



FORESTS, PARKS & RECREATION
VERMONT



AGENCY OF NATURAL RESOURCES

USE VALUE APPRAISAL

Keith Thompson, Department of Forests, Parks and Recreation

February 6, 2025



Presentation Overview



Value of Vermont's Forests



Vermont's Forests are Privately
Owned



How Use Value Is Foundational to
Supporting Affordable Ownership
and Stewardship of VT's Forestland



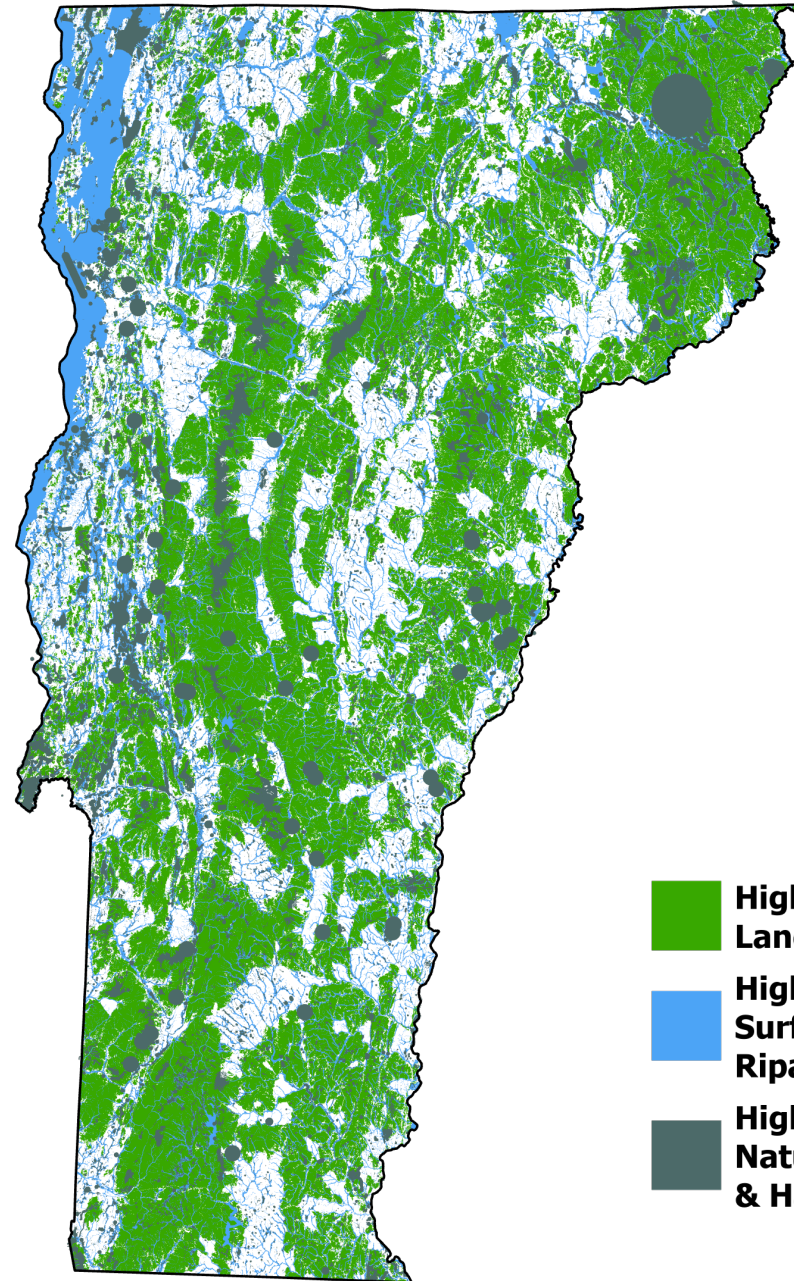
Vermont's Forest Economy




	Employed	Income	Value-Added	Output
Direct	9,100	\$291.5 M	\$393.4 M	\$1.4 Billion
Total	13,800	\$521.9 M	\$521.9 M	\$2.1 Billion

Habitat and the Ecologically Functional Landscape

- Intact
- Connected
- Diverse



-  **Highest Priority Landscape Blocks**
-  **Highest Priority Surface Waters & Riparian Areas**
-  **Highest Priority Natural Community & Habitat Features**



AGENCY OF NATURAL RESOURCES
VERMONT



Carbon

In 2022, the forest sector compensated for 67% of Vermont's Statewide greenhouse gas emissions.

Preliminary data from 2025 Vermont Forest Carbon Inventory, Kosiba.

