



Use Value Appraisal

DEPARTMENT OF FORESTS, PARKS, AND RECREATION ALLOCATIONS

Michael Snyder, Vermont State Forester and Commissioner

February 18, 2021

Statutory Purpose

Preserve the **working landscape and the rural character of Vermont.** (32 V.S.A § 3750)

§ 3751 further statement of purpose:

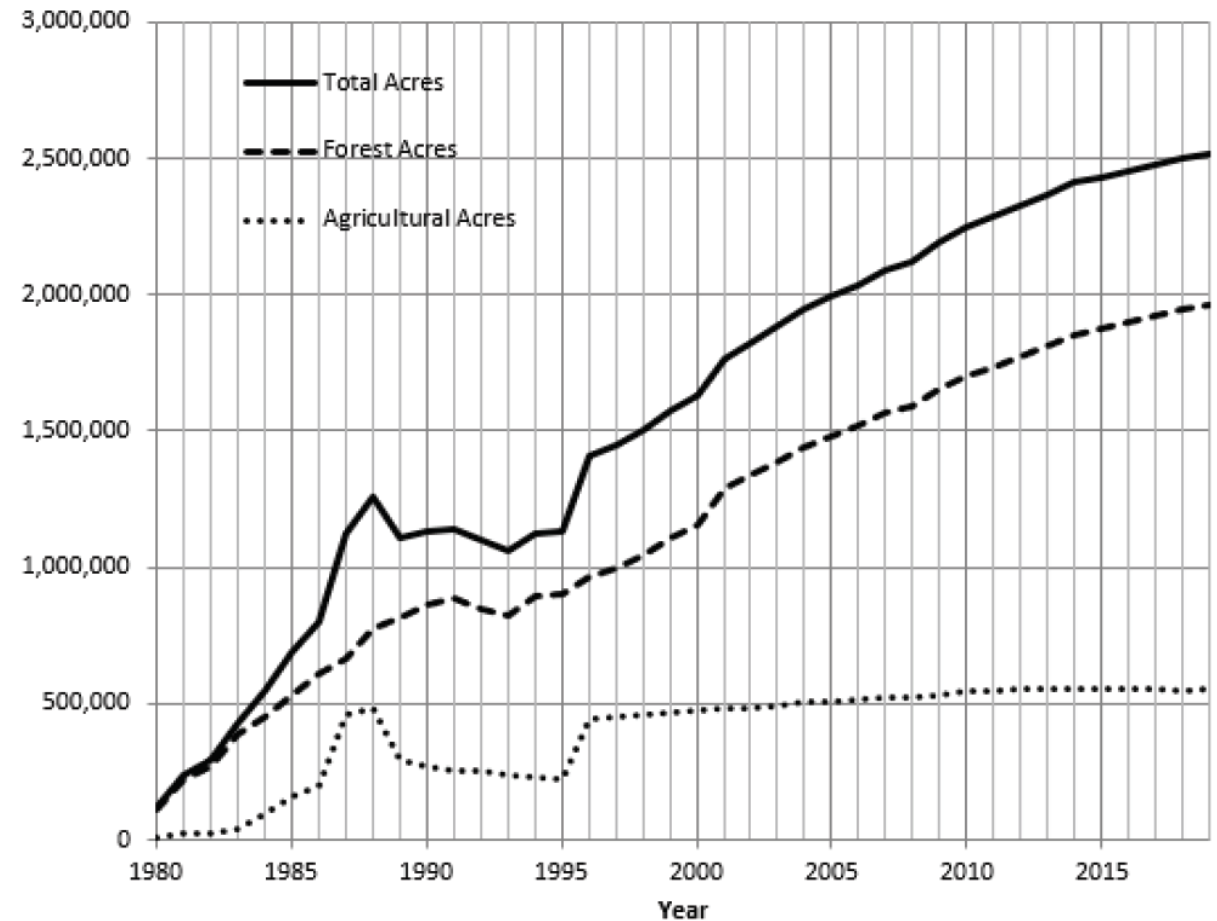
- Keep Vermont's agriculture and forestland in production.
- Protect natural ecological systems.
- Prevent accelerated conversion to development.
- Achieve equitable taxation.
- Assist in preservation and protection of scenic resources.
- Assist Vermonter's in planned orderly growth.



