

**From:** Peterson, Mary [Mary.Peterson@vermont.gov]  
**Sent:** Wednesday, January 18, 2012 11:54 AM  
**To:** Recchia, Chris; Ross, Chuck; Snyder, Michael; MacLean, Alex  
**CC:** Johnson, Bill; Bachman, Molly  
**Subject:** Last Year's Misc. Current Use Parking  
**Attachments:** letter to wandm finance re current use.doc

I am concerned there will be some confusion about interplay between Current Use and these provisions, and some backlash against Tax for ignoring (by law we are supposed to be developing a system). Comments on letter?

#1: Alex, I will not send without your ok.

Can someone explain what is going on with the Current Use bill? I thought it was in Nat. Resources, Bill J. tells me it is in Rules, but that he has been asked to speak in Senate Ag on it.

#2 -Is the plan still to be on the record in the context of that bill that the increased penalty mitigates the need for any parking provision, and to seek repeal of last year's Misc. provisions there?

#3- Others are taking the lead on the Current Use bill, not Tax right?

Thanks!

Mary

Mary N. Peterson

Commissioner

Vermont Department of Taxes

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January 17, 2012

The Honorable Ann Cummings, Chair  
Senate Finance Committee  
The Honorable Janet Ancel, Chair  
House Ways and Means Committee  
The Statehouse  
Montpelier, VT 05633

Dear Representative Ancel and Senator Cummings:

As part of last year's Miscellaneous Tax bill (Act 45 of the 2011 session), two provisions were enacted related to the assessment of the land use change tax (i.e., the current use penalty) for properties that are enrolled in the current use program. The first provision required the assessment of the penalty two years after an owner of an enrolled property secured certain types of state and municipal permits. (Refer to Act 45, Section 13a.) The state permits cited in the law are any wastewater or potable water permits issued by the Agency of Natural Resources (ANR) and the municipal permits are "all permits legally required by a municipality for any action constituting development." The second provision requires the division of property valuation and review to develop a system for tracking the issuance of wastewater and potable water permits by the Agency of Natural Resources. (Refer to Act 45, Section 13h.)

The Department came to an initial determination that developing and administering a tracking system for permits posed significant administrative hurdles. Almost immediately upon passage, the Department also was informed that application of the provisions may have some unintended consequences. The Department also determined that the provision was intended to be applied prospectively in the sense that the first penalty would not accrue until two years after passage. In the meantime, other officials in the Administration are spearheading work on H. 237, the Current Use bill that has passed the House. It would appear that the concerns that sparked passage of Sections 13a and 13h of Act 45 are best addressed in the context of that measure, and the Department respectfully submits that it is not actively implementing these provisions awaiting the results of those efforts.

Sincerely,

Mary N. Peterson  
Commissioner