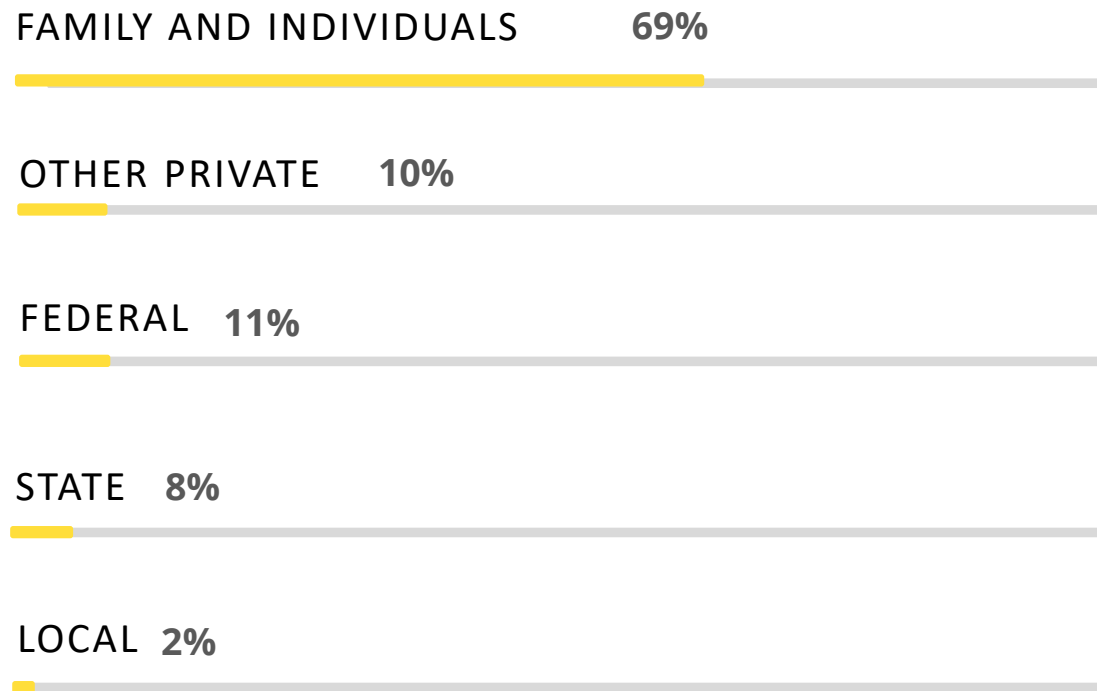


Water

- Flood attenuation
- Clean water
- Aquatic habitat

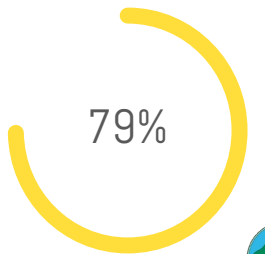


Ownership of Vermont Forestland



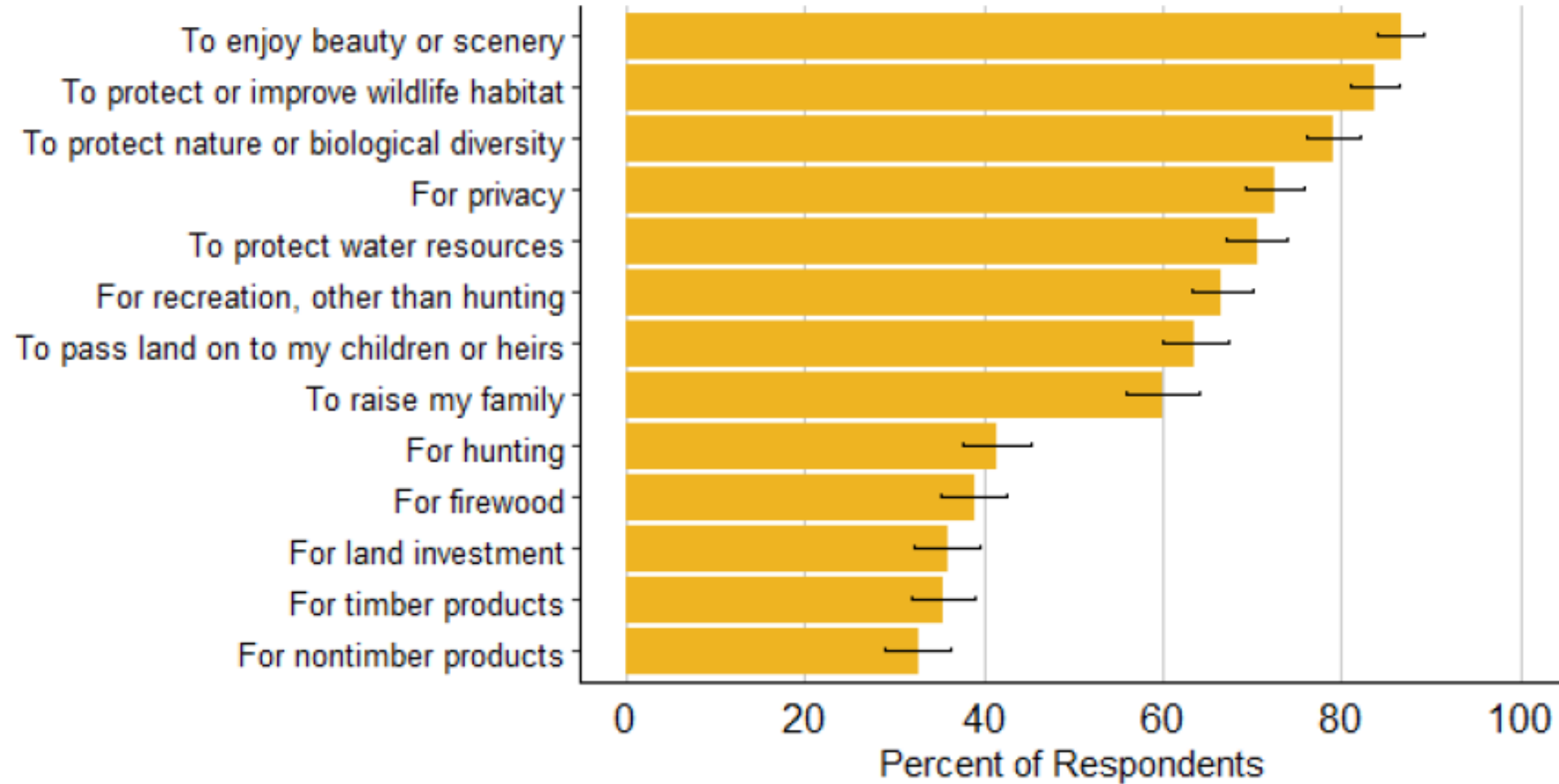
**PRIVATE
LANDOWNERS**

own 3.6 million acres





Why do they own their land?



TOP 5 CONCERNS

Property taxes

Keeping land intact

Dumping or vandalism

Trespassing or poaching

Insects or diseases

Concerns of Forest Landowners 10+ acres

National Woodland Owners Survey 2018

WHAT IT TAKES TO MANAGE FORESTLAND FOR ALL ITS VALUES (TREE COVER IS A START - IT ISN'T ENOUGH)



Statutory Purpose of Use Value Appraisal

To preserve the *working landscape*, preserve the *rural character* of Vermont, and protect the *natural ecological systems and natural resources* of the forestland of Vermont.(32 V.S.A § 3750)



Statutory Purpose of Use Value Appraisal

Adjustments to one area affect the program's other purposes.

