

Use Value of Forestland in Vermont

Vermont Department of Forests, Parks and Recreation

Vermont's Use Value Appraisal (UVA) Program, also called "Current Use" or "Land Use", enables landowners who practice long-term forest management to have their enrolled land appraised for property taxes based on its value for forestry rather than its fair market value. When land is enrolled, the State attaches a lien to the deed. Productive forestland appraised under this program receives this assessment as long as it is actively managed, unless the landowner decides to withdraw the land from the program, the legislature ends the program, or the parcel is discontinued by the Division of Property Valuation & Review. If enrolled forestland is developed or harvested improperly, a land use change tax is levied on the developed portion and all or a portion will be discontinued from Current Use.

Eligibility

To qualify, parcels must contain at least 25 acres and be managed according to a forest plan approved by the Vermont Department of Forests, Parks and Recreation. House sites and land under other private or commercial developments are not eligible. The primary management objective must be long-term production of forest products in accordance with established forest practices. Forest management for wildlife habitat improvement, aesthetics, recreation, or watershed protection are acceptable objectives when consistent and complementary to timber management. Non-productive forestland (e.g. swampy or rock outcrop areas) or open land that will take more than two years to fill in to trees cannot exceed 20% of the total land enrolled for use value appraisal.

Forestland which is *not* eligible includes:



Two acres surrounding any dwelling including houses, camps, and mobile homes.



Land used for commercial mining or removal of gravel.

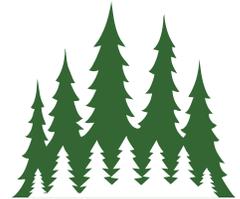


Any forested areas where the landowner chooses not to harvest trees.



Any utility right-of-way in excess of two acres and wider than 40 feet.

Landowners do not need to enroll the entire parcel in the program. If a landowner chooses to enroll only a portion of their parcel, the excluded land must be carefully described and shown on the required map. Those lands will continue to be taxed at the fair market value. Town listers may increase the fair market value of excluded portions.



The Application Process

Applications must be received or postmarked by September 1 at the Vermont Tax Department's Division of Property Valuation & Review for entry the following tax year. Applications are available at the Division of Property Valuation &

Review or from your county forester. Town clerks often have them as well.

By October 1, a forest management plan signed by the owner(s), and three copies of the property map drawn to program standards must be submitted to the county forester in the county where the property is located. Both the plan and the map must conform to standards of the Department of Forests, Parks and Recreation.

By mid-April, the Division of Property Valuation & Review will notify landowners of the acceptance or rejection of their land into the program.

The Forest Management Plan

To be enrolled, forestland must have an approved, 10-year forest management plan. This document should clearly express the landowner's long-term forest management goals, describe forest stand conditions, silvicultural objectives, and include both a detailed map and schedule for silvicultural treatments.

Plans expire after ten years. In order to keep their land assessed at use value, the landowners need to submit a new or updated 10-year plan.

Since the plan must assure that the land is being managed according to accepted forest standards, many landowners contract with private consulting foresters for help developing, writing, and implementing the plan. County foresters who are employed by the State do not write use value plans. Their role is to advise landowners and consulting foresters, review and approve management plans and Forest Management Activity Reports, and to conduct on-site monitoring.



Ongoing Responsibility

Landowners have a continuing responsibility to manage the enrolled parcel in a manner prescribed by their forest management plan. For continued eligibility, a Forest Management Activity Report must be filed with the county

forester by February 1 detailing any forestry activities from the preceding year. If none occurred, no report is due.

All forestland parcels will be field inspected by county foresters periodically to ensure accuracy of the management plan and to monitor scheduled forestry activities.

Use Value and Taxes

Land is divided into categories based on current use. Use values are determined annually by the Current Use Advisory Board. In 2007 these values were:

Forestland \$136/acre (\$102/acre for land greater than one mile from a Class 1, 2, or 3 road.)

