

# USE VALUE APPRAISAL OF FORESTLAND IN VERMONT

## Vermont Department of Forests, Parks and Recreation

This brochure outlines basic information concerning the UVA program. For further details and information, contact your local County Forester, consult the UVA manual or visit our website at [fpr.vermont.gov](http://fpr.vermont.gov).

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 (development) value. When land is enrolled in the UVA program, 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 of the enrolled land is discontinued from UVA.

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### Eligibility

To qualify, parcels must contain at least 25 acres that will be enrolled 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.

For most forestland on productive soils (Site I, II and III), the primary forest management objective must be long-term production of forest products in accordance with established forest practices. Wildlife habitat, aesthetics, recreation, watershed protection, etc. are acceptable objectives when consistent with and complementary to timber management.

Certain lands where timber is not the principal objective may also qualify. These lands include significant wildlife habitats, special places and sensitive sites, miscellaneous inclusions of one acre or less, and Ecologically Significant Treatment Areas (ESTAs).

ESTAs are options for owners who want to manage for the protection of significant ecological sites including certain riparian areas. ESTAs need not necessarily be managed for

timber, but they do require that protective/conservation measures be described in the plan. For more information on ESTAs, please contact your county forester.

Open land (not eligible for Agriculture Use Value) that is not to be reforested within two years may also be enrolled but cannot exceed an amount equal to 20% of the total enrolled open land plus forested acres of productive soils.

Any land having soils incapable of growing a minimum amount of wood may be enrolled as "Site IV" land (also called non-productive soils). There is no limit on Site IV enrollment.

In all cases, timber management must be practiced on at least 20 acres.

Forestland which is *not* eligible includes:

- 🍂 Two acres surrounding each dwelling including houses, camps, and mobile homes.
- 🍂 Land used for commercial mining or removal of gravel.
- 🍂 Other non-conforming uses such as lawns, recreational ponds, cell phone towers, etc.

- 🍂 Any forested areas where the landowner chooses not to harvest trees, unless enrolled as an eligible ESTA.
- 🍂 Any utility right-of-way in excess of two acres *and* wider than 40 feet.
- 🍂 Any land where the vegetation is not under the legal control of the landowner may not be enrolled.

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 excluded acres will continue to be taxed at the fair market value.

### 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 online from the Division of Property Valuation & Review or from your County Forester.

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.

Owners who want to enroll should start their planning process months before the October 1<sup>st</sup> plan deadline. Forest inventories, data processing and plan writing take time. Also some categories of ESTAs need to be documented and then reviewed and approved by the Natural Heritage program of the Fish & Wildlife Department *before* the plans are submitted to the County Forester.

By April 15<sup>th</sup>, 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 signed, 10-year forest management plan. This document should clearly state the landowner's long-term forest management goals, describe forest stand conditions, including tree inventory data, forest management objectives and treatments, and include both a detailed map and schedule for forest management activities and care of ESTAs.

Plans expire after ten years. In order to keep their land assessed at use value, the landowners need to submit an updated plan with current data.



Since the plan must assure that the land is being managed according to accepted forestry standards, most landowners contract with private resource consultants to develop, write, and implement the plan. County Foresters and Fish & Wildlife Department biologists are employed by the State to administer the program and do not write Use Value plans. The County Foresters' role is to advise landowners and consultants, review and approve management plans and Forest Management Activity Reports, and to conduct on-site monitoring.

### Ongoing Responsibility

Landowners have an ongoing responsibility to manage the enrolled parcel in a manner prescribed by their approved forest management plan. Any changes to objectives or prescribed activities in the plan require submission and approval of an amendment to the forest management plan. For continued eligibility, a [Forest Management Activity Report](#) (FMAR) 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 use value. Use values are determined annually by the Current Use Advisory Board. In 2016 these values are:

- Forestland*                    \$135/acre (\$101/acre for land greater than one mile from a Class 1, 2, or 3 road.)
  
- Agricultural Land*    \$306/acre  
(Also Open Idle/Ag Land)

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 \$1,000/acre. If the sum of all property tax rates is \$2.00/per \$100 of assessed value, the annual tax on this land would be \$2,000. If this parcel was in UVA, it would be listed at \$135/acre and the annual property tax on these 100 acres would be \$270. The difference in this case would be \$1,730. Tax savings on lands with portions excluded from UVA can be more complicated to figure and should be calculated after a town lister assesses the excluded land. *Forestland Example:*

	Acres	Assessed Value		Tax Rate	Annual Tax
		Per Acre	Total		
Use Value	100	\$135	\$13,500	2%	\$270
Fair Market Value	100	\$1,000	\$100,000	2%	\$2,000

**Development and Penalties**

When landowners enroll land in UVA, 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 10% of the full

fair market value of land that is developed. If only a portion of a parcel is developed or withdrawn, that portion will be valued as a separate parcel and the 10% tax rate will apply to that portion of the parcel. The definition of “development” includes subdivisions creating parcels less than 25 acres, buildings or roads not used for farming or forestry, commercial mining, excavation, energy generation or communication structures, and other non-conforming uses or the cutting of timber contrary to published silvicultural standards for UVA 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 may be subject to the Land Use Change Tax on the acres cut contrary. The lien is removed from only that portion. Additionally, the remainder of the acres in the forestland category become ineligible for UVA for a period of five tax years. The property may be re-enrolled after five tax years with a plan that addresses the current forest conditions. The parcel may lose its eligibility if the landowner fails to follow his/her forest management plan or other ongoing program responsibilities listed above including required updates.

**Land Transfer**

When an enrolled parcel is transferred to new ownership, and is to remain in the UVA program, the new owners must submit an [Application](#) to the Division of Property Valuation & Review within 30 days of the transfer being recorded in the town land records. 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 a new application, 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. Three copies of the map must be filed 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 a [new application](#) 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](#).

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For more information regarding forestland enrollment, please contact your County Forester ([fpr.vermont.gov/forest/your\\_woods/county\\_for\\_est/who\\_where](http://fpr.vermont.gov/forest/your_woods/county_for_est/who_where)).

Addison	802.388.4969 x333
Bennington	802.595.9736
Caledonia	802.751.0111
Chittenden	802.498.5169
Essex	802.751.0111
Franklin	802.524.6501 x441
Grand Isle	802.524.6501 x441
Lamoille	802.888.5733 x406
Orange	802.476.0173
Orleans	802.586.7711 x169
Rutland	802.786.3853
Washington	802.476.0172
Windham	802.257.7967 x305 802.885.8823
Windsor	802.281.5262 802.885.8823

For information regarding enrollment of agricultural land, contact:

Current Use Program  
**Division of Property Valuation & Review**  
 PO Box 1499  
 Montpelier, VT 05601-1499  
 Phone: (802) 828-5860  
 Website: [tax.vermont.gov/property-owners/current-use](http://tax.vermont.gov/property-owners/current-use)  
 E-mail: [tax.currentuse@vermont.gov](mailto:tax.currentuse@vermont.gov)



**AGENCY OF NATURAL RESOURCES**

Department of Forests, Parks and Recreation

1 National Life Drive, Davis 2  
 Montpelier, VT 05620-3801

[fpr.vermont.gov](http://fpr.vermont.gov)