- to encourage and assist in their conservation and preservation for future productive use and for the protection of natural ecological systems and services,
- to prevent the accelerated conversion of these lands to more intensive use by the pressure of property taxation at values incompatible with the productive capacity of the land;
- to achieve more equitable taxation for undeveloped lands;
- to encourage and assist in the preservation and enhancement of Vermont's scenic natural resources; to assist in climate adaptation and mitigation;
- and to enable the citizens of Vermont to plan its orderly growth in the face of increasing development pressures in the interests of the public health, safety, and welfare.

ENROLLMENT CATEGORIES:



Managed Forestland



Productive Forestland

92% Enrolled in this category



Reserve Forestland

0.1% Enrolled in this category



Conservation Land

2% Enrolled in this category



Site IV Lands (wetlands)

3% Enrolled in this category



Open Lands

2% Enrolled in this category



Ecologically Significant Treatment Areas

<1% Enrolled in this category

Forestland Eligibility

- 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) or Reserve Forestland **do not require timber** to be the primary management objective.
- **All Site IV lands (wetlands) are eligible** when all other eligibility conditions are met.



Use Values - 2024



Forestland

- \$188/acre
- \$141/acre for land >1 mile from a Class 1, 2, or 3 road.



Agricultural Land

- \$483/acre
- (Also Open Idle/Ag Land)

Support to Keep Forest Land Affordable

	ASSESSED VALUE				
	Acres	Per Acre	Total	Tax Rate	Annual Tax
Use Value	100	\$188	\$18,800	2%	\$376
Fair Market Value	100	\$1,500	\$150,000	2%	\$3,000
Difference in tax rate:					\$2,624

Parcels Enrolled in UVA

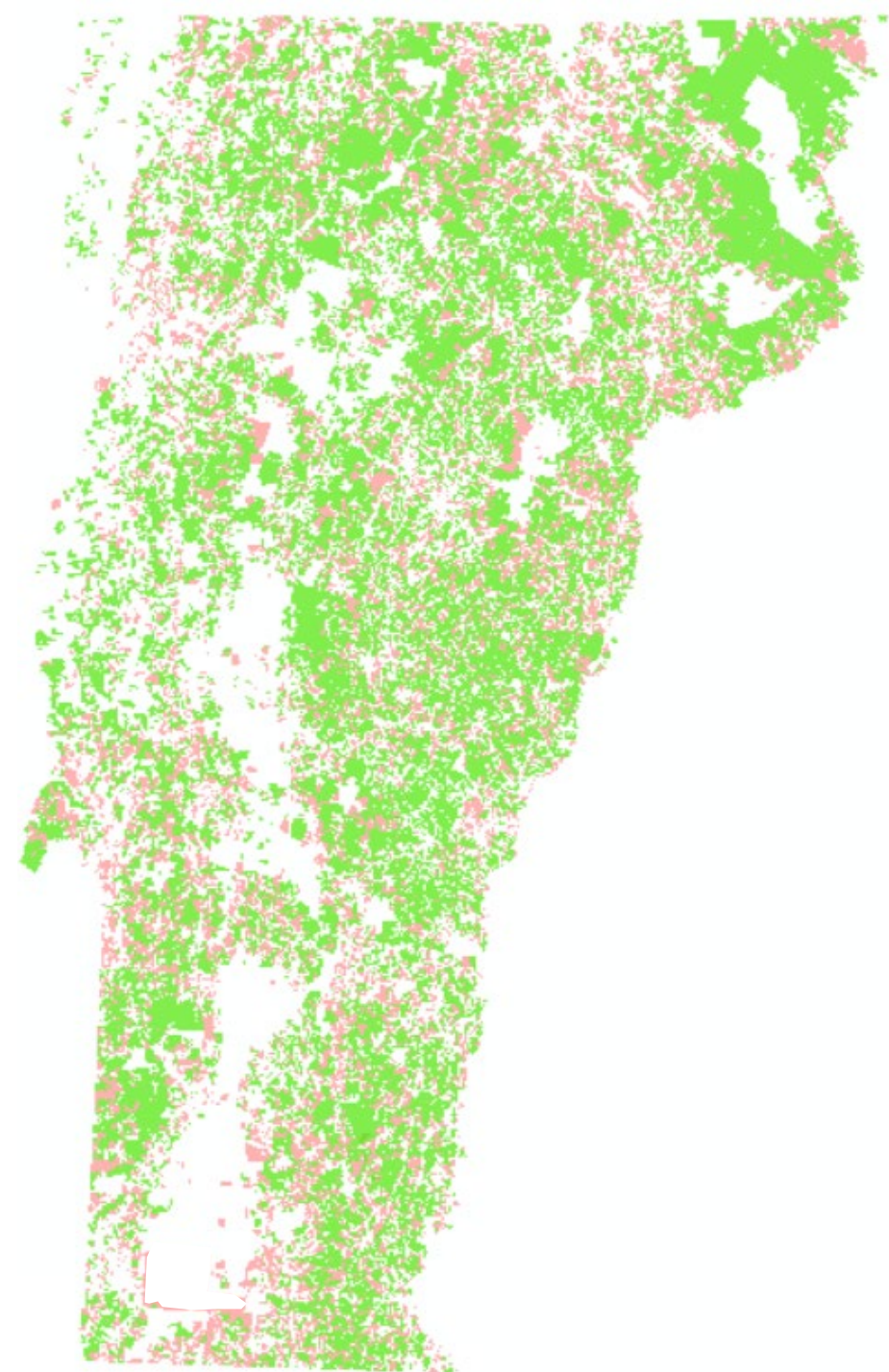
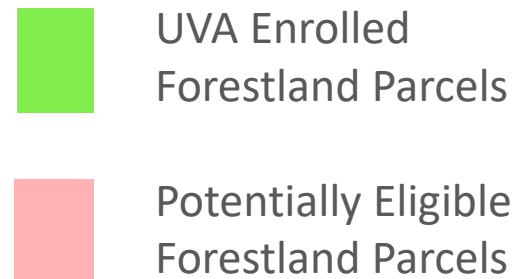
55% of eligible forestland parcels are enrolled

