

1 H.653

2 Introduced by Representative Lefebvre of Newark

3 Referred to Committee on

4 Date:

5 Subject: Taxation and finance; forested lands; carbon sequestration

6 Statement of purpose of bill as introduced: This bill proposes to create a new
7 category of management plans that would allow forested lands managed to
8 increase carbon sequestration, carbon storage, or enhance wildlife biodiversity
9 to qualify for the Use Value Appraisal program.

10 An act relating to the creation of an ecological management qualification
11 for the Use Value Appraisal program

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

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

14 § 3752. DEFINITIONS

15 As used in this subchapter:

16 * * *

17 (9) “Managed forestland” means:

18 (A) ~~any~~ Any land, exclusive of any house site, that is at least 25 acres
19 in size and that is under active long-term forest management for the purpose of
20 growing and harvesting repeated forest crops in accordance with minimum

1 acceptable standards for forest management. ~~Such~~ The land may include
2 eligible ecologically significant treatment areas in accordance with minimum
3 acceptable standards for forest management and as approved by the
4 Commissioner; ~~or~~.

5 (B) ~~any~~ Any land, exclusive of any house site, that is:

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

7 (ii) owned by an organization that was certified by the
8 Commissioner of Taxes as a qualified organization as defined in 10 V.S.A.
9 § 6301a and for at least five years preceding its certification was determined by
10 the Internal Revenue Service to qualify as a Section 501(c)(3) organization that
11 is not a private foundation as defined in 26 U.S.C. § 509(a); and

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

14 (C) Any land, exclusive of any house site, including eligible
15 ecologically significant treatment areas in accordance with minimum
16 acceptable standards for forest management and as approved by the
17 Commissioner, and is:

18 (i) at least 25 acres in size; and

19 (ii) under active ecological management for the purpose of
20 sequestering and storing carbon, enhancing wildlife biodiversity, or a

1 combination thereof in accordance with standards established by the
2 Commissioner of Forests, Parks and Recreation.

3 * * *

4 (16) “Carbon sequestration” and “Carbon storage” mean the process of
5 accumulating carbon on a piece of property through the growth of flora and
6 fauna that outpaces the extraction of carbon stocks from the property, using
7 industry standard growth models.

8 (17) “Carbon stock” means a reservoir or system that has the capacity to
9 accumulate or release carbon.

10 Sec. 2. 32 V.S.A. § 3755 is amended to read:

11 § 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

12 (a) Except as modified by subsection (b) of this section, any agricultural
13 land, managed forestland, and farm buildings that meet the criteria contained in
14 this subchapter and in the rules adopted by the Board shall be eligible for use
15 value appraisal.

16 (b) Managed forestland shall be eligible for use value appraisal under this
17 subchapter only if:

18 (1) The land is subject to a forest management plan, ~~or~~ subject to a
19 conservation management plan in the case of lands certified under 10 V.S.A.
20 § 6306(b), or subject to an ecological management plan in the case of lands
21 identified in subdivision 3752(9)(C) of this subchapter that is filed in the

1 manner and form required by the Department of Forests, Parks and Recreation
2 and that:

3 (A) Is signed by the owner of the parcel.

4 (B) Complies with subdivision 3752(9) of this title.

5 (C) Is approved by the Department of Forests, Parks and Recreation.

6 (D) Provides for continued conservation management, ecological
7 management, or forest crop production on the parcel for 10 years. An initial
8 forest management plan, ecological management plan, or conservation
9 management plan must be filed with the Department of Forests, Parks and
10 Recreation on or before October 1 and shall be effective for a 10-year period
11 beginning the following April 1. Prior to expiration of a 10-year plan and on
12 or before April 1 of the year in which the plan expires, the owner shall file a
13 new conservation, ecological, or forest management plan for the next
14 succeeding 10 years to remain in the program.

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

20 (F) The Department, upon giving due consideration to resource
21 inventories submitted by applicants, may approve a conservation management

1 plan, consistent with conservation management standards, so as to include
2 appropriate provisions designed to preserve areas with special ecological
3 values;_2 fragile areas;_2 rare or endangered species;_2 significant habitat for
4 wildlife;_2 significant wetlands;_2 outstanding resource waters;_2 rare and
5 irreplaceable natural areas;_2 areas with significant historical value;_2 public
6 water supply protection areas;_2 areas that provide public access to public
7 waters;_2 and open or natural areas located near population centers or
8 historically frequented by the public. In approving a plan, the Department
9 shall give due consideration to the need for restricted public access where
10 required to protect the fragile nature of the resource; public accessibility where
11 restricted access is not required; facilitation of appropriate, traditional public
12 usage; and opportunities for traditional or expanded use for educational
13 purposes and for research.

14 (G) The Department, upon giving due consideration to resource
15 inventories submitted by applicants, may approve an ecological management
16 plan, consistent with ecological management standards, so as to include
17 appropriate provisions designed to increase the amount of carbon in natural
18 carbon stocks and enhance wildlife biodiversity. In approving a plan, the
19 Department shall give due consideration to the need for restricted public access
20 where required to protect the fragile nature of the resource; public accessibility
21 where restricted access is not required; facilitation of appropriate, traditional

1 public usage; and opportunities for traditional or expanded use for educational
2 purposes and for research.

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

7 (3) There has not been filed with the Director an adverse inspection
8 report by the Department stating that the management of the tract is contrary to
9 the forest, ecological, or conservation management plan, or contrary to the
10 minimum acceptable standards for forest, ecological, or conservation
11 management. The management activity report shall be on a form prescribed by
12 the Commissioner of Forests, Parks and Recreation in consultation with the
13 Commissioner of Taxes and shall be signed by all the owners and shall contain
14 the tax identification numbers of all the owners. All information contained
15 within the management activity report shall be forwarded to the Department of
16 Forests, Parks and Recreation, except for any tax identification number
17 included in the report. If any owner satisfies the Department that ~~he or she~~ the
18 owner was prevented by accident, mistake, or misfortune from filing an initial
19 or revised management plan that is required to be filed on or before October 1,
20 or a management plan update that is required to be filed on or before April 1 of
21 the year in which the plan expires, or a management activity report that is

1 required to be filed on or before February 1 of the year following the year
2 when the management activity occurred, the owner may submit that
3 management plan or management activity report at a later date; provided,
4 however, no initial or revised management plan shall be received later than
5 December 31, and no management plan update shall be received later than one
6 year after April 1 of the year the plan expires, and no management activity
7 report shall be received later than March 1.

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

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

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

20 (3) If that Department finds that the management of the tract is contrary
21 to the conservation, ecological, or forest management plan, or contrary to the

1 minimum acceptable standards for conservation, ecological, or forest
2 management, it shall file with the owner, the assessing officials, and the
3 Director an adverse inspection report within 30 days after the conclusion of the
4 inspection process.

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

13 * * *

14 Sec. 3. EFFECTIVE DATE

15 This act shall take effect on July 1, 2022.