Program Growth Over Time

2020 Enrollment

Enrollment Category	Acres (Million)	Parcels (Number)
Forestland	1.95	16,000
Conservation	.04	190
Agricultural	.55	3,000
Total	2.53	19,000+



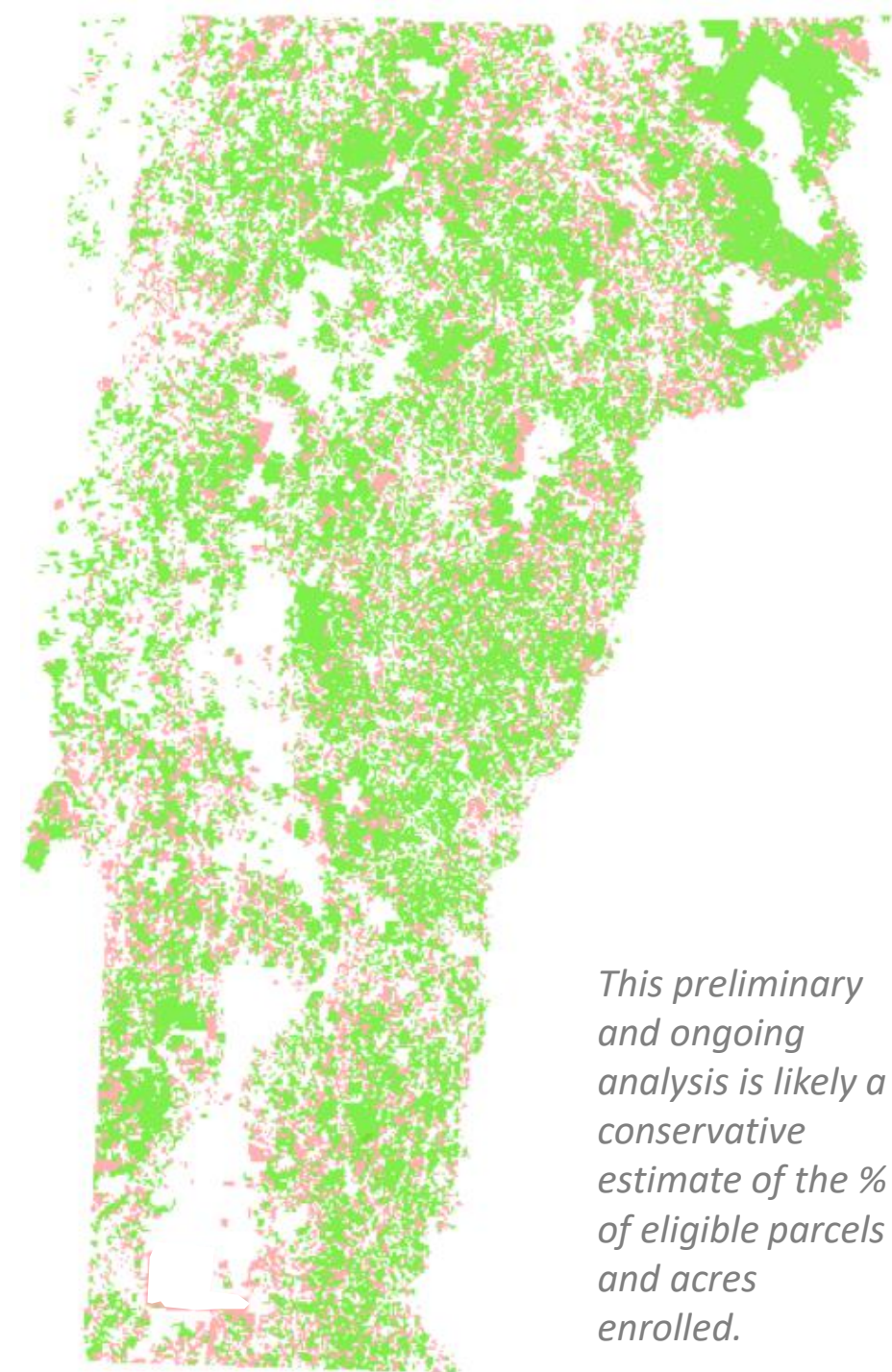
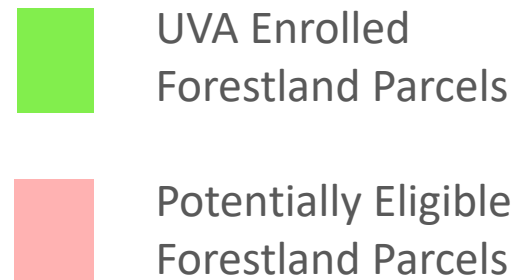
Parcels Enrolled in UVA