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

70% of eligible forest acres are enrolled

- 2 million acres enrolled
- 2.77 million acres eligible

2022 analysis of eligibility



Reserve Forestland Current Interest

Estimated Eligibility

	Acres	Parcels
UVA Enrolled	532,602	2,403
Potentially Eligible: Not Enrolled	158,581	1,717
Total	691,183	4,120

Enrollments in Progress

	Acres	Parcels
Previously Enrolled	1,918	17
New Enrollments	773	8
Total	2,691	25

Program Delivery

Forest Management Plan Review

- 2000 plans per year

Property Visits and Inspections

- 650 - 1000 property visits per year

Maintain documentation

- 1500 property transfers per year

Landowner Education

- 300 presentations annually
- 3000 participants



Who is the messenger?

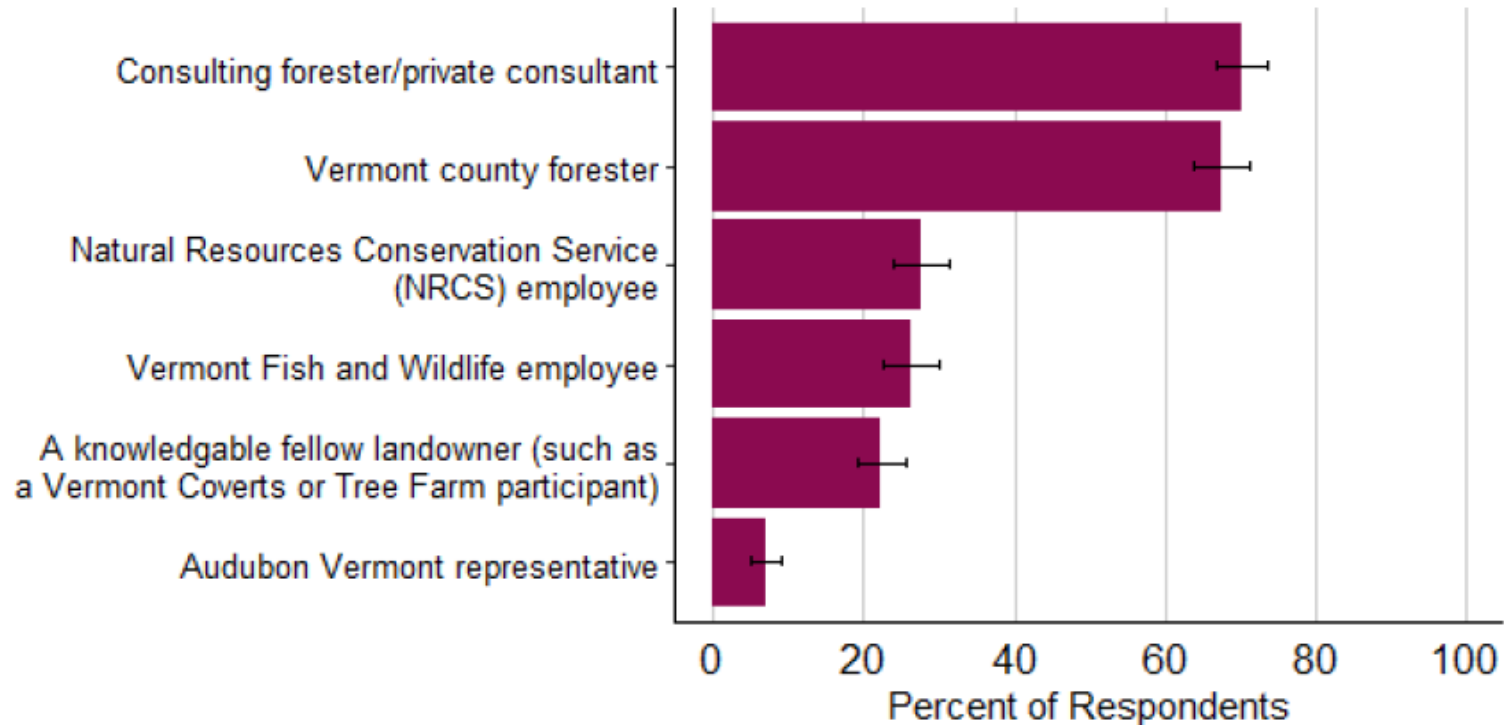
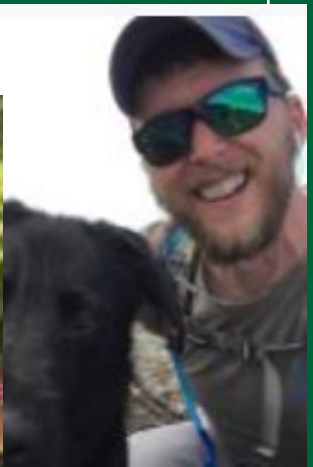
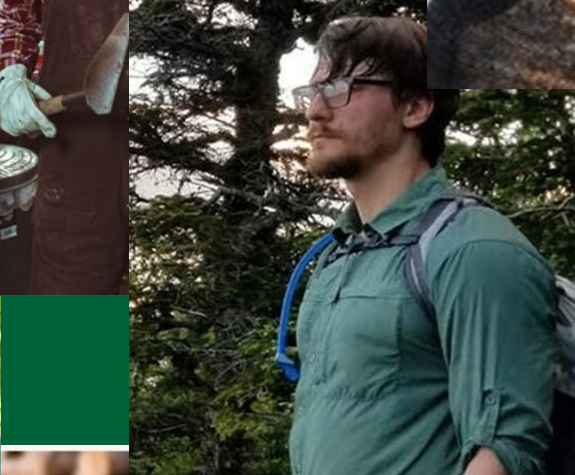


