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6. Current Use – Vermont's Use Value Appraisal Program

Overview

Vermont's Use Value Appraisal (UVA) Program, commonly referred to as "Current Use," provides an incentive for private landowners to keep forestland (and farmland) productive and undeveloped. To qualify, parcels must contain a minimum of 25 acres of forestland (the minimum acreage for land enrolled under the agricultural lands program is lower). The program, which assesses land at its use value for forest management instead of its higher "development value," reduces the amount that a landowner must pay in property taxes. This makes it easier for landowners to keep their property intact and productive.

In exchange for a lower tax assessment, landowners who enroll in the program are required to manage their forestland under a forest management plan approved by the county forester, and to keep their land undeveloped while it is enrolled. The land can be taken out of the program, but the owner must then pay a land use change tax.

The Current Use Program has been widely credited with

helping to keep Vermont's working lands viable and intact. Approximately 1.5 million acres of forestland is enrolled in the program. Generally, when forestland is enrolled in Current Use, the majority of it must further the goals of timber management in accordance with an approved 10-year forest management plan. Additional provisions include:

- **Forestland with non-productive soils:** Land with non-productive soils for growing wood may be enrolled as "Site IV" land. There is no limitation on the amount of Site IV land that can be enrolled, but timber management must be practiced on at least 20 acres.
- **Ecologically Significant Treatment Area:** Landowners with significant ecological sites (old forests, natural communities, rare, threatened and endangered species, riparian areas, forested wetlands and vernal pools) may manage for protection of these sites if they qualify as "Ecologically Significant Treatment Areas (ESTAs)." These do not need to be managed for timber; however, ESTA acres are limited and must be within managed forest areas.



A. Blake Gardner

NON-REGULATORY

- **Conserved land:** Qualifying nonprofit organizations principally engaged in the preservation of forest, agricultural and other undeveloped land may also enroll land in the Current Use Program if they have approved conservation management plans.

More Information on the Current Use Program

- **Current Use Taxation in the Community Planning Toolbox:** <http://vnrc.org/resources/community-planning-toolbox/tools/current-use-taxation/>
- **Use Value Appraisal of Forest Land in Vermont:** This brochure covers all of the basics, from program eligibility to developing a Forest Management Plan. <http://www.vtfpr.org/resource/documents/UVA/FPR%20Information%20Brochure.pdf>
- **Use Value Appraisal Program Manual (2010):** This manual describes the “Minimum Standards for Forest Management and Regeneration” and “Minimum Standards for Forest Management Plans.” <http://www.vtfpr.org/resource/documents/UVAManual.pdf>

If you want to talk to a local expert on the Current Use Program, get in touch with your county forester. http://www.vtfpr.org/resource/for_forres_countfor.cfm

Statutory Authority

32 V.S.A. Chapter 124

Vermont's Current Use Program was enacted in 1978 for the following purposes:

- To encourage and assist the maintenance of Vermont's productive agricultural and forest land;
- To encourage and assist in their conservation and preservation for future productive use and for the protection of natural ecological systems;
- 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; 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 (32 V.S.A. §3751).

Implementation

Municipal Plan

Landowners decide whether to enroll their property in the Current Use Program; however, municipalities can encourage program enrollment and awareness. For example, the municipal plan can provide background about the program and talk about the benefits of enrollment to both the landowner and the community. The municipal plan can also highlight the percentage of municipal land that is enrolled in the program, and set targets for additional enrollment, especially in rural or conservation oriented zoning districts.

Regulations

Zoning regulations can reinforce the Current Use Program in two ways:

First, the location of parcels enrolled in Current Use can guide communities that are working to delineate forest or conservation district boundaries. (See *Chapters 12-14, Conservation Zoning Districts, Forest Zoning Districts, and Overlay Districts.*) Areas with a large number of contiguous parcels or acres enrolled in Current Use may be suitable as a forest or conservation district. The inclusion of existing Current Use parcels in a forest or conservation district would likely be consistent with landowner intent for those parcels, therefore furthering both landowner and municipal goals.

