Current Use and the Land Use Change Tax (LUCT) were still in play last week on the House side with the passage of H.272. That bill now heads to the Senate with a drastic rise in the LUCT, the penalty paid when land is removed and developed. An example in some towns where a parcel is removed for a home site may result in as much as a 500-1,000% increases in the penalty as compared to existing law. A fiscal note estimates that following the "Easy Out" period, the resulting revenue will likely triple the current take for the state's coffers (estimated at $2.6 to 3.0 million per year). Another proposal which floated briefly in the House Ways & Means Committee was to "adjust" downwards the rate of property tax adjustment for agriculture and forest lands by as much as 10% something we simply call a property tax increase.

Now the Commissioner of Forest, Parks and Recreation has forwarded Governor Peter Shumlin's request to charge the statewide property tax at 120% of Use Value on forest property posted for hunting, fishing or trapping. The sporting community is consistently divided on this proposal and has often opposed the idea as damaging to hunting and fishing groups relationships with landowners groups. We agree and also oppose any bill which treats UVA as a revenue source. Any added policy goals beyond ensuring "tax equity" to lands owners will damage the program and erode support among the people of Vermont who so cherish our working landscape. Please contact legislators over the Town Meeting break. Ask them to pledge that Current Use is not a revenue source to support it as tax fairness first and foremost.

Another new property tax issue is the Transfer Tax increase proposed by Rep. Christopher Pearson of Burlington in H. 324. This would raise the tax from 0.5% on transfers above $100,000 to 1.25%, and then to 2.0% for values over $500,000. The statute covers "principal residence", property which is defined as "in 32 V.S.A. § 10002(a), together with land that is beneath or directly contiguous to the dwelling and that is transferred with the dwelling." The tax would clearly cover those purchasing farmsteads intending to enter into agricultural or forest based business. I will raise these concerns with legislator and suggest the unintended consequences for transfer of working lands may be serious.

H.35 Update: Following a short week of consideration in the House Agriculture & Forest Products Committee, the bill was sent out to Ways & Means, for a complete review of the tax hikes and fee increases proposed by the bill as drafted by Fish, Wildlife & Water Resources Committee under Chairman David Deen. House Ag members declined support for their tax list and sent a letter forward reviewing a broad
array of alternative options to fund the proposal, which would add seven new staff to
the Agency of Agriculture, Food & Markets to implement Small Farm Certifications,
Custom Applicator Certification, stricter enforcement powers and other requirements
under the new law. These proposals will be reviewed next by the House Ways &
Means Committee first after Town Meeting break, along with review of some sections
in House Transportation which is likely to reject the $.02 per gallon gas tax proposed
by the Fish, Wildlife & Water Resources crew.

Kudos to the House Agriculture Committee members on at least two significant points
as well. They rejected Current Use eligibility as enforcement tool as proposed and
deleted it from the bill. In another moment of wisdom, House Ag members questioned
the wisdom of "Enhanced Practices" as included in section 13 of H.35. This would
have led to a sort of third way between AAPs and mandatory BMPs. Mandatory BMPs
were demanded last year for the Missisquoi Basin by the Conservation Law
Foundation and others. Ag Secretary Ross rightly rejected this idea. The "enhanced
practices" in the bill would have created a third tier of regulation in so-called "impaired
watersheds" redundant to the Secretary's existing powers to require BMPs where
needed. It was circular logic that farm practice in "impaired watershed" areas should be
enhanced; the correct prescription is to correct practices wherever discharges may
occur all over Vermont, not just in the Lake Champlain valley.

New this year is a drive to come to terms with the definition of a Small Farm under the
proposed certification program (SFO). Last year under H.586 the definition was left up
to the AAF&M Secretary under rulemaking procedures. Almost from the beginning both
FW&WR and Ag Committee members showed real commitment to tackle this in the
bill. With some serious debate the Ag Committee has settled on a definition which
combines a 10 acre minimum operation along with a minimum livestock size as
currently appears in the AAPs section 2.06(b). That list includes 4 equine, 5 cattle, 15
swine, goats or sheep, etc. and is still subject to change in the upcoming rulemaking
update scheduled for the coming year. Only operations above that or making use of 10
acres to crop production would be required to "certify" as and SFO. AAPs would
continue to apply across and below that threshold. The fee proposed in H. 35 for that
certification currently stands at $250.

This historic shift in agricultural regulation and enforcement is being fast-tracked and
will move quickly towards House passage following the break. Few doubts that it will
forever change the way small farms negotiate all state enforcement and assistance
programs. Town Meeting break is a great opportunity to address your concerns with
legislators. I will be attending several breakfast meeting and encourage you to do
likewise. ***Email recipients will find attached our plan to bring sanity and balance to
H.35 and Vermont's water quality problems. This proposal outlines our objections to
H.35 and our positive plan to bring the AAPs and BMPs to every small farm in Vermont
through public education, advocacy and implementation, not hard line enforcement and
added regulation. Use it to draft a letter to a Senator or your local newspaper and to
help you in discussing these issues with friends and neighbors. This will also form the
basis of our message in the Senate as we begin to discuss S.49, the more reasonable
Senate proposal on water quality issues and SFO certification. Feel free to contact me


to see how you can help get this message out over the next few weeks.

**H.35 AgBulletsv.1**

Contact any legislator through the Sergeant-At-Arms at (802) 828-2228. Contact me anytime at (802) 888-9390 or at wmoore@gmavt.net anytime.