



The
UNIVERSITY
of **VERMONT**

CAMPUS PLANNING SERVICES

February 14, 2018

To: Wendy Koenig, Director, Federal Relations 
From: Linda Seavey, Director, Campus Planning Services
Subject: 2018 Lease Land Legislation – Proposed Bills H.813 and H.859
Campus Planning Services Comments

Campus Planning Services (CPS) has reviewed the proposed Bills H.813 and H.859 that reference UVM historic leased land and our comments follow. In general, the purpose of the bills and what prompted the introduction is not clear so we would be interested in understanding the purpose of these proposed bills. If the purpose is to ensure the State can collect taxes on the property, then as of 1969 that is the case since in 1969 the General Assembly made the land taxable with the amount of the annual rent being deductible from the town tax. The exceptions of which we are aware are the historic lease land that UVM is currently utilizing for academic/research purposes:

- Wolcott
 - a. Lot 25 Division 1-gift/investment property – 12 acres
 - b. Lot 93 Division 3 – Off Campus Research – 128.5 acres
- Washington
 - a. Lot 7 Range 3 Division 1 – Off Campus Research - 65 acres
- Concord
 - a. Lot 3 Range 4 – Natural Area – 100 acres

If the purpose of the bills is to pave the way for clear title for those impacted by the historic lease lands then UVM's current policy of issuing quitclaim deeds upon request, which was established in the 1970s (see attached resolution dated February 17, 1973), was set up to clear title for those impacted. UVM has until 2007 tracked the "current lessees" and billed them annually. Most bills were less than \$10 with some being just pennies a year so continuing the billing was not financially feasible for UVM. As noted, UVM did in the 70's begin to issue quitclaim deeds to help to clear title for those impacted and UVM continues to do so today. The current fee is set at \$500.00 and was set in 2013. At first glance, the proposed bills seem to be suggesting the tracking of lease lands as UVM once did and if so it would be extremely time consuming since UVM has not tracked current lessees since it stopped billing the annual rent in 2007. Even when UVM was billing lessees on an annual basis, tracking land transfers most often required deed research since UVM was not always notified by the lessees of land transfers.

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Specific CPS comments for each of the bills follow:

Bill H.813:

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- **Line 10** – CPS is concerned that the “new provision” could mean that UVM would not be allowed to continue to collect the \$500 fee it currently charges for quitclaim deeds involving historic lease lands. The fee intent is to cover administrative costs and when UVM was annually billing for rent the fee was in part to cover the amount of lost rent.
- **Line 12** – As of 2007, UVM no longer tracks who owns the leasehold interest of the lease lands, since UVM no longer bills the annual rent since it became financially unfeasible. The rents collected were often less than the cost of postage required to mail out the bill. UVM does however have 4 leather bound volumes including maps and descriptions of the original lease land lots. Note: UVM lease lands also include the Azarius Williams lots, primarily in the NE Kingdom and these lots are also identified on the maps in the leather-bound books. The lease lots are most commonly noted on the maps as the “college lots”. The towns would most likely also have these original town lotting plans identifying the “college lots”.
- **Line 14 and Line 17**– UVM currently has approved BOT resolutions allowing UVM to issue quitclaim deeds for the historic lease lands (first was in 1973 and subsequent resolutions modified the reservations held (oil, gas and mineral rights changed to a royalty rights reservation)). Anyone impacted by UVM historic lease lands is able to acquire a quitclaim deed by simply contacting Campus Planning Services.
- **Line 19** – UVM currently issues quitclaim deeds as noted above in order to help clear title for those impacted by the UVM historic lease lands. Normally, a person, or their attorney, would find reference to the UVM historic lease lands in their title search and contact UVM for a quitclaim deed.

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- **Line 1**- it seems that UVM has complied and is receiving \$500 per quitclaim deed which is issued upon request.
- **Line 8** –UVM currently releases its interest through issuance of quitclaim deeds and reserves the royalty rights to oil, gas and minerals (including sand/gravel). The exception is when the requestor can prove they are conserving the property, in which case UVM holds no reservation in the quitclaim deed.
- **Line 11 – 14** –UVM no longer collects annual rents but does issue quitclaim deeds to persons impacted by the leasehold interests which are most commonly found in title searches.

