

# Applying for the Current Use Program: FAQs for LLCs, Partnerships, and Similar Business Entities

It is the responsibility of an applicant to ensure that an application for the Current Use (Use Value Appraisal) Program is completed with all required information. The application is **Form CU-301, Use Value Appraisal Application for Agricultural Land, Forest Land, Conservation Land and Farm Buildings**. The valid signature of all landowners is part of that responsibility. Below are the answers to frequently asked questions (FAQs) that the Vermont Department of Taxes hopes will assist members and partners when filing current use applications with certain business structures.

Members and partners should consult with the Vermont Secretary of State for all matters related to forming or changing an LLC or partnership. This document should only be used as guidance for the Current Use Program.

## 1. On a current use application, who is the property owner?

The owner is the individual or entity holding title to a property. If an LLC or partnership holds title, the entity is considered the owner for purposes of a current use application. Duly authorized members and partners must sign on behalf of the entity.

## 2. Who is required to sign a current use application when the property is owned by an LLC or partnership?

The application, Form CU-301, must be signed by at least one member or partner with full authority to enroll the property in the Current Use Program.

If the Articles of Organization, the Operating Agreement, or Partnership Agreement do not address who has authority to manage real estate in this way, the Department of Taxes suggests that all members or partners sign the application. If there are more than three members or partners, use Form CU-302, the Additional Owners Form for Use Value Appraisal Application.

**Please note that, by signing a Form CU-301 current use application on behalf of an LLC or partnership, you are attesting that you have full authority under the pertinent organizational document(s) and Vermont laws to enroll the property in the Current Use Program.**

## 3. Will the Department of Taxes review my organizational documents to determine who has the authority to sign a current use application?

No. The Department of Taxes cannot interpret your organizational documents for you. The Department of Taxes also lacks the authority to officially interpret Vermont laws relating to the formation of business entities. You should consult with a Vermont licensed attorney or have all members or partners sign if you have any doubt as to who has authority to sign.

**See more FAQs on the reverse side.**

Disclaimer: The information provided here is intended to be an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information presented here.

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**4. What should be done when an LLC or partnership has a change in name, leadership, or the number of members or partners, but the title is never transferred?**

If an LLC or partnership continues to hold title after a change of leadership, membership, or partnership, the entity will remain the owner for purposes of the Current Use Program and nothing is required to be done. New members or partners may file an updated application with new signatures, but it is not mandatory as long as there was no legal change in ownership of the property. The same is true for a change in the name of the LLC or partnership or the use of a trade name—a new application is not necessary as long as there was no transfer of title.

**5. What happens when an LLC or partnership transfers title to another entity or an individual?**

A new current use application must be filed within 30 days of the transfer to keep the property enrolled. This is required for any transfer of title no matter the reason.

When property is initially enrolled in the Current Use Program, a lien is recorded to secure payment of land use change tax. Land use change tax becomes due when development occurs on the land. An owner may also voluntarily pay land use change tax to have the lien released even though development has not occurred.

The current use lien “runs with the land,” which means that a new owner takes ownership subject to the lien and subject to the requirements of the Current Use Program. The new owner is required to file a new current use application within 30 days of recording the deed associated with the transfer. If a new application is not filed in time, the property will be withdrawn from the Current Use Program but the lien will remain on the property. As mentioned above, the lien will be released upon the payment of land use change tax.

**6. Can a current use application be signed by an authorized agent?**

Yes. A current use application may be signed by an authorized partner agent or other duly authorized agent. By signing the current use application, the agent is attesting to full authority to enroll the property in the Current Use Program.

**7. Is there any situation where the Department will deny an LLC or partnership’s application for lack of necessary signatures?**

Yes. If the Department is notified that an individual without full authority to enroll a property has possibly claimed that authority by signing a current use application, we may deny the application, or ask for further evidence from the applicant entity, or both.