55% of eligible forestland parcels are enrolled

- 16,000 parcels enrolled
- 29,000 parcels eligible

70% of eligible forest acres are enrolled

- 1.98 million acres enrolled
- 2.77 million acres eligible



This preliminary and ongoing analysis is likely a conservative estimate of the % of eligible parcels and acres enrolled.

ENROLLMENT CATEGORIES:



AGRICULTURAL
LAND



FOREST
LAND



CONSERVATION
LAND

Forestland Eligible in UVA

- At least **25 acres** of enrolled land, with a **minimum of 20 acres** of productive managed forest - *house sites and commercial developments are not eligible.*
- Management is **approved by FPR** and consistent with a forest management plan and map meeting the **minimum acceptable standards** as established by the Commissioner of FPR.
- Land eligible as Ecologically Significant Treatment Areas (ESTAs) **do not require timber** to be the primary management objective.
- **All Site IV lands are eligible** when all other eligibility conditions are met.



Conservation Land Eligibility in UVA



- **Owned by a 501(c)(3)**, which is not a private foundation, and which has been certified by the Commissioner of Taxes as being principally engaged in the preservation of undeveloped land for the purposes of conservation.
- **Parcel has been certified** by the Tax Department as being eligible for tax exemption.
- **Management advancing conservation goals** consistent with a plan and map meeting minimum acceptable standards.

