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H.272

Introduced by Representatives Ralph of Hartland, Burke of Brattleboro,
Chesnut-Tangerman of Middletown Springs, Cina of
Burlington, and Colburn of Burlington

Referred to Committee on

Date:

Subject: Taxation; agricultural lands and forestlands; use value appraisal;
managed forestland; aggregated parcels

Statement of purpose of bill as introduced: This bill proposes to authorize
aggregated parcels of managed forestland to enroll in the use value appraisal
program.

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An act relating to the eligibility of aggregated parcels of forestland for use
value appraisal

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

Sec. 1. 32 V.S.A. § 3752 is amended to read:

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§ 3752. DEFINITIONS

17

As used in this subchapter:

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(5) "Development" means, for the purposes of determining whether a
land use change tax is to be assessed under section 3757 of this chapter, the

1 construction of any building, road, or other structure, or any mining,
2 excavation, or landfill activity. “Development” also means the subdivision of
3 a parcel of land into two or more parcels, regardless of whether a change in use
4 actually occurs, where one or more of the resulting parcels contains less than
5 25 acres each; but if subdivision is solely the result of a transfer to one or more
6 of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of
7 the transferor, or to the surviving spouse of any of the foregoing, then
8 “development” shall not apply to any portion of the newly created parcel or
9 parcels which qualifies for enrollment and for which, within 30 days following
10 the transfer, each transferee or transferor applies for reenrollment in the use
11 value appraisal program. “Development” also means the cutting of timber on
12 property appraised under this chapter at use value in a manner contrary to a
13 forest or conservation management plan as provided for in subsection 3755(b)
14 of this title during the remaining term of the plan, or contrary to the minimum
15 acceptable standards for forest management if the plan has expired; or a
16 change in the parcel or use of the parcel in violation of the conservation
17 management standards established by the Commissioner of Forests, Parks and
18 Recreation. “Development” also means the dissolution of an aggregate parcel
19 under 3755(e) of this title. “Development” also means notification of the
20 Director by the Secretary of Agriculture, Food and Markets under section 3756
21 of this title that the owner or operator of agricultural land or a farm building is

1 violating the water quality requirements of 6 V.S.A. chapter 215 or is failing to
2 comply with the terms of an order issued under 6 V.S.A. chapter 215,
3 subchapter 10. The term “development” shall not include the construction,
4 reconstruction, structural alteration, relocation, or enlargement of any building,
5 road, or other structure for farming, logging, forestry, or conservation
6 purposes, but shall include the subsequent commencement of a use of that
7 building, road, or structure for other than farming, logging, or forestry
8 purposes.

9 * * *

10 (9) “Managed forestland” means:

11 (A) any land or aggregated parcel, exclusive of any house site, ~~which~~
12 that is at least 25 acres in size and ~~which~~ that is under active long-term forest
13 management for the purpose of growing and harvesting repeated forest crops in
14 accordance with minimum acceptable standards for forest management. Such
15 land may include eligible ecologically significant treatment areas in
16 accordance with minimum acceptable standards for forest management and as
17 approved by the Commissioner; or

18 (B) any land, exclusive of any house site, ~~which~~ that is:

19 (i) certified under 10 V.S.A. § 6306(b);

20 (ii) is owned by an organization that was certified by the
21 Commissioner of Taxes as a qualified organization as defined in

1 10 V.S.A. § 6301a and for at least five years preceding its certification was
2 determined by the internal revenue service to qualify as a Section 501(c)(3)
3 organization which is not a private foundation as defined in 26 U.S.C.
4 § 509(a); and

5 (iii) is under active conservation management in accord with
6 standards established by the Commissioner of Forests, Parks and Recreation.

7 (10) “Owner” means the person who is the owner of record of any land
8 ~~or~~ the lessee under a perpetual lease as defined in subsection 3610(a) of this
9 title provided the term of the lease exceeds 999 years exclusive of renewals, or
10 the owners of the individual parcels that comprise an aggregated parcel. When
11 enrolled land is mortgaged, the mortgagor shall be deemed the owner of the
12 land for the purposes of this subchapter, until the mortgagee takes possession,
13 either by voluntary act of the mortgagor or foreclosure, after which the
14 mortgagee shall be deemed the owner.

15 * * *

16 (12) “Use value appraisal” means, with respect to land, the price per
17 acre which the land would command if it were required to remain henceforth in
18 agriculture or forest use, as determined in accordance with the terms and
19 provisions of this subchapter. With respect to farm buildings, “use value
20 appraisal” means zero percent of fair market value.

