

USE VALUE APPRAISAL or CURRENT USE for FOREST LAND

The Use Value Appraisal Program or Current Use as it is commonly called is authorized in statute under the tax provisions of Title 32 Chapter 124.

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=32&Chapter=124&Section=03751>

It states: "The purpose of this program is 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. (Added 1977, No. 236 (Adj. Sess.), § 1.)"

To qualify, landowners have to own 25 acres of productive forestland, manage it according to a management plan approved by the County Forester, and agree not to develop the land.

Positive Outcomes: Current Use supports traditional land uses like farming and forestry. Vermont's forest-based industry provides good-paying jobs in every town and accounts for 15% of the job force. A full \$1 billion in annual gross income comes from the forest.

It has slowed the development of forestland that results in a fragmented forest that is nearly impossible to manage. Fragmentation reduces the supply of materials needed to maintain this vital segment of the economy. Furthermore, large forested areas are essential for many game and non-game wildlife species.

The program promotes the conservation of open land, which helps stabilize property taxes by stabilizing the Grand List. Many studies have shown that the more development in a town, the more services are needed and the higher the tax rate. Increased development does not lower tax rates. For every dollar of property tax collected for residential development, towns provide more than a dollar in services. Undeveloped land requires almost nothing in services.

It requires landowners to manage their forestland for its long-term health and productivity. Management plans do not permit shortsighted liquidation and cutting beyond the management plan incurs a penalty.



Because of Current Use landowners tend to keep land open for public recreational uses like hiking, hunting, fishing and wildlife viewing.

It supports the tourism industry by helping to maintain Vermont's especially beautiful landscape.

Current Use allows productive land to be taxed on its ability to produce, not on its potential for development. Vermont is not alone -- 48 states have programs that tax open land at less than market value.

Negative Outcomes: In the early years the cost of the program created a significant increase in the state budget. At present the financial contribution from the state is still high and continuing to grow, but has now been included in the state education funding formula and is not as susceptible to budget cuts and the subsequent voluntary drop outs as was prevalent in the early going.

A program that involves nearly 1.4 million acres and 10,000 landowners places a substantial burden of administration of state government.

Most effective: This program has been most effective in placing significant acres of productive forestland into long-term management. Because of the reporting and monitoring requirements associated with the program, the program has had few administrative problems, limited violations of the provisions of the program and few dropouts.

Least effective: Staffing of the program is insufficient for the administration of the program. In some cases county foresters are stretched very thin and must neglect other programs to meet the demands of Current Use.

Achieving sustainable management: Current Use has been the most effective program in establishing the sustainable management of Vermont's forest. The numbers of acres of productive forestland effectively managed is higher than ever before and increasing.

Affect on private ownership: This program has had a substantial economic and conservation effect on the private forestlands of Vermont. The tax advantages and the management requirements work together for the improvement of the owner's financial condition and the value of the trees that grow on the land.