Agricultural Land \$187/acre

The local property tax rate is assessed against the enrolled land's use value (see above) instead of Fair Market Value (FMV). As an example, under FMV, 100 acres of productive forestland may be assessed at \$800/acre. If the sum of all property tax rates is \$2.50/per \$100 of assessed value, the annual tax on this land would be \$2,000. If this parcel was in Current Use, it would be listed at \$133/acre and the annual property tax on this 100 acres would be \$332.50. The difference in this case would be \$1,667.50. Tax savings on lands with portions excluded from Current Use can be more complicated to figure and should be calculated after a town lister assesses the excluded land.

	Acres	Assessed Value		Tax Rate	Annual Tax
		Per Acre	Total		
Use Value	100	\$133	\$13,300	2.5%	\$332.50
Fair Market Value	100	\$800	\$80,000	2.5%	\$2,000



Development and Penalties

When landowners enroll land in Current Use, the State records a lien on the property in the town records. This lien guarantees that Vermont can collect the Land Use Change Tax if the land is developed. Currently, the tax is 20% of the fair market value for lands enrolled 10 tax years or less and 10% for lands enrolled continuously for more than 10 tax years. The definition of “development” includes subdivisions creating parcels less than 25 acres, buildings or roads not used for farming or forestry, commercial mining, excavation, or the cutting of timber contrary to state silvicultural standards for Current Use and/or the approved management plan. The lien that subjects the parcel to the Land Use Change Tax remains with the land until it is paid.

Owners of enrolled forestland that is harvested contrary to the management plan or the silvicultural standards are penalized. They must pay the Land Use Change Tax on the mistreated acres. The lien is removed from only that portion. Additionally, the entire forest parcel becomes ineligible for UVA. The property may be re-enrolled after five tax years with a plan that addresses the new state of the forest.

Land Transfer

When an enrolled parcel is transferred to new ownership, and is to remain in the Current Use program, the new owners must submit a *Notice of Change of Ownership* form and an *Application* to the Division of Property Valuation & Review within 30 days of title conveyance. Transfers include all cases where legal ownership changes by deed, including trusts. This includes transfer from one generation of a family to another, and a change in the owners involved in a group ownership. In addition to submitting new forms, an updated map must be prepared if the old map does not meet current standards, or there is a change in acreage enrollment or category. Two copies of the map must be filed with the Division of Property Valuation & Review, and one copy with the county forester. The county forester must also receive and approve a new

management plan signed by the new owner(s) or signature cover sheet signed by the new owner(s) adopting the plan of the previous owner. If only a portion of an enrolled parcel is to be transferred, and both owners wish to remain under use value, both must file *Notice of Change of Ownership* forms, new *Applications*, and new maps. They must file modified forest management plans and maps with the county forester.

Withdrawal

To withdraw a parcel, a landowner must file a *Notice of Development or Discontinuance* form with the Division of Property Valuation & Review. If only a portion of a parcel is withdrawn, a modified forest management plan and map explaining the change in acreage must be filed with the county forester. The Division of Property Valuation & Review requires two copies of the amended map along with the *Notice of Development or Discontinuance*.

Landowners who wish to clear the title (remove the lien) must pay the Land Use Change Tax.



For more information regarding forest land enrollment, please contact your county forester.

Addison	(802) 388-4969 x13	Lamoille	(802) 888-5733
Bennington	(802) 375-1217	Orange	(802) 476-0173
Caledonia	(802) 751-0111	Orleans	(802) 334-2091
Chittenden	(802) 879-5694	Rutland	(802) 786-3853
Essex	(802) 751-0111	Washington	(802) 476-0172
Franklin	(802) 524-6501	Windham	(802) 257-7967 x 15
Grand Isle	(802) 524-6501	Windsor	(802) 296-7630 x 14

For information regarding enrollment of agricultural land, contact:

Current Use Section

Division of Property Valuation & Review

109 State Street, Pavilion Building

PO Box 1577

Montpelier, VT 05601-1577

Phone: (802) 828-5861



This document is available upon request in large print, braille, and audio cassette by contacting Vermont Forests, Parks and Recreation. Vermont TDD 1-800-253-0191.

Agency of Natural Resources

Department of Forests, Parks & Recreation

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www.vtfpr.org