Forestland Enrollment: *Sub-Categories*

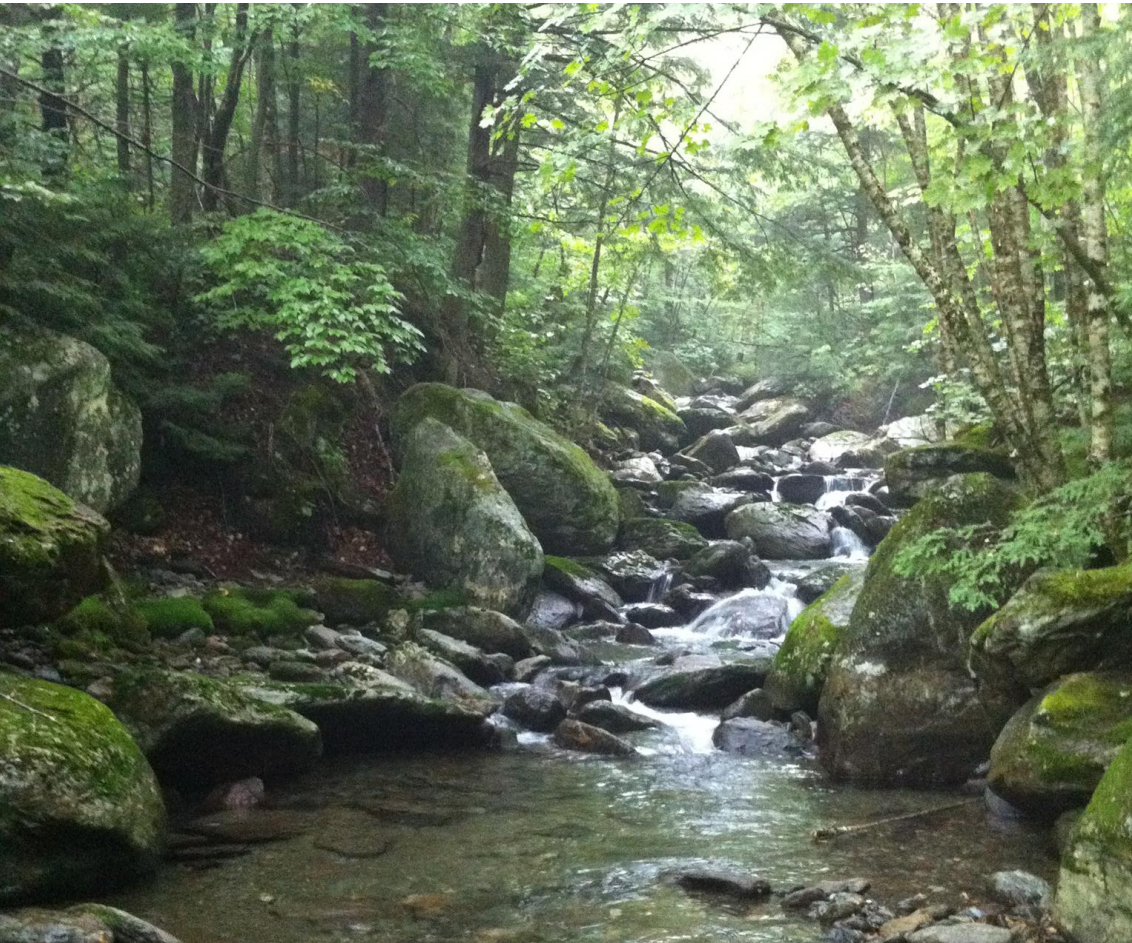
Managed **actively** for timber:

- **Must use USDA Forest Service silvicultural guides:**
 - Productive Forestland
- **May use guidelines other than USDA Forest Service silvicultural guides:**
 - Significant Wildlife Habitat
 - Special Places and Sensitive Sites



Lands NOT managed actively for timber

Needs to be substantiated and mapped



Ecologically Significant Treatment Areas - ESTAs

- Natural Communities of Statewide Significance
- Rare, Threatened, and Endangered Species
- Riparian Areas
- Vernal Pools with Amphibian Breeding Habitat
- Forested Wetlands
- Old Forests