Second, zoning and subdivision regulations can support the maintenance of lot sizes that are large enough to enroll in current use. In forest districts that exclude housing development, regulations that require a 25 acre minimum lot size can ensure that parcels are eligible for program enrollment. For zoning districts that allow residential development, a minimum lot size of 27 acres is more



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NON-REGULATORY



A. Blake Gardner

appropriate, since this is the minimum lot size for a parcel with a dwelling to be eligible for the Current Use Program.

There can be drawbacks, however, if regulations allow large, forested parcels (e.g. many hundred acres) to be subdivided into many 25+ acre lots, thereby resulting in an undesirable level of fragmentation. In order to reduce fragmentation where existing lots are much larger, it may be more desirable through local regulations to define a maximum development density, rather than a minimum lot size that promotes the retention of large forested lots. For example, if a 200 acre lot is being subdivided at an allowed density of 25 acres per dwelling, the regulations could promote the retention of one very large conserved forest lot for enrollment in current use while creating eight smaller, clustered residential lots for new housing. Separate dimensional, access, and siting standards could then be specified for the residential lots. (See *Chapter 16, Clustering and Planned Unit Development.*)

Things to Consider

Remember that there is no cost to towns. The state reimburses towns for revenue they forgo as a result of land that is enrolled in the Current Use Program. Therefore, municipal tax rates are not affected by the amount of land that is enrolled in the program.

Don't forget that enrolled land cannot be developed. The state attaches a lien to property enrolled in the program. This ensures that the state can collect the Land Use Change Tax if the land is developed. "Development" includes subdivisions resulting in parcels less than 25 acres, and cutting timber

contrary to the approved forest management plan or minimum silvicultural standards. Since a landowner can withdraw land from the program and develop it, conservation easements are a better tool for ensuring permanent conservation. Many landowners who have conservation easements also enroll in the Current Use Program to receive a lower tax assessment.

Consider a local tax stabilization program as a viable alternative. Some landowners are reluctant to enter into the Current Use Program because the state holds a lien on their property to enforce against conversion or mismanagement of forestland. For landowners who would rather enter into a local program administered by their own town, tax stabilization contracts offer another option. (See *Chapter 7, Local Tax Stabilization for Forestland and Open Space.*)

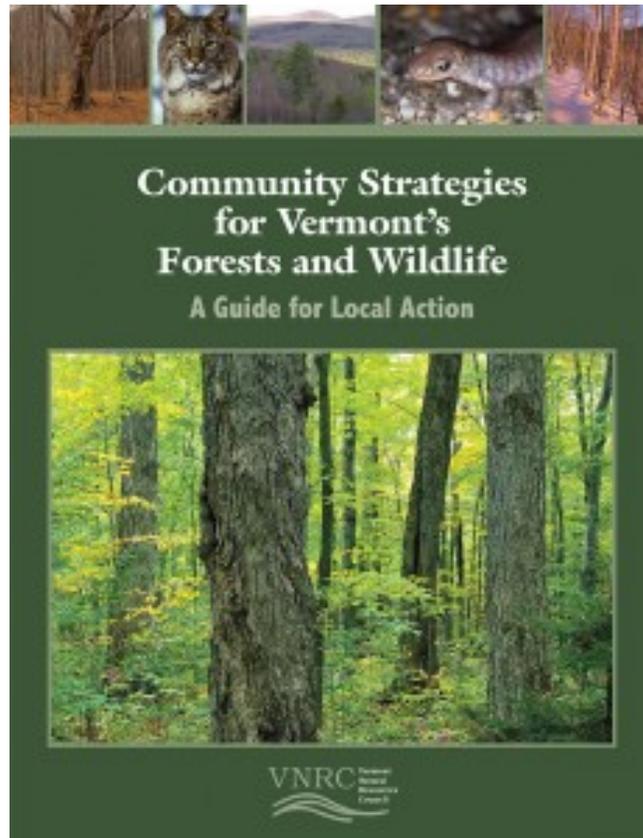


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This chapter is part of a larger publication called ***Community Strategies for Vermont's Forests and Wildlife: A Guide for Local Action***. You can download the entire publication or individual chapters (including the endnotes, resources, and credits page) for FREE at:

www.vnrc.org/programs/forests-wildlife/guide/



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