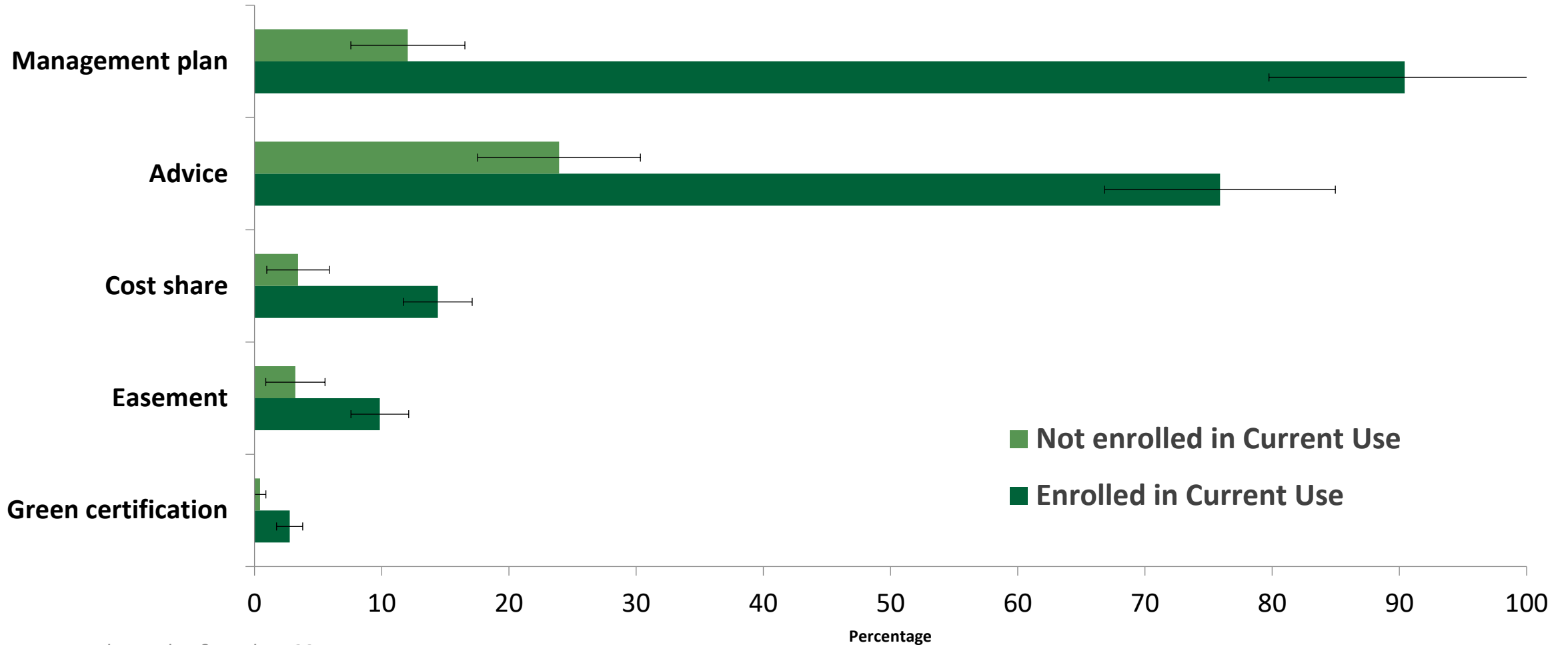
Figure 13. The percentage of respondents who have had the above woodland experts visit their land, excluding those who indicated that they did not know whether each of the above experts had visited.

