set by the ~~department~~  
4 Department in the license. Each license shall include such additional terms  
5 and conditions set by the ~~department~~ Department as may be necessary to  
6 preserve forest health and to assure compliance with the requirements of this  
7 chapter and applicable rules. A license shall be issued for a fixed term not to  
8 exceed five years and shall be renewable for two five-year terms subsequent to  
9 the initial license. Subsequent renewals shall be allowed where agreed upon  
10 by the ~~department~~ Department and the licensee. The ~~department~~ Department  
11 shall have power to terminate or modify a license for cause, including damage  
12 to forest health.

13 \* \* \*

14 (f) There shall be an annual license fee imposed based on the number of  
15 taps installed in the license area. The per tap fee for a license issued under this  
16 section shall be ~~one quarter of the average of the per pound price of Vermont~~  
17 ~~fancy grade syrup and the per pound price of Vermont commercial grade syrup~~  
18 ~~as those prices are set on May 1 of each year. The fee set each May 1 shall~~  
19 ~~apply to licenses issued by the department for the succeeding period beginning~~  
20 ~~June 1 and ending May 31~~ \$0.75 per tap, unless modified by the Commissioner  
21 by rule. Fees collected under this section shall be deposited in the ~~forest parks~~

1 revolving fund Lands and Facilities Trust Fund established under section 2609  
2 2807 of this title and shall be used by the ~~department~~ Department to implement  
3 the license program established by this section.

4 (g) ~~On or before January 15, 2010, the commissioner of forests, parks and~~  
5 ~~recreation shall submit to the senate and house committees on natural resources~~  
6 ~~and energy and the senate and house committees on agriculture a report~~  
7 ~~regarding the implementation of the requirements of this section. The report~~  
8 ~~shall include:~~

9 (1) ~~A copy of the guidelines required by this section for issuing licenses~~  
10 ~~for the use of state forest land for maple sap collection and production.~~

11 (2) ~~A summary of the process used to identify parcels of state forest land~~  
12 ~~suitable for licensing for maple sap collection and production and the process~~  
13 ~~by which the department allocated licenses.~~

14 (3) ~~A summary of the licenses issued for maple sap collection and~~  
15 ~~production on state forest land.~~

16 (4) ~~An estimate of the fees collected for licenses issued under this~~  
17 ~~section.~~

18 (5) ~~A copy of any rules adopted by or proposed for adoption by the~~  
19 ~~commissioner to implement the requirements of this section. [Repealed.]~~

1 Sec. 2. 32 V.S.A. § 3757 is amended to read:

2 § 3757. LAND USE CHANGE TAX

3 (a) Land which has been classified as agricultural land or managed  
4 forestland pursuant to this chapter shall be subject to a land use change tax  
5 upon the development of that land, as defined in section 3752 of this chapter.  
6 The tax shall be at the rate of 10 percent of the full fair market value of the  
7 changed land determined without regard to the use value appraisal. If changed  
8 land is a portion of a parcel, the fair market value of the changed land shall be  
9 the fair market value of the changed land as a separate parcel, divided by the  
10 common level of appraisal. Such fair market value shall be determined as of  
11 the date the land is no longer eligible for use value appraisal. This tax shall be  
12 in addition to the annual property tax imposed upon such property. Nothing in  
13 this section shall be construed to require payment of an additional land use  
14 change tax upon the subsequent development of the same land, nor shall it be  
15 construed to require payment of a land use change tax merely because  
16 previously eligible land becomes ineligible, provided no development of the  
17 land has occurred.

18 \* \* \*

19 (f)(1) When the application for use value appraisal of agricultural and  
20 forestland has been approved by the State, the State shall record a lien against  
21 the enrolled land in the land records of the municipality ~~which~~ that shall

1 constitute a lien to secure payment of the land use change tax to the State upon  
2 development. The landowner shall bear the recording cost. The land use  
3 change tax and any obligation to repay benefits paid in error shall not  
4 constitute a personal debt of the person liable to pay the same, but shall  
5 constitute a lien which shall run with the land. All of the administrative  
6 provisions of chapter 151 of this title, including those relating to collection and  
7 enforcement, shall apply to the land use change tax. The Director shall release

8 the lien when notified that:

9 (A) the land use change tax is paid;

10 (B) the land use change tax is abated pursuant to this section;

11 (C) the land use change tax is abated pursuant to subdivision 3201(5)

12 of this title;

13 (D) the land is exempt from the levy of the land use change tax

14 pursuant to this section and the owner requests release of the lien; or

15 (E) the land is exempt from the levy of the land use change tax

16 pursuant to this section and the land is developed.

17 (2) Nothing in this subsection shall be construed to allow the enrollment

18 of agricultural land or managed forestland without a lien to secure payment of

19 the land use change tax. Any fees related to the release of a lien under this

20 subsection shall be the responsibility of the owner of the land subject to the

21 lien.

1 (g) Upon application, the Commissioner may abate a use change tax levy  
2 concerning agricultural land found eligible for use value appraisal under  
3 subdivision 3752(1)(A) of this title, in the following cases:

4 (1) If a disposition of such property resulting in a change of use of it  
5 takes place within five years of the initial assessment at use value because of  
6 the permanent physical incapacity or death of the individual farmer-owner or  
7 farmer-operator of the property.

8 (2) If a disposition of the property was necessary in order to raise funds  
9 to continue the agriculture operation of the seller. In this case, the  
10 Commissioner shall consider the financial gain realized by the sale of the land  
11 and whether, in respect to that gain, payment of the use change tax would  
12 significantly reduce the ability of the seller to continue using the remaining  
13 property, or any part thereof, as agricultural land.

14 (h) Land condemned as a result of eminent domain or sold voluntarily to a  
15 condemning authority in anticipation of eminent domain proceedings is exempt  
16 from the levy of a land use change tax under this section.

17 \* \* \*

18 (j)(1) Land transferred to the United States U.S. Forest Service is exempt  
19 from the levy of a use change tax under this section, provided ~~all~~ one of the  
20 following ~~apply~~ applies:

1           ~~(1)~~(A) land transferred is eligible for use value appraisal at the time  
2 of the transfer;

3           ~~(2)~~(B) the transfer is in consideration for the receipt from the United  
4 States U.S. Forest Service of land of approximately equal value, as determined  
5 by the Commissioner; and

6           ~~(3)~~(C) the landowner has submitted to the Commissioner in writing a  
7 binding document that would substitute the land received for the land  
8 transferred to the Forest Service, for the purposes of this chapter.

9           (2) Land acquired by the Green Mountain National Forest for public use  
10 is exempt from the levy of a use change tax under this section.

11           (k) Conservation and preservation rights and interests held by an agency of  
12 the United States or by a qualified holder, as defined in 10 V.S.A. chapter 34,  
13 shall be exempt from the levy of a use change tax. Upon request of the agency  
14 or qualified holder, the Commissioner may petition the Director to release the  
15 conservation and preservation rights and interests from any lien recorded  
16 pursuant to this chapter.

17           (1) Land acquired by the Agency of Natural Resources; the Department of  
18 Forests, Parks and Recreation; the Department of Fish and Wildlife; or the  
19 Department of Environmental Conservation for public uses, as authorized by  
20 10 V.S.A. §6301(a)(1)–(4), is exempt from the level of a use change tax under  
21 this section.

1       Sec. 3. EFFECTIVE DATE

2       This act shall take effect on July 1, 2016.