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- **Line 1** – Proceeds from quitclaim deeds are and have been placed in a UVM endowment fund.
- **Line 5** – Prior to 1969, the lease land was not subject to taxation. In 1969 the General Assembly made the land taxable, with the annual rent being deductible for the town tax. Note: UVM does hold some lease lots for UVM administrative, research and natural area use which would not be subject to taxation (Wolcott, Washington and Concord lots – see page 1 of this memo). It is unclear to CPS whether the towns still allow the annual rent to be deducted from the town tax.

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- **Line 6** – UVM no longer tracks the lessees that hold a leasehold interest in the historic lease lands and that would normally be billed the annual rent (UVM stopped billing in 2007). CPS does however have the 4 leather bound books that contain records of the original lease lands as well as the original, in most cases, perpetual leases that were issued in the 1800s. These historic lease lots are most commonly identified as “college lots”. Most towns should have the original town lotting plans available that would indicate the “college lot” locations. CPS could provide a listing of the quitclaim deeds it has issued since 2013. For quitclaim deeds issued prior to 2013, CPS would need to compile a listing of the deeds it has on file.
- **Line 14** – UVM has record of the BOT resolutions whereby UVM was able to offer quitclaim deeds to those holding leasehold interest. UVM could record these in Burlington if that has not already been done.

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- **Line 3** – Beginning in 2007, UVM no longer tracks current lessees since UVM stopped collecting the minimal rental amounts. Compiling a listing of the persons holding interest in the lease lands would be difficult and require extensive deed research to determine those with property within the UVM historic lease lot boundaries.

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- **Line 4** – UVM currently charges \$500.00 to issue a quitclaim deed related to the historic lease land.

Bill H859**Page 1**

- **Line 8** – It is noted that there are some historic lease land lots that UVM utilizes for its own academic and research purposes. CPS would anticipate that, at minimum, UVM would want to retain title to at least those lots used for UVM academics/research (located in Washington, Wolcott and Concord).

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- **Line 20** – “On January 1, 2020, title to perpetual lease lands shall vest in the current lessee of record, free and clear of any interest of a municipal corporation but subject to any other encumbrances of record, unless the municipal corporation votes in the affirmative to retain ownership of the perpetual lease lands”. UVM no longer bills annual rent and therefore no longer tracks the current lessees of record (not since 2007). Identification of these persons would be costly. In 2007, when UVM stopped billing lessees, there were approximately 200 lessees in roughly 60 towns involving approximately 7100 acres of lease land.

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- **Line 4** –Tracking down the current lessees of record would be extremely time consuming and costly and was the reason for discontinuing the lease land billing practice in 2007.
- **Line 8** – UVM does, as noted in prior comments, utilize some lease land located in Wolcott, Washington and Concord for UVM academic and research purposes. Whether UVM would wish to retain interest in the other historic lease lands is a question.
- **Line 12** – Again, UVM no longer (not since 2007) has record of the lessees.

CPS is concerned about the amount of time and the costs associated with tracking down the current lessees, if that is what is being suggested by these proposed bills. **UVM stopped billing the annual rent since the rental amounts, were in most cases less than the cost of postage and the tracking of lessees as a result of land transfers and subdivisions was difficult and time consuming. UVM does however offer quitclaim deeds upon request to help clear title to these lease lands.** It is noted that UVM has retained either oil, gas and mineral rights or royalty rights when issuing quitclaim deeds so there is a mix of quitclaim deeds and reservations. UVM has also allowed a switch from oil, gas and mineral rights to royalty rights and also is currently offering quitclaim deeds free of any reservations if the grantee can prove intent to conserve the property.

As additional reference and history, the following documents are attached:

1. BOT resolution, dated February 17, 1973, allowing UVM to sell clear title to those with leasehold interest.
2. UVM Lease Land – A Brief History (through January 1994)
3. 1791 - 2007 timeline of UVM's management of the lease lands
4. BOT resolution (1994) allowing UVM to continue to sell lands and all interest except those tract that UVM deem potentially valuable (UVM referenced the geological study and reserved royalty rights on those lots).
5. 2007 deed fee – explanation of the fee charges for quitclaim deeds after billing ceased (CPS is currently retaining royalty rights on all lots it sells).
6. CPS memo to Mike Gower re: Release of University interest in all historic lease lands (Aug 2004)
7. 2008 listing of lessees and lease land locations by town/ lot-range-division). This would be the last documentation of the then "current lessees" since UVM stopped billing for the lease land in 2007 and therefore stopped tracking the lessees.
8. Vermont Commission to study Vermont Lease Lands – Report 1959

Please let me know if you should have questions or require additional information.

cc: John Collins, Sr Associate, UVM General Counsel