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**Comments on “Review and Analysis of the Use Value Appraisal Program”
Submitted by Amy Shollenberger, director, Rural Vermont
& Mike Eastman, Co-Chair, Rural Vermont Board**

Rural Vermont was founded in 1985 by farmers who wanted fair taxation. It was through the work of these farmers and others that it became easier to enroll agricultural land in the Use Value Appraisal Program. Now, according to the October report, approximately 65% of agricultural land is enrolled in the program, and farmland makes up approximately 33% of the total enrolled land in the UVA program (p. 4, 7), and approximately 75% of Vermont’s dairy farms are enrolled in the program (p. 14). This program is clearly important to agriculture in the state, and plays a key roll in keeping land in agricultural production. “Current Use” is a good program, and it works, and we would like to see it continue.

We believe that it is critical to ensure that farmers are encouraged to enroll their land in the UVA program, that no stigma is attached to the program, and that it is as easy as possible to enroll agricultural land in the UVA program. As such, we have a few specific comments, outlined below.

1. It seems the state should do significant outreach and education with Listers. It seems that many listers do not fully understand that their town does not lose money because of the UVA program.
2. Land Trust land should be allowed to be in the UVA program. We do not believe this is “double-dipping.” Selling development rights is a decision that many farmers make in order to pay off a debt, allow the farm to be transferred to a son or daughter, or pay a college tuition. Even though the Land Trust plays a key role in keeping land open, it does not ensure that the land will be productive. Unless the land is enrolled in the UVA program, it might be assessed at a much higher value than the use value. It is clear from anecdotal discussions with several farmers that selling the development rights alone does not ensure that a farmer can continue farming his/her land, and that the UVA program may be the deciding factor as to whether or not a farm stays productive (as opposed to simply “open”).
3. A related suggestion is to have a category in the UVA program for “open land” that might not have as much of a benefit as working land, in order to keep land ready for use later. Open land is easier to put back into agricultural production, and thus is a benefit for the agricultural industry. It may also be beneficial in terms of viewscapes.
4. We do not support requiring land to be open for hunting if it is in the UVA program. We worry that this would be a deterrent to enrolling land in the program. Many people post their land because people have abused the privilege of hunting on the open land. We worry that if it were a requirement to allow hunting on the land, some people would believe they had the right to do whatever they wanted on the land, and would disrespect

the rights of the landowners, and possibly cause damage to farmland, fences, etc. Many farmers believe in keeping their land open to hunting, and this could be encouraged, but should not be a requirement.

5. Rental land is critical to our agricultural sector. The report raises a concern about second-home owners benefiting from the UVA program. However, second-home owners often rent land to farmers in order to qualify for the UVA program, and this means that farmers can afford to keep their animals fed. A second-home owner might not see the inherent value in renting land at a reasonable rate to a neighboring farm, and the UVA program offers an incentive that might show this owner a benefit to keeping the land in production. It is possible that many productive acres would no longer be productive if second-home owners could not enroll agricultural land in the UVA program. Therefore, we ask that you allow this benefit to continue for these landowners.
6. With regard to the recommendations for a new formula for appraisal, we have significant concerns with the recommendation in Appendix 5 from the Agricultural Use Value Study Committee. Our preference would be to keep the current (revised) formula. It seems that the Study Committee determined that the formula should be changed because it was resulting in negative values. However, these negative values are a result of net loss to farms because of incredibly low milk prices, among other factors. It does not seem logical to recalculate the formula in a way that would effectively double the tax rates of farmers that are already struggling with unfair product pricing. Our suggestion is to keep the current formula, but adopt a base appraisal rate that would be used when the formula resulted in a negative value.

Thank you for your consideration of our comments. We would be happy to answer any questions that you may have.