



**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL  
OFFICE

**MEMORANDUM**

**To:** House Committee on Natural Resources, Fish, and Wildlife

**From:** Julia Richter, Joint Fiscal Office

**Subject:** Initial estimate for the cost of expanding management options of forest reserve lands for Use Value Appraisal enrolled lands

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Using currently available data, if all remaining reserve forest eligible 230,000 acres were to be enrolled in Use Value Appraisal (UVA), the reduction in property taxes would be approximately \$6 million; this number will be refined with further information. This is the estimate if all property were enrolled in year one, and the estimate is based on broad assumptions regarding enrollment, expansion, phase-in, previous costs, among others. Details are listed below.

*Details on calculation:*

- According to Forest, Parks, and Recreation, expanding management options for UVA enrolled land does not significantly expand the number of parcels eligible for enrollment, and would result in only a negligible expansion of parcels eligible for enrollment in UVA. Specifically, about 860,000 acres would be eligible for enrollment in this expanded management, 630,000 of which are currently enrolled.<sup>1</sup>
- Using 2019 data, the average property tax savings per acre of the existing managed forest program are approximately \$17.25 per acre for Education taxes and approximately \$8.27 for municipal taxes. This estimate is likely too low for new parcels because the \$17 figure is biased downward by large acreage, early enrollees in the program. More recent enrollees have been more expensive on a per acre basis, as parcels are tending to be smaller in acreage.
- Using these estimates, if all 230,000 remaining acres were to be enrolled in UVA, this would result in approximately \$5.87 million in total property tax savings<sup>2</sup>, of which \$3.97 million would be Education taxes, and \$1.90 million would be municipal taxes.

Furthermore, it is important to note that this estimate does not take include any opportunity costs, nor secondary benefits or costs due to inherent intricacies and difficulties.

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<sup>1</sup> Vermont Department of Forests, Parks and Recreation. (October 15, 2021). "Considerations for a Reserve Forestland Subcategory in Vermont's Use Value Appraisal Program".

<sup>2</sup> Depending on who is examining this figure, it can also be considered as foregone revenues.