Harrington, Butler 2020



Extended Benefits of UVA Program

Percentages of family forest land and ownerships with 25+ acres

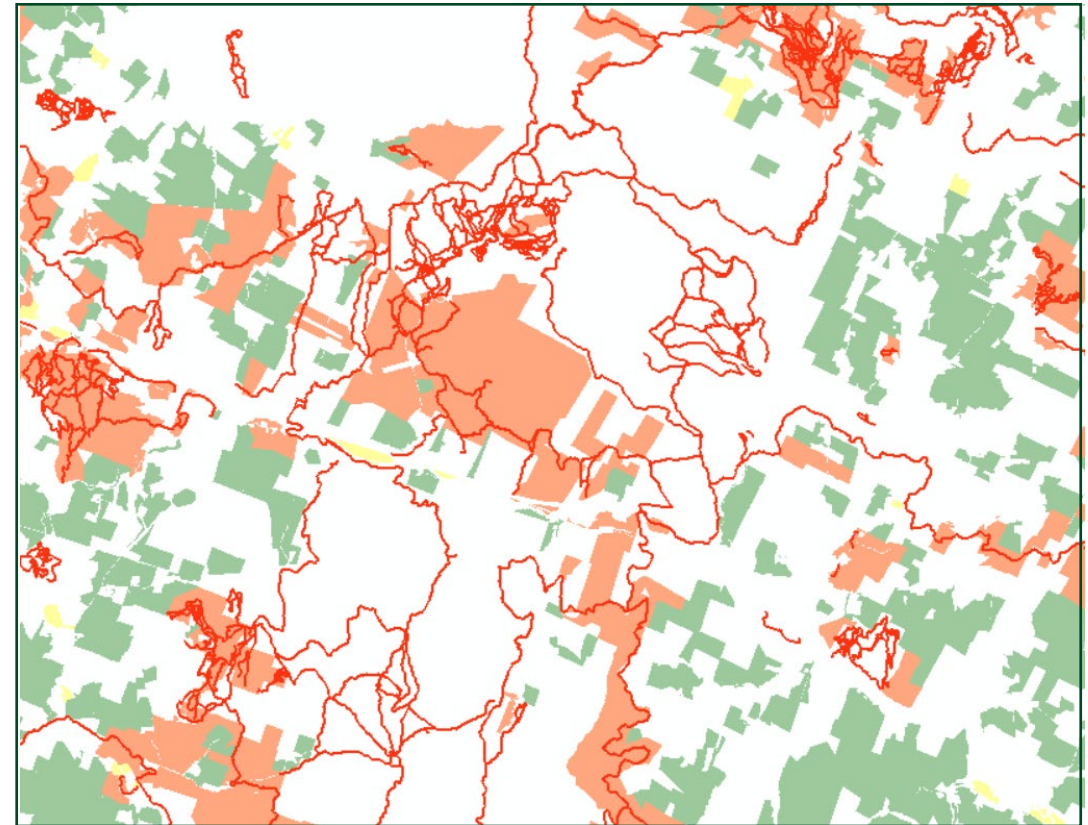
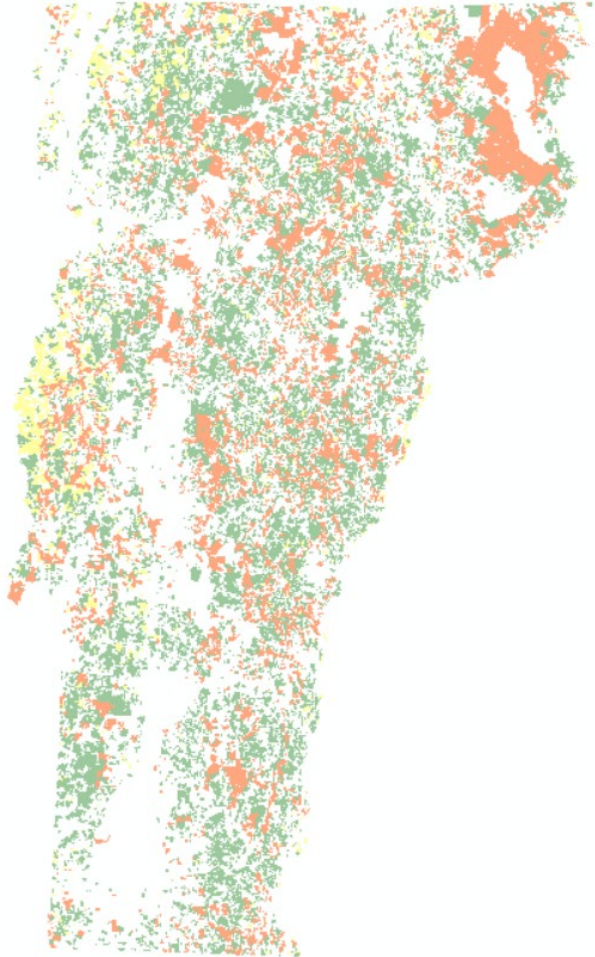


Butler, Butler, & Hughes, 2014

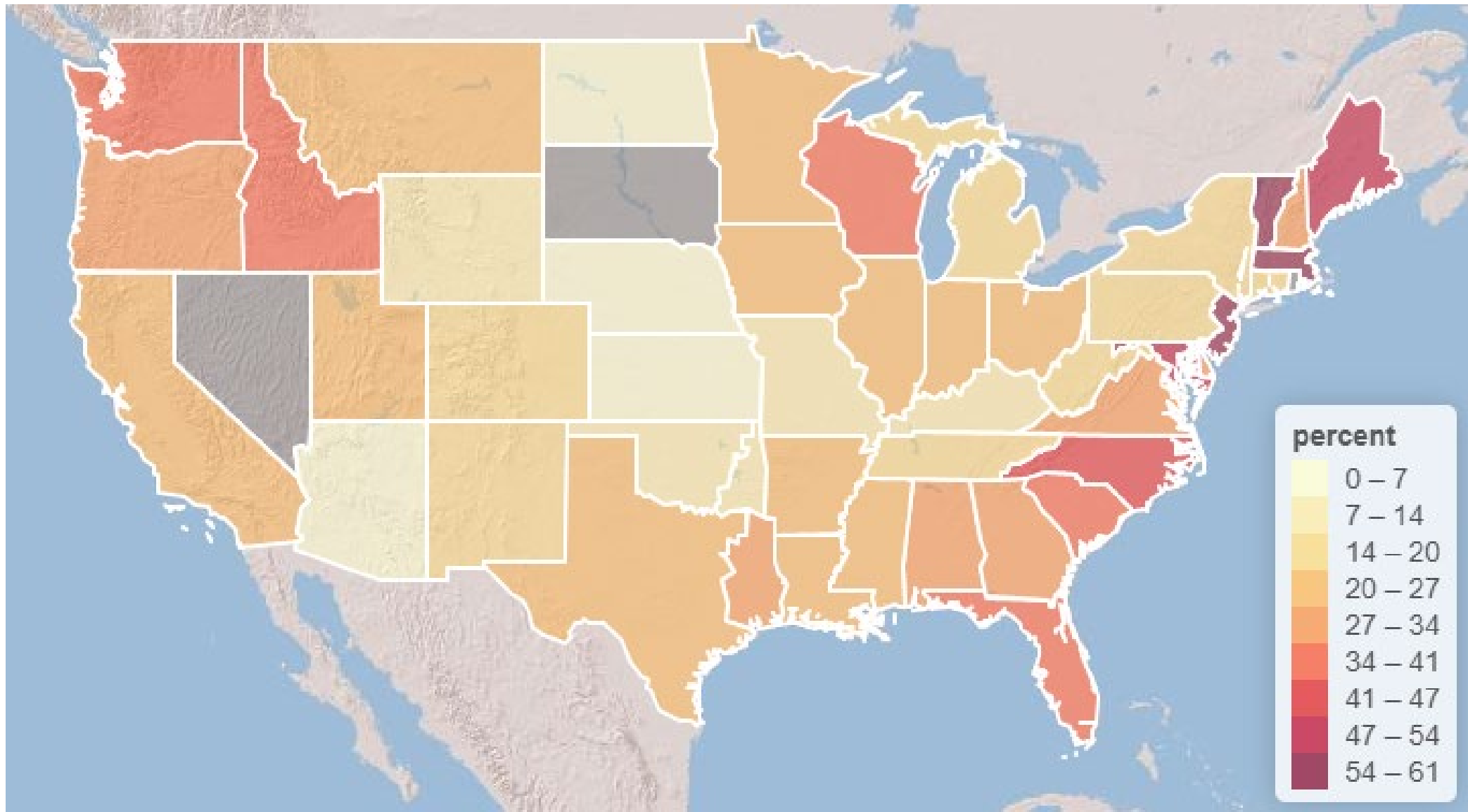


Use Value and Outdoor Recreation

More than 4,000 UVA (forest and agricultural) parcels covering 1,000,000 acres, host trails.*