Miscellaneous

- Up to 1 acre for legitimate conservation objective

Old Forest ESTA Revisions

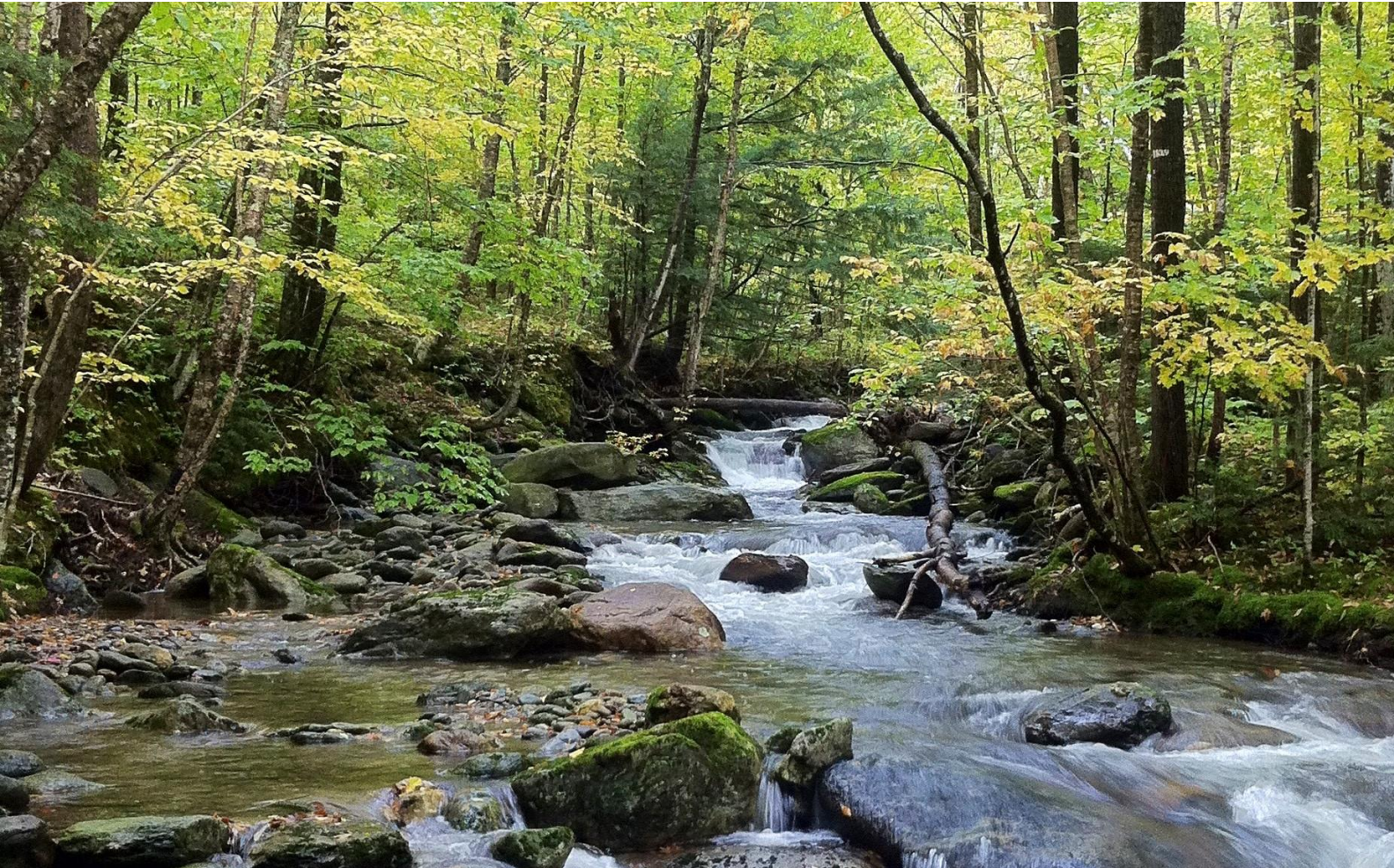
- Development began two years ago.
- Release is imminent.
- Revised to clarify what lands may be eligible for enrollment.



Criteria changed to allow enrollment of late successional forests with limited evidence of human-caused disturbance beyond ecological management imitating old forest conditions.

ESTAs Enrollment

Riparian and Natural Communities ESTAs Highest Enrollment



County	Total ESTA Acres	Total Parcels
Addison	423	35
Bennington	177	13
Caledonia	817	27
Chittenden	832	29
Essex	2,848	26
Franklin	949	47
Grand Isle	151	7
Lamoille	561	21
Orange	76	10
Orleans	1,086	51
Rutland	549	29
Washington	1,289	35
Windham	686	72
Windsor	709	47
TOTAL	11,151	449

Lands NOT managed actively for timber

Needs to be substantiated and mapped



Site IV soils

- Usually, wetlands or rock outcrops

Non-forested lands

- “Open Land”



Example Project

Often parcels are enrolled in several categories

Category	Acres
Productive Forestland	
Northern Hardwood	8.5
Spruce/Fir/Cedar	15
Open / Idle Agricultural Land	4
Ecologically Significant (ESTA)	
Riparian ESTA	9
Excluded	2
TOTAL	38.5

How much do landowners save?

