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Testimony of Amy Shollenberger, director, Rural Vermont to the Senate Natural Resources and Energy Committee on the Use Value Appraisal Task Force Report and proposed legislation

Thank you for the opportunity to testify this morning on the Current Use issue. As you may know, Rural Vermont has been involved in this issue since our beginnings as an organization in 1985. As you'll see in our brochure, Rural Vermont was founded in 1985 by "farmers fighting for fair taxation," and having agriculture included in the Current Use program was the solution to the problem of unfair taxes for farmers.

Before I make specific comments about the task force report, I wanted to make a few comments about the Current Use program. This program is essential for keeping our working landscape, and is critical to keeping farms viable in Vermont. I want to make it clear that Current Use is not a "tax benefit" or a "tax credit," but rather, it is simply fair taxation. It is taxing land at the value of its use, rather than at its potential value at its highest value use. It is a policy decision to recognize the value of Vermont's farms and forests, and to treat the farmers and foresters fairly. It is not a way to lower taxes. It is a way to tax fairly.

I would like to thank the Use Value Appraisal Task Force for their work, and for their thorough examination of the Current Use program. I think the task force did a good job of examining the issue, listening to the public, and analyzing the information they received from many interested parties. Rural Vermont supports the bill as proposed by the task force. We think it addresses a few key issues that were raised in the task force process, while protecting the Current Use program and recognizing that it is a program that is essentially meeting its goals. I would like to make a few specific comments about the bill as proposed, as well as the report of the task force.

We particularly agree with finding #7 in the proposed bill, and we hope that the agencies and departments will follow through with the education campaigns outlined in the Task Force Report. It is particularly important to educate the listeners about the program because it seems they have some of the most serious misperceptions. I would note that in the education campaign, we would like to see the Current Use program referred to always as a fair tax, rather than a tax benefit. I would also like to say that Rural Vermont would be happy to help with outreach to potentially eligible landowners, and would welcome an opportunity to work with the Agency of Agriculture on this objective.

In terms of the report, we agree that the goals of the Use Value Appraisal program do not need to be changed. They were well crafted many years ago, and they have stood the test of time. We also agree that more work needs to be done with regard to the posting of land. Rural Vermont agrees that having options for posting is a good idea. However, we do not support requiring land to be open in order to be in the Current Use Program, and we do not currently support a tiered

program with regard to posting. Our members have expressed concern that even if posting is not required, if there are “incentives” to keeping your land open, the general public will assume that all land should be open. Many farmers do not post their land. Those that do often have very good reasons for posting, and often post only after several bad experiences.

We also agree that the definition of “farmer” and “agricultural land” may need to be revisited. However, we strongly advise caution in this area. Each time these definitions are “opened up,” there is a risk to the program. We would like to see this process happen, but we would like to see it happen over time, with much public input. We appreciate that the task force recognized that this issue was too large for the timeframe they had, and we hope the legislature will take a “go slow” approach as well.

In terms of Appendix B (list of agricultural issues discussed at the October meeting), I would like to refer you to the comments Rural Vermont submitted on the “Review and Analysis of the Use Value Appraisal Program.” Those comments address many of the things on the list in Appendix B, and our position has not changed on these issues.

Again, thank you for your time and attention to this issue, and I am happy to answer any questions.