

# Current Use and Property Valuation

## Guidance: How to Allocate Land Subject to Use Value Appraisal for Exemption Application

### Overview of the Process

To assess land enrolled in the Current Use Program, begin by valuing an entire parcel at its fair market value as you would any other similar parcel in the municipality. If the entire parcel is enrolled, the fair market value is the grand list value. If only a portion of the parcel is enrolled, you have to allocate the value of the portion of the parcel that is not enrolled (the excluded land). You will find guidance on how to allocate the value of the excluded portion below. After calculating a value for the excluded land, the remaining value should be attributed to the enrolled portion. The total value of the excluded portion and the enrolled portion should always equal the fair market listed value of the entire parcel.

There was a change to law beginning with the 2016 tax year. The allocation described in this guidance is based on this law.

**32 V.S.A. § 3756(d):** “The assessing officials shall appraise qualifying agricultural and managed forestland and farm buildings at use value appraisal as defined in subdivision § 3752(12) of this title. If the land to be appraised is a portion of a parcel, any portion not receiving a use value appraisal shall be valued at its fair market value as a stand-alone parcel, and, for the purposes of the payment under section 3760 of this chapter, the entire parcel shall be valued at its fair market value as other similar parcels in the municipality.”

### Where to Find the Current Use Data You Need

Your municipality receives electronic exchange files through the New England Municipal Resource Center (NEMRC) grand list program from the Vermont Department of Taxes. The file includes newly enrolled parcels in your municipality, enrolled parcels that experienced a change in previous year, and enrolled parcels that experienced no change. It does not include any pending changes to the parcels. Application information for all parcels is available in your land records and in the Electronic Current Use (eCuse) system. The eCuse system is a separate system from the file exchange, and is designed for clerks to electronically retrieve and submit recording information for current use data. Assessing officials can access eCuse to view and print approved and pending applications and research the status of parcels.

Assessing officials must look at every parcel individually. The value for land excluded from current use is no longer a prorated value. The law now requires excluded land to be valued as a stand-alone parcel. This requires an understanding of the land schedule and the Computer Assisted Mass Appraisal (CAMA) system you are using. The Department encourages all assessing officials to attend trainings on current use and to consult with a district advisor to ensure that all excluded land is being valued correctly.

Each spring assessors receive the electronic current use exchange that contains all approved information for current use properties. To find this information on the current use exchange, go to **No. 9** on the main menu in NEMRC, under **State Current Use Maintenance**. This information is essential to identifying the land on the parcel that is excluded from current use enrollment. Under the 2015 statutory change, the excluded land value must be separately allocated as a stand-alone parcel.

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.

Iss. 12/2017 • Rev. 04/2019 • Pub. GB-1101

## Check for Differences Between the Grand List Information and the Current Use Information Processing the Download

For every individual parcel, first determine whether the total current use acreage for a parcel in Current Use matches the total grand list acreage. The current use acreage is based on the application information provided by the landowner. If there is a discrepancy, assume that the grand list is correct until you find out why there is a difference. There are several possible reasons

for a mismatch, including the recent subdivision of the parcel, a purchase by the landowner of contiguous land, or a historic transfer that was previously unidentified. Research the reason for a discrepancy and report it through the current use exchange. To report your research, use the **Reasons for Change** checkboxes under **Acres** to code the error and then type specific comments in the **Town** comment field. Keep your research in case Current Use needs further documentation.

Remember that current use maps are not a survey and should not be relied upon for acreage accuracy. If there is a difference in acreage for the parcel, prorate the enrolled acreage to make the total acreage matches the grand list. The excluded acreage remains the same. The only time you should adjust excluded acreage is if the property owner purchased an abutting property and has not revised the application to enroll the new portion.

Next, determine whether the current use parcel number, ownership, and SPAN match the information on the grand list. The reasons for a mismatch may include:

- The order of the names listed on a property transfer tax return are different than the order given on the current use application.
- There was a recent transfer to a new owner.
- There was a transfer involving a life estate or trust.
- There was a subdivision.

Research the reason for a discrepancy and report it through the current use exchange. To report, use **Request Parcel Change**, choose **Other** and type specific notes in the **Town** comment field. Information needed for a transfer or subdivision is: new owner, address, recording date, acres transferred, excluded or enrolled land transferred. Keep your research in case Current Use needs further documentation.

