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H.88

Introduced by Representatives Durfee of Shaftsbury, O'Brien of Tunbridge,
and Surprenant of Barnard

Referred to Committee on

Date:

Subject: Taxation; current use; certification of agricultural use; study

Statement of purpose of bill as introduced: This bill proposes to change the frequency with which owners must certify the agricultural use of land or buildings enrolled in current use from every year to every three years. This bill also proposes to require the Department of Taxes and the Agency of Agriculture to conduct a study on the possibility of using an online portal for the purposes of current use and to report the study's findings to the General Assembly.

~~An act relating to certification of agricultural use for purposes of the use value appraisal program.~~ *An act relating to the use value appraisal program*

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

~~Sec. 1. 32 V.S.A. § 3755 is amended to read:~~

§ 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

(a) Except as modified by subsection (b) of this section, any agricultural land, managed forestland, and farm buildings that meet the criteria contained

1 ~~in this subchapter and in the rules adopted by the Board shall be eligible for~~
2 use value appraisal.

3 * * *

4 (f) ~~On or before November 1 of each year~~ To maintain eligibility, the
5 owner of agricultural land or buildings enrolled in the use value program as
6 agricultural land or buildings shall certify in writing under oath to the
7 Commissioner every three years, at a time specified by the Commissioner, that
8 the agricultural land or buildings enrolled by that owner continue to meet the
9 requirements for enrollment in the use value program at the time of the
10 certification. The Commissioner may waive the eligibility requirement under
11 this subsection, provided the Commissioner obtains through other means
12 satisfactory information that the enrolled agricultural land continues or
13 enrolled agricultural buildings continue to meet the requirements for
14 enrollment. The form of the certification shall be made on a form specified by
15 the Director of Property Valuation and Review.

16 * * *

17 Sec. 2. CURRENT USE ONLINE PORTAL STUDY AND REPORT

18 On or before December 15, 2021, the Department of Taxes, in consultation
19 with the Agency of Agriculture, shall submit a report with any
20 recommendations for legislative action to the House Committees on
21 Agriculture and Forestry and on Ways and Means and the Senate Committees

1 ~~on Agriculture and on Finance. The study and report required under this~~
2 ~~section shall examine the possibility of establishing an online portal to~~
3 ~~facilitate compliance with the requirements of the use value appraisal program~~
4 ~~under 32 V.S.A. chapter 124. The study required under this section shall~~
5 ~~consider the options available for reporting and certifying agricultural use and~~
6 ~~sending electronic renewal reminders to landowners currently enrolled in the~~
7 ~~program, including use of the Secretary of State's online portal and the~~
8 ~~Department of Taxes' VTax system.~~

9 Sec. 3. EFFECTIVE DATE

10 ~~This act shall take effect on July 1, 2021.~~

~~Sec. 1. 32 V.S.A. § 3755(f) is amended to read:~~

~~(f) On or before November 1 of each year, the owner of agricultural land or
buildings enrolled in the use value program as agricultural land or buildings
shall certify in writing under oath to the Commissioner that the agricultural
land or buildings enrolled by that owner continue to meet the requirements for
enrollment in the use value program at the time of the certification. The
Commissioner may waive the eligibility requirement under this subsection,
provided the Commissioner obtains through other means satisfactory
information that the enrolled agricultural land continues or enrolled
agricultural buildings continue to meet the requirements for enrollment. The~~

~~form of the certification shall be made on a form specified by the Director of Property Valuation and Review.~~

Sec. 1. 32 V.S.A. § 3755 is amended to read:

§ 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

** * **

(f) ~~On~~ To maintain eligibility for use value appraisal under this subchapter, on or before November 1 of each year, the owner of agricultural land or buildings enrolled in the use value program as agricultural land or buildings shall certify in writing under oath to the Commissioner that the agricultural land or buildings enrolled by that owner continue to meet the requirements for enrollment in the use value program at the time of the certification. In the event the owner of agricultural land or buildings enrolled in the use value program fails to certify on or before November 1 of each year as required under this subsection, the Commissioner may waive the certification requirement, provided the Commissioner obtains, through other means, satisfactory information that the agricultural land continues or agricultural buildings continue to meet the other requirements for enrollment. The form of the certification shall be made on a form specified by the Director of Property Valuation and Review.

(g) Any applicant for a use value appraisal or any beneficiary of a use value appraisal must be in good standing with the Department of Taxes

pursuant to subsection 3113(g) of this title to be eligible or to maintain eligibility for use value appraisal under this subchapter.

~~Sec. 2. EFFECTIVE DATE~~

~~*This act shall take effect on July 1, 2021.*~~

Sec. 2. 32 V.S.A. § 3752(5) is amended to read:

(5)(A) “Development” means, for the purposes of determining whether a land use change tax is to be assessed under section 3757 of this chapter, the construction of any building, road, or other structure, or any mining, excavation, or landfill activity.

(B) “Development” also means the subdivision of a parcel of land into two or more parcels, regardless of whether a change in use actually occurs, where one or more of the resulting parcels contains less than 25 acres each; but if subdivision is solely the result of a transfer to one or more of a spouse, ex-spouse in a divorce settlement, parent, grandparent, child, grandchild, niece, nephew, or sibling of the transferor, or to the surviving spouse of any of the foregoing, then “development” shall not apply to any portion of the newly created parcel or parcels that qualify for enrollment and for which, within 30 days following the transfer, each transferee or transferor applies for reenrollment in the use value appraisal program.

(C) “Development” also means the cutting of timber on property appraised under this chapter at use value in a manner contrary to a forest or

conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the Commissioner of Forests, Parks and Recreation.

(D) “Development” also means notification of the Director by the Secretary of Agriculture, Food and Markets under section 3756 of this title that the owner or operator of agricultural land or a farm building is violating the water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10.

(E) The term “development” shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

(F) The term “development” shall not include the location of any solar generation facility that is, in the aggregate, on 0.1 of an acre of land or less, provided that the underlying land qualifies under this chapter as agricultural land or open land that qualifies as managed forestland in

accordance with standards established by the Commissioner of Forests, Parks and Recreation.

Sec. 3. 32 V.S.A. § 3756 is amended to read:

§ 3756. QUALIFICATION FOR USE VALUE APPRAISAL

(a) The owner of eligible agricultural land, farm buildings, or managed forestland shall be entitled to have eligible property appraised at its use value provided the owner shall have applied to the Director on or before September 1 of the previous tax year, on a form ~~approved by the Board~~ and provided by the Director. A farmer, whose application has been accepted on or before December 31 by the Director of the Division of Property Valuation and Review of the Department of Taxes for enrollment for the use value program for the current tax year, shall be entitled to have eligible property appraised at its use value, if ~~he or she~~ the farmer was prevented from applying on or before September 1 of the previous year due to the severe illness of the farmer.

* * *

(g) The Director shall execute ~~such~~ and provide other forms and the ~~Board~~ Board shall adopt ~~such~~ other procedures and regulations, as are needed to ~~assure~~ ensure a fair opportunity for owners to qualify under this subchapter and to ~~assure~~ ensure compliance with the provisions of this chapter.

* * *

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2021.