*based on E911 trail data

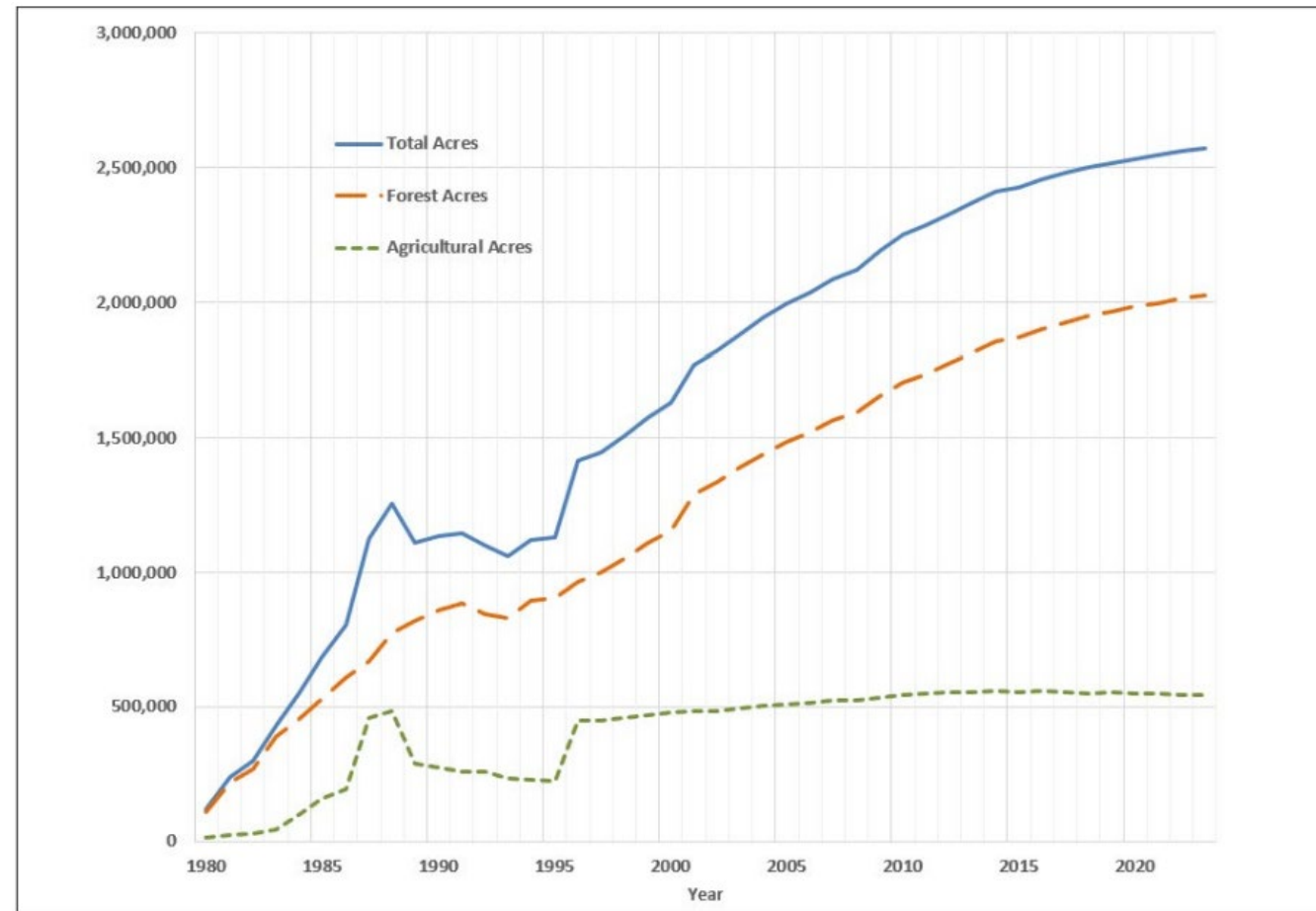


Percentage of private land acres – where the landowner has a forest management plan: 10+ acres (National Woodland Owners Survey 2018)

Program Growth Over Time

2024 Enrollment

Enrollment Category	Acres (Million)	Parcels (Number)
Forestland	2.03	16,000
Conservation	.041	190
Agricultural	.55	3,000
Total	2.57	19,600+



Forestland Enrollment Growth: 2003 - 2024



- **Acres: 43% increase**

- 2003: 1.4 million
- 2024: 2 million

- **Parcels: 70% increase**

- 2003: 9,000
- 2024: 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.