Please see “Checking for Differences Between the Grand List and Current Use Records” on page 6.

## Allocating Value to the Excluded Portion of a Parcel

Use the current use map for the parcel you are working on to determine the excluded land and any attributes that may factor into your valuation, such as topography, views, drainage, and access. Land attributes such as these will affect the grade multiplier that you will apply to the excluded portion of land. If you lack information related to the land attributes, you may need a site visit. Review the current use application for any description of the excluded portion.

At this stage, please be sure to code and value only the excluded portion. Do not enter the total acreage of the parcel here as that would not be treating it as a stand-alone parcel with an independent value.

The following example shows the NEMRC Microsolve CAMA system. If you are using another CAMA system, develop a test parcel in that system to allocate values.

**Example:** A parcel has total excluded land of seven acres. On the map, you see that two acres is a housesite and five acres is in a corner and are not touching the other two acres. Value the two housesite acres using a building lot coded as 6/1 for two acres at the grade currently applied on the cost sheet. Code the other five acres as 7/5 at an appropriate grade based on your knowledge and research of that portion of land. Account for all factors that affect the grade of that parcel of land.

This image shows how to code a 6/1 for a two-acre housesite. This coding treats the two acres as site value from the full/site land schedule or the site land schedule. This example shows a house site that was determined to be an average grade of 1.0.

Parcel Information

Parcel ID: 00000099000 Owner Name: ALOSI TERI Owner Name2:

Owner Address: City: State: ZipCode: Status: A

Parcel History Land/OB Sec 1/Pg 1 Sec 1/Pg 2 Sec 1/Pg 3 Valuation Picture Photo Note

Land ID: 3 Quality: 3 Average Finish:

Calc Method: 6 CU Site Quantity: 3 Typical Class: 4 D

Land Type: 1 Bldg Lot SI Name: Quality: 3 Average

Area: 2.00 Rate: 6000.00 % Good: 70

Grade: 1.00 Add to Hsite: 2 Yes Name:

Frontage: 0 Add to Hmstd: 2 Yes Rate:

Depth: 0 Outbid ID: 1 Add to Hsite: 2 Yes

Rate: 0.00 Type: 35 DGS 1S Silo/BarnHt:

S-Imp ID: 1 Area/Diam: 432 Add to Hmstd: 2 Yes

Type: 1 Water Siding: 4 Vinyl

Add Delete SKETCH

This image shows how to code 5 acres at 7/5. This coding treats the land as five acres from the residual/bulk schedule. This example shows that this land was determined to be a 0.8 grade based on the physical attributes of the land.

Parcel Information

Parcel ID: 00000099000 Owner Name: ALOSI TERI Owner Name2:

Owner Address: City: State: ZipCode: Status: A

Parcel History Land/OB Sec 1/Pg 1 Sec 1/Pg 2 Sec 1/Pg 3 Valuation Picture Photo Note

Land ID: 4 Quality: 3 Average Finish:

Calc Method: 7 CU Acres Quantity: 3 Typical Class: 4 D

Land Type: 5 Other SI Name: Quality: 3 Average

Area: 5.00 Rate: 6000.00 % Good: 70

Grade: 0.80 Add to Hsite: 2 Yes Name:

Frontage: 0 Add to Hmstd: 2 Yes Rate:

Depth: 0 Outbid ID: 1 Add to Hsite: 2 Yes

Rate: 0.00 Type: 35 DGS 1S Silo/BarnHt:

S-Imp ID: 1 Area/Diam: 432 Add to Hmstd: 2 Yes

Type: 1 Water Siding: 4 Vinyl

Add Delete SKETCH

Using the **land** tab on the test parcel, code the excluded land as a stand-alone parcel that includes the total acreage of all excluded land (see the **Current Use Cost Sheet Example** below). Be sure to note the configuration and location. You now have a value for the excluded land, which is the excluded land value for current use allocation. **Print** a copy of this test parcel.

Next, run the cost and preview it. Consider whether the value makes sense for the amount of acreage based on what you know of the land. Consider whether this represents fair market value.

This image shows the preview screen after running the cost for a test parcel. This is an example only. Land schedules and land values differ from town to town. Do not expect these to be the values you see in your system.