ASSESSED VALUE					
	Acres	Per Acre	Total	Tax Rate	Annual Tax
Use Value	100	\$152*	\$15,200	2%	\$304
Fair Market Value	100	\$1,000	\$100,000	2%	\$2,000
Savings:					\$1,696

**2021 Use Value Forestland Rate*

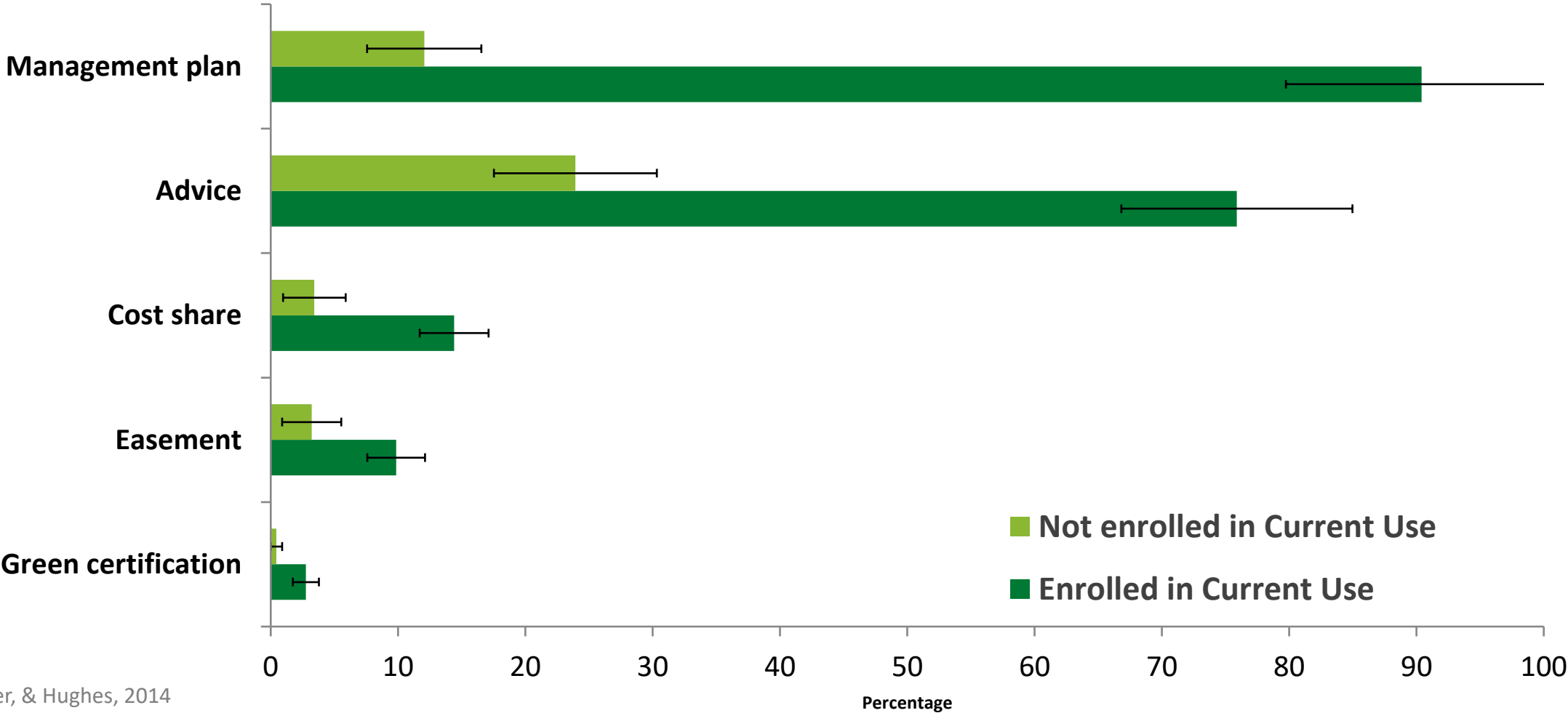


Use Value Rates Over Time

Tax Year	Forestland Value per Acre	Forestland Value > 1 Mile from Road per Acre	Agricultural Land Value per Acre
2021	152	114	405
2020	151	113	382
2019	145	109	362
2018	136	102	347
2017	135	101	326
2016	135	101	306
2015	131	98	289
2014	118	89	279
2013	119	89	265
2012	123	92	254
2011	122	92	238
2010	122	92	215
2009	123	92	199

Extended Benefits of UVA Program

Percentages of family forest land and ownerships with 25+ acres



Butler, Butler, & Hughes, 2014



Forestland Enrollment Growth: 2003 - 2020



- **Acres: 43% increase**
 - 2003: 1.4 million
 - 2020: 2 million
- **Parcels: 70% increase**