Recent Improvements



Man in plaid shirt and white mask

Man in blue t-shirt and black mask

Office shelves with files and folders

Desk with folders and papers

Box #2

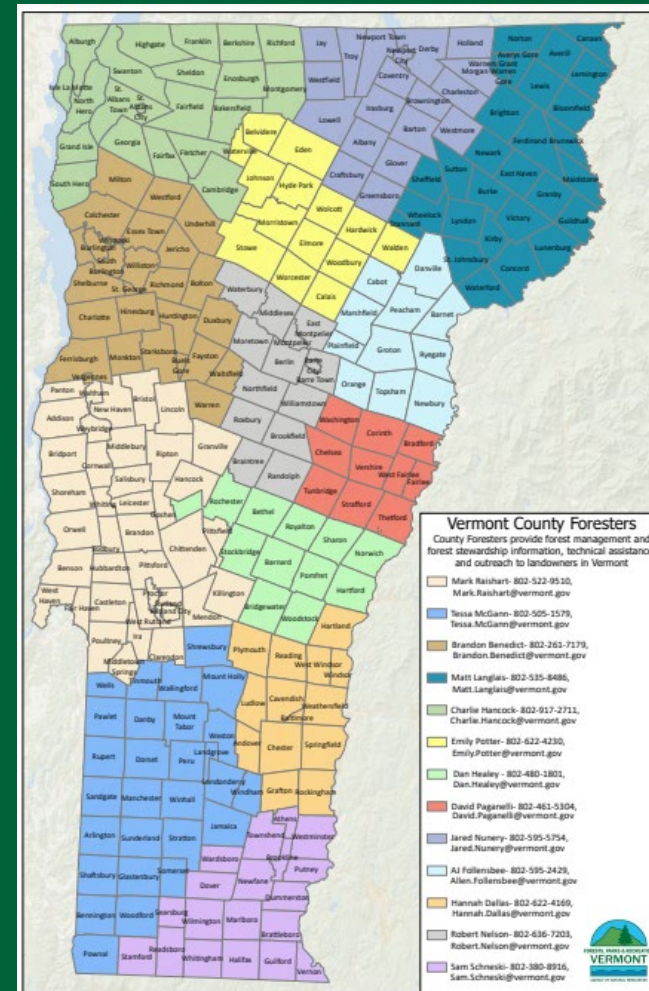
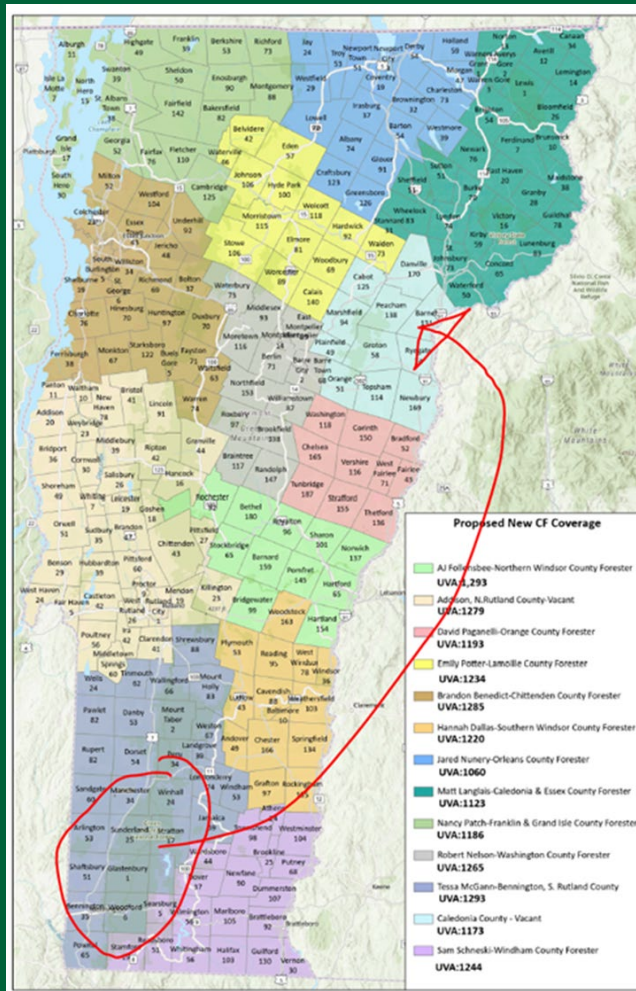
Boxes of files

County Forester Redistribution

- Equalize UVA workload
- Increase access to county forester services
- Support consistency of program administration regionally

Previous range: 750 – 1900 parcels per county forester

Current range: 1200 to 1400 parcels per county forester



Upcoming Improvements To Add Even More Value



- Mobile inspection system/tracking
- Management plan submission portal (digital maps!)
- Commissioner's Minimum Standards for Forest Management
- Current Use Advisory Board Rule Revision

UVA Does a Lot for Forests and Working Lands

- Supports affordability
- Supports supply of products
- Supports demand for services
- Mandates planning
- Facilitates education and engagement with professionals



Strive for Stability

UVA is essential for conserving and protecting working lands in Vermont.

- It is complex.
- It is foundational.
- It works.
- People depend on it.
- It takes a lot of work.
- The margins are tight.



CALCULATION OF THE FORESTLAND USE VALUES: 2023 TAX YEAR

$$\text{Calculated use value (UV)} = \frac{\left(\frac{\text{HSV} \cdot \text{USV}}{\text{FA}}\right) - \left(\left(\frac{\text{HSV} \cdot \text{USV}}{\text{FA}}\right) \cdot \text{MGT}\right)}{\frac{\text{DR}}{100} + \frac{\text{ETR}}{100}}$$

Harvest stumpage value (HSV): Total of the ten-year average of harvest volume multiplied by average stumpage value per species. (FPR Data)

Unharvested stumpage value factor (USV): Ratio of net growth to removals. Net annual growth is 2.98 units versus 1 unit of harvest. (USDA FS FIA Data)

Forested acres in Vermont (FA): Area of Forestland in acres. (USDA FS FIA Data)

Management factor (MGT): Management costs are accounted for as a percentage (25%) of the total stumpage value.

Discount rate (DR): This rate is the interest rate which accounts for the time value of money to the landowner. The value arrived at for 2023 was obtained from a ten-year average of the nominal rate U.S. Treasury 30-year security. (US Dept of Treasury Data)

Effective tax rate (ETR): This rate is provided by the Department of Taxes. The rate is estimated for calendar year 2023. The rate provided is the TOTAL effective non-residential tax rate as of 1/10/2023. (VT Dept of Taxes)