1 conservation management plan must be filed with the Department of Forests,
2 Parks and Recreation on or before October 1 and shall be effective for a 10-
3 year period beginning the following April 1. Prior to expiration of a 10-year
4 plan and on or before April 1 of the year in which the plan expires, the owner
5 shall file a new conservation or forest management plan for the next
6 succeeding 10 years to remain in the program.

7 (E) The Department may approve a forest management plan that
8 provides for the maintenance and enhancement of the tract's wildlife habitat
9 where clearly consistent with timber production and with minimum acceptable
10 standards for forest management as established by the Commissioner of
11 Forests, Parks and Recreation.

12 * * *

13 (G) Is, for an aggregated parcel, subject to an agreement between all
14 owners of the individual parcels that comprise the aggregate parcel to manage
15 the aggregate parcel for at least 10 years as managed forestland. The
16 agreement shall be filed with the Director prior to enrollment of the aggregated
17 parcel.

18 (2) A management report of whatever activity has occurred, signed by
19 the owner, has been filed with the Department of Taxes' Director of Property
20 Valuation and Review on or before February 1 of the year following the year
21 when the management activity occurred.

1 (3) There has not been filed with the Director an adverse inspection
2 report by the Department stating that the management of the tract is contrary to
3 the forest or conservation management plan, contrary to an agreement to
4 manage an aggregated parcel as management forestland, or contrary to the
5 minimum acceptable standards for forest or conservation management. The
6 management activity report shall be on a form prescribed by the Commissioner
7 of Forests, Parks and Recreation in consultation with the Commissioner of
8 Taxes and shall be signed by all the owners and shall contain the tax
9 identification numbers of all the owners. All information contained within the
10 management activity report shall be forwarded to the Department of Forests,
11 Parks and Recreation, except for any tax identification number included in the
12 report. If any owner satisfies the Department that he or she was prevented by
13 accident, mistake, or misfortune from filing an initial or revised management
14 plan that is required to be filed on or before October 1, or a management plan
15 update that is required to be filed on or before April 1 of the year in which the
16 plan expires, or a management activity report that is required to be filed on or
17 before February 1 of the year following the year when the management activity
18 occurred, the owner may submit that management plan or management activity
19 report at a later date; provided, however, no initial or revised management plan
20 shall be received later than December 31, and no management plan update

1 shall be received later than one year after April 1 of the year the plan expires,
2 and no management activity report shall be received later than March 1.

3 (c) The Department of Forests, Parks and Recreation shall periodically
4 review the management plans and each year review the management activity
5 reports that have been filed.

6 (1) At intervals not to exceed 10 years, that Department shall inspect
7 each parcel of managed forestland qualified for use value appraisal to verify
8 that the terms of the management plan have been carried out in a timely
9 fashion.

10 (2) The Department shall have the ability to enter parcels of managed
11 forestland for the purpose of inspections. The Department may bring any other
12 staff from the Agency of Natural Resources that have the expertise to evaluate
13 compliance with this chapter or staff that may be required to ensure the safety
14 of the Department while conducting the inspections.

15 (3) If that Department finds that the management of the tract is contrary
16 to the conservation or forest management plan, contrary to an agreement to
17 manage an aggregated parcel as management forestland, or contrary to the
18 minimum acceptable standards for conservation or forest management, it shall
19 file with the owner, the assessing officials, and the Director an adverse
20 inspection report within 30 days after the conclusion of the inspection process.

1 (d) After managed forestland has been removed from use value appraisal
2 due to an adverse inspection report under subsection 3756(k) of this title, a
3 new application for use value appraisal shall not be considered for a period of
4 five years, and then the forest management plan shall be approved by the
5 Department of Forests, Parks and Recreation only if a compliance report has
6 been filed with the new forest management plan, certifying that appropriate
7 measures have been taken to bring the parcel into compliance with minimum
8 acceptable standards for forest or conservation management or to bring an
9 aggregated parcel into compliance with an agreement to manage the
10 aggregated parcel as management forestland.

11 (e) If one or more of the owners of an aggregated parcel is not managing
12 his or her land as forestland or notifies the Department of intent to abandon or
13 dissolve participation in the agreement to manage the aggregated parcel, the
14 Director shall delay removal of the remaining lands within the aggregated
15 parcel from use value appraisal for a period of two years in order to allow the
16 remaining owners of the aggregated parcel to bring the parcel into
17 conformance with the requirements for enrollment of an aggregated parcel. If,
18 after two years from notice to the Department, the aggregated parcel is not in
19 conformance with the requirements for enrollment, the aggregated parcel shall
20 be dissolved for the purposes of use value appraisal.

1 Sec. 3. EFFECTIVE DATE

2 This act shall take effect on July 1, 2019.