 - 2003: 9,000
 - 2020: 16,000

The growth in parcels and acres is not proportionate because forestland enrollments are smaller than they were historically and enrolled parcels are frequently subdivided.
This results in a higher cost per acre for administration.

Our State Land



~360,000 Acres: FPR • F&W • DEC

FPR Natural Areas

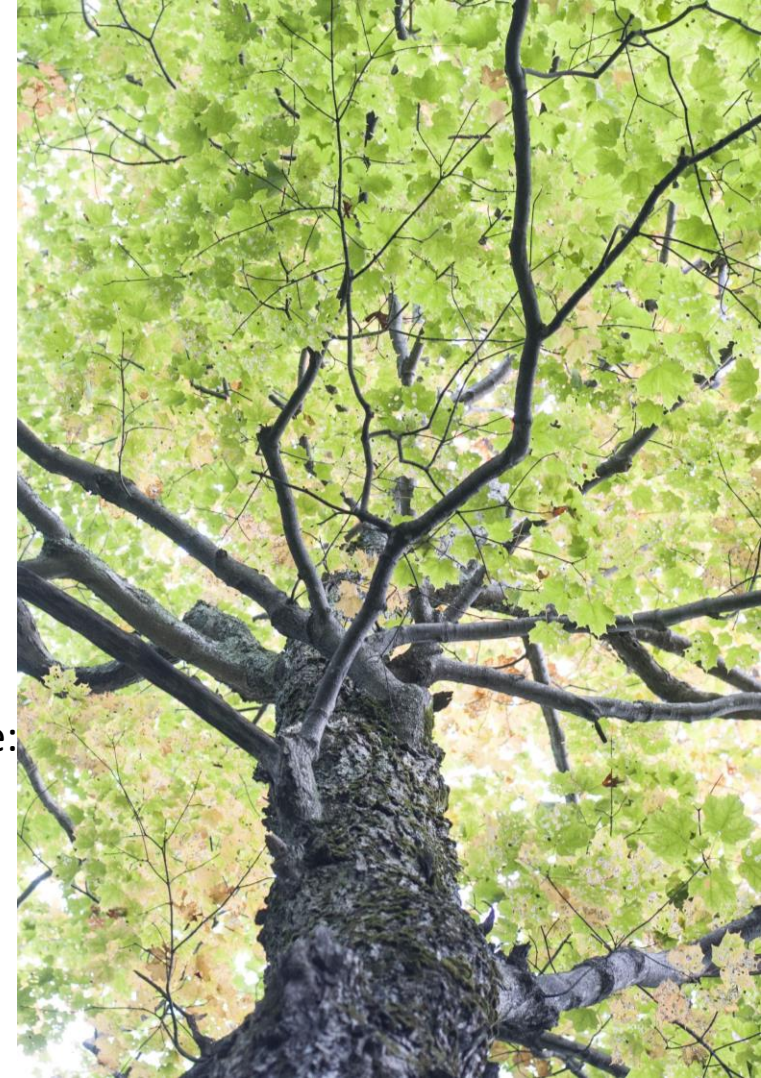
- Established by law: **10 V.S.A. §2607**
- Natural Areas are designated by the FPR Commissioner, with approval of Governor, on **FPR lands only** (State Forests, State Parks).
- “Natural Areas’ means limited areas of land which have **retained their wilderness character...**”
- The Department shall “**manage or maintain the areas for the preservation of their natural condition.**”
- **34 Natural Areas on FPR lands, spanning ~20,000 acres**, ranging in size from 3 acres to 7,404 acres.