Itemized Property Costs					
From Table: MAIN Section 1		Current Use:		Record # 785	
Property ID: 0000099000		Span #: 354-109-10796		Last Inspected: 05/10/2017	
Owner(s): ALOSI TERI		Sale Price: 0		Book: Validity: No Data	
Address:		Sale Date: / /		Page:	
City/St/Zip:		Bldg Type: No Data		Quality: 0.00	
Location: 43 MORSE PLACE		Style: No Data		Frame: No Data	
Description: DWL & HOUSE		Area: 0		Yr Built: 0 Eff Age: 0	
Tax Map #: 00-00-099.000		# Rms: 0		# Bedrm: 0 # Ktchns: 0	
# 1/2 Bath: 0		# Baths: 0			
Item	Description	Percent	Quantity	Unit Cost	Total
LAND PRICES	Size	Nbhd Mult	Grade	Depth/Rate	
SI Bldg Lot	2.00	1.00	1.00		65,000
AC Other	5.00	1.00	0.80		30,000
Total	7.00				95,000
<b>TOTAL CURRENT USE EXCLUDED VALUE</b>					<b>95,000</b>

Current Use Cost Sheet Example

**Please Note:** This is only an example. There may be situations where the allocation process needs adjustment. Every parcel must be considered separately, and the highest and best use as a stand-alone parcel must always be considered.

You are now ready to input the value allocation in the current use download edit screen in NEMRC. Enter the excluded land value as determined by your current use cost sheet first. Then, look at the total land value on your original cost sheet and subtract the value of the excluded land that you just entered. The remaining value is the value of enrolled land. Enter that value as the enrolled land value, which concludes the land allocation process.

Continue the value allocation for the remaining components of the parcel. This includes any houses, outbuildings, site improvements, and enrolled farm buildings. Hover the mouse pointer over the total value, which is located under **enrolled land**. The upper right corner of the screen shows a grand list value for the parcel and the split between homestead and nonresidential. Check the appropriate tab, **Read Only Farm and Building Details** and the current use application for information related to farm buildings. Enrolled farm buildings are always nonresidential, so be sure to code them as nonresidential in CAMA and re-cost if necessary. **The total parcel value should not change and the allocated value should never exceed the total value of the parcel.**

Input all remaining values until all the columns are green, signifying a match with your grand list. To complete the process, **validate** and **save** the parcel. Repeat this process for all parcels with land enrolled in current use.

See “Checking for Differences Between the Grand List and Current Use Records” on page 6.

## Checking for Differences Between the Grand List and Current Use Records

### Parcel Number/Ownership/SPAN – Current Use vs. Grand List

The CLA here should match the CLA certified by PVR in January or or subsequent CLA if EEGL was appealed or reappraisal occurred

VALUES	Total	Homestead	Non-Resident
Dwelling&nonEFB	136300	126800	9500
Enrolled Farm Bldg	11100	0	11100
Excluded Land	156900	156900	0
Enrolled Land	119600	119600	0
<b>Total Listed Val</b>	<b>423900</b>	<b>403300</b>	<b>20600</b>
Use Value	17800	17800	0
Grand List	322100	301500	20600
Reduction	101800	101800	0

- 1 **Parcel Number/Ownership/SPAN**—Does the name and SPAN match the grand list? If not, why?
- 2 Report if there was a transfer, split, delete, or other change by choosing the **Request Parcel Change** drop-down box. Choose **Other**, then add specific comments in **New Town Comments**.
- 3 **Acres**—Current Use/grand list: Does the total match the grand list? If not, why? Correct the acreage to match the grand list, then report in the **Acres Reason(s) for Change** boxes, included under **New Town Comments**.
- 4 **Value Breakdown**—Ratio of Current Use to the grand list  
**Total Listed Value**—should match the total value on the cost sheet once all parts have been allocated.  
**Homestead Total Listed Value**—should match the homestead value on the cost sheet once all parts have been allocated (land is always homestead when there is a declaration).  
**Non-Residential Total Listed Value**—should match the **Total Value**, minus the **Homestead Value** on the cost sheet, once all parts have been allocated. Note: being for business use, enrolled farm buildings are always non-residential.
- 5 **Use Value**: The number of acres in enrolled in the Current Use Program, multiplied by use value per acre, multiplied by CLA  
**Grand List**: the taxable amount after deductions have been applied  
**Reduction**: the exemption loaded on the value screen in parcel maintenance under Current Use