

# USE VALUE APPRAISAL 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 forest management rather than its fair market (development) value.

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).

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### A) Forestland Eligibility Overview

To qualify, parcels must contain at least 25 acres that will be enrolled as Managed Forestland and be managed according to a forest management plan approved by the Vermont Department of Forests, Parks and Recreation. House sites and land under other private or commercial developments are not eligible.

Several enrollment subcategories comprise the Managed Forestland enrollment category of UVA. These subcategories are described

generally below. For more details about these categories please discuss them with your consulting forester or county forester.

#### *Productive Forestland*

Most forestland on productive soils (Site I, II and III), is only eligible for enrollment in the productive forestland subcategory and must be managed for 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.

If eligible, certain lands may benefit from being managed for forest products using an expanded range of management options to support significant wildlife habitats, special places and sensitive sites, or conservation values of miscellaneous inclusions of one acre or less. Specific enrollment subcategories are available for these conditions.

#### *Ecologically Significant Treatment Areas*

ESTAs are options for owners who want to manage for the protection of significant ecological sites including certain riparian areas. ESTAs do not necessarily need to be managed for timber, but they do require that protective/conservation measures be described in the plan.

#### *Reserve Forestland Enrollment*

Some UVA eligible parcels may also qualify for enrollment in the Reserve Forestland category.

Reserve Forestland is forested land managed with a primary purpose of accrual and protection of old forest functions, values, and associated characteristics.

To be eligible a minimum percentage of the land must be comprised of some or all of the following: ESTA's, special places and sensitive sites, non-productive site class IV lands, and steep slopes  $\geq 35\%$  grade. The actual percentage required for eligibility depends on how many acres are enrolled. Additional details about this category are available on the [Reserve Forestland website](#).

#### **Site IV Land**

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 when all other eligibility criteria have been met.

#### **Open/Idle Agricultural Land**

Open/idle ag 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 qualifying acreage (open/idle ag land plus forested acres on productive soils).

### **B) Eligibility Details**

All parcels, regardless of the subcategory in which their land is enrolled, must meet the minimum required acreage, management plan elements, and mapping requirements to be enrolled in the UVA program.

Unless the parcel is eligible for Reserve Forestland, timber management must be practiced on at least 20 acres.

Forestland which is *not* eligible includes:

- A minimum of two acres surrounding dwellings 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 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. Excluded acres will continue to be taxed at the fair market value.

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Depending on total enrolled acreage, a

### **C) 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.

**D) 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 and Reserve Forestland.

Plans expire after ten years. In order to keep land assessed at use value, 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 licensed foresters to develop, write, and implement the plan. Management plans and other documents submitted to meet eligibility requirements of the program must be submitted and prepared in a manner consistent with forester licensing requirements. 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 to conduct on-site monitoring.

**E) 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 electronically submitted

to the Tax Department through an [eCuse account](#) or [mailed](#) by February 1 detailing any management activities from the preceding year. Examples of reportable activities include harvesting of trees, tapping of maples, etc. If none occurred, no report is due.

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

**Implementing Scheduled Forestry Activities**

Landowners with questions about how to complete the forest management activities prescribed in their forest management plan should contact their licensed consulting forester or the county forester. Additional resources to help equip landowners to implement scheduled forestry activities include:

- Cut With Confidence – [Landowner Guides to a Successful Timber Harvest](#)
- Vermont Logger Safety - [Resources for Landowners and Foresters](#)

**F) 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 202 these values are:

<i>Forestland</i>	\$187/acre (\$140/acre for land greater than one mile from a Class 1, 2, or 3 road.)
<i>Agricultural Land</i> (Also Open Idle/Ag Land)	\$456/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 \$2,000/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 \$4,000. If this parcel was in UVA, it would be listed at \$187/acre and the annual property tax

on these 100 acres would be \$374. The difference in this case would be \$1,660. Tax savings on lands with portions excluded from UVA can be more complicated 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	\$187	\$18,700	2%	\$374
Fair Market Value	100	\$2,000	\$200,000	2%	\$3,626

**G) 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 enrolled 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.

**H) 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.

**I) Withdrawal**

To withdraw a parcel, a landowner must file a [Notice of Withdrawal](#) 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 three copies of the amended map along with the [Notice of Withdrawal](#) form.

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

For more information regarding forestland enrollment, please contact [your county forester](#).

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)

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