Cambridge Pines Natural Area

ANR Lands Classifications and Legal Protections

- Land use categories are assigned to **ANR lands** through our management planning process.
- Four land use categories, two of which prioritize protection of unique or special resources:
 - **Highly Sensitive Management:** An area with uncommon or outstanding biological, ecological, geological, scenic, cultural, or historic significance **where protection of those resources is the primary consideration for management.**
Includes all Natural Areas.
 - **Special Management:** An area with unique or special resources where **protection and/or enhancement of those resources is an important consideration for management...**
- Some ANR lands are protected by **conservation easements** that establish **protection of natural processes** as primary easement purposes and preclude commercial harvest (example: West Mountain WMA, Kingdom Heritage Lands, easement co-held by TNC/VHCB)
- ANR sometimes acquires land with deed restrictions prohibiting commercial harvest.





Old forests are valuable because of the ecological functions they provide

The strategies to achieve these functions should not be conflated with the value of the functions themselves.

Establishment of a forever-wild easement is one strategy that limits human interventions that could erode the ecological functions of a forest.

It is a strategy that is most valuable when protecting existing functions.



Where land use history has altered hydrology, introduced invasive plants, simplified the forest structure, or where climate change and other stressors threaten forest health, a forever-wild easement can preclude important management tools to fund and implement restoration and climate-adaptive silviculture when they are most valuable ecologically.

PROPOSAL: Expand the UVA Conservation Category to include eligibility of private land subject to an easement held by a qualified organization principally engaged in the preservation of undeveloped land.

- **Unclear Objectives:** Is this about reducing the tax burden of land with a forever-wild easement, incentivizing development of old forests, incentivizing permanent conservation, or increasing carbon storage and/or sequestration from forestland?
- **Proposal Creates Inequity:** Currently, all privately owned forestland must meet the same eligibility requirements to enroll in the program, easement or not. This proposal provides an incentive for a specific easement type by reducing many eligibility requirements required for parcels with forever-wild easements while requirements must be met by all other private landowners. No other easement type benefits from this consideration.
- **Trade-offs Need to be Understood:** By design, forever-wild easements can permanently preclude many uses of land and the public benefits they provide: recreational trail networks, habitat management, climate-adaptive silviculture, timber management, agriculture, and more. The trade-offs are largely irreversible once they occur. To evaluate the proposal, the costs and benefits of incentivizing forever-wild easements should be clearer.
- **Administrative Costs and Questions:** The financial and administrative implications of adding new eligibility should not be underestimated, particularly when the details and scope of new enrollment are not well understood.

Acknowledgements and Goals

- Conservation easements (including forever-wild easements) play a critical role in protecting Vermont's forests and the values they provide and should be considered in any strategy to conserve forests and their values.
- FPR supports appropriate strategies to ensure fair taxation for lands subject to an easement (this may not be through UVA).
- FPR supports working to develop a clear path to actively manage for the recruitment and support the retention of old forest conditions on forestland enrolled in UVA.
- Strategies should be affordable and FPR and PVR should have the capacity to administer them.

