



February 25, 2026

Representative Emilie Kornheiser
Chairperson
Committee on Ways and Means
Vermont House of Representatives

Representative David Durfee
Chairperson
Committee on Agriculture, Food Resiliency and Forestry
Vermont House of Representatives

Representative Charles Kimbell
Ranking Member
Committee on Ways and Means
Vermont House of Representatives

Representative Richard Nelson
Ranking Member
Committee on Agriculture, Food Resiliency and Forestry
Vermont House of Representatives

Dear Representatives Kornheiser, Kimbell, Durfee, and Nelson,

On February 13, 2026, the House Committee on Agriculture, Food Resiliency and Forestry heard testimony from Jill Remick, the Director of Property Valuation and Review of the Vermont Department of Taxes ([recording link](#)). Ms. Remick testified in support of a provision regarding the Use Value Appraisal Program (current use program) included in Dr 26-0727 of the [Miscellaneous Tax Bill as Section 5](#). The provision includes a significant change to the current use program that would result in this:

- A non-farming landowner can demonstrate that they are using their land agriculturally and qualify for the current use program if they sell the right to hay or graze their property for at least \$2,000 annually, for parcels of up to 25 acres, and to charge additional \$75 for every additional acre they allow farmers access to.
- Non-farming landowners don't have to do any agricultural practice to receive the "current use" tax break.
- This change to 32 V.S.A. § 3752(1) Subsection (C) encourages landowners to enrich themselves in lieu of writing a lease that needs to be at least a three year term as required in 32 V.S.A. § 3752(1) Subsection (B).
- Subsection (C) should be amended to clarify that land that *"is used by a farmer who has produced an annual gross income from the sale of farm crops or grazing"* of at least \$2,000 can be eligible for the "current use" tax reduction under this alternative.

We understand that possibly the Agency of Agriculture and the VT Tax Department have interpreted subsection (C) of 32 V.S.A. § 3752(1) before to say that someone gaining income from allowing a farmer access to produce hay from their fields could be interpreted as "the sale of farm crops." However, such interpretation of the law circumvents the legislative intent vetted in the alternative subsection (B), that allows non-farming landowners to qualify for the tax reduction only if they provide farmers at least a three year lease. The income that non-farming landowners make from allowing someone access to do all the work to produce, use and sell a crop is simply a lease fee, not farming income.

We agree with the intention behind the proposed changes in Section 5 of the 2026 Miscellaneous Tax Bill, to clarify that any land used for grazing should be eligible to be enrolled in the current use program. We are concerned this provision could be misread as if non-farming land owners should at least charge farmers \$2,000 for the sale of the rights to their fields to be grazed or otherwise. As one of the largest farmer member-led non-profit organizations in the State, we urgently recommend amending Section 5 of the Miscellaneous Tax Bill to clarify the following: that it's farmers who should earn the annual gross income from the fruit of their labor, and farmer generated income should not be confused with lease fees. Therefore, the language in Section 5 should be amended to read:

"(A) it is owned by a farmer and is part of the overall farm unit;

(B) it is used by a farmer as part of the farmer's operation under written lease for at least three years; or

(C) it is used by a farmer who has produced an annual gross income from the sale of farm crops or ~~grazing rights on a per head basis~~ in one of two, or three of the five, calendar years preceding of at least:

(i) \$2,000.00 for parcels of up to 25 acres; and

(ii) \$75.00 per acre for each acre over 25, with the total income required not to exceed \$5,000.00.

(iii) Exceptions to these income requirements may be made in cases of orchard lands planted to fruit-producing trees, bushes, or vines that are not yet of bearing age. As used in this section, the term "farm crops" also includes animal fiber, cider, wine, and cheese, produced on the enrolled land or on a housesite adjoining the enrolled land, from agricultural products grown on the enrolled land."

As currently written, this bill would set further incentives for landowners who do not farm but want to qualify for the "current use" program to reduce their property taxes to charge farmers -- who are already struggling economically -- a large fee to steward their land. We respectfully submit this amendment to clarify that land is only eligible to be enrolled through the current use tax deduction because of the labor of the farmer actually doing the on-the-ground agricultural practices. This would be in alignment with the Required Agricultural Practices Rule in which someone is being determined to be farming if they make at least \$2,000 worth of annual gross income.

As written, this bill would privilege landowners as “legal land stewards” – people who make money by leasing farmland, but do not actually farm. Rural Vermont strongly opposes supporting legal land stewards legislatively. The law was ambiguous before, but these changes could encourage land owners to charge hay makers and graziers an excessive fee, even as it is the haymakers and graziers providing in the maintenance and improvement of the agricultural land.

The Use Value Appraisal program in 32 V.S.A. § 3752(1) evolved around qualifications farmers have to meet. Land that is used by farmers but not owned by them is only “used for agricultural purposes” if it is used by a farmer as part of the farmer’s operation, if a farmer has access to the land under a written lease for at least three years, or if a farmer is making income from their production on the land over at least \$2,000. Now, the changes in Section 5 make the assumption that someone who is selling grazing rights on a per head basis and makes at least \$2,000 on parcels of up to 25 acres and \$75 on any additional acre is considered equivalent to a farmer, despite the fact that they do not do the labor to steward that land. This encourages landowners to charge a high lease fee in lieu of writing a lease that needs to be at least a three year term – a minimum established for good reasons: farmers need planning security and a return on their investment in the care they put into managing pastures. Farmers that start to manage previously abandoned fields might not see a return of their efforts in their production until they have maintained and fertilized the fields for at least three years.

We are aware that the Tax Department and the Agency of Agriculture already interpret Sub Section C of allowing landowners who don’t farm to determine the income they make from lease fees to be accounted for as income from the “sale of farm crops” - however, parcels that are enrolled in the current use program at this time without a written lease agreement over at least three years could still be enrolled under Subsection C in the future, without that subsection setting incentives for non-farming landowners to raise leasing fees to at least \$2,000 per year. Our proposed language amendment would achieve that goal by using the language “is used by a farmer...” that is also used in subsection B.

We urge both committees of jurisdiction to correct the course immediately as recommended.

Respectfully submitted on behalf of the Rural Vermont Board of Directors,

Marya Merriam
Board Chair
Rural Vermont

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