

**CONFIDENTIAL**  
**Legislative Bill Review Form: 2016**

**Bill Number:** H.857

**Name of Bill:** An act relating to timber harvesting

**Agency/Dept:** Tax

**Author(s) of Bill Review:** Candace Morgan

**Date of Bill Review:** 05/11/16

**Related Bills & Key Players:** H.852, H.584, S.237, House Natural Resources and Energy

**Status of Bill:** As passed by both

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**Recommended Position:** Support

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**Analysis of Bill**

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**1. Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*

As passed House and Senate, this bill incorporates our proposed edits to the lien release language that the original bills included. Tax worked with FPR to change the language to be more explicit about other types of situations where a lien may be released. Sec. 20 achieves the results sought after by FPR about making clear that land sold to ANR can be exempt from Land Use Change Tax and therefore the lien can be released by the Director of PVR. It also outlines other situations where a lien may be released, which previously were not explicitly clear under the Commissioner or Director's authority.

Sec. 18 creates a Forest Integrity and Land Use Study Committee. This study committee is tasked with looking at ways to protect contiguous areas of forestland from fragmentation and promote habitat connectivity between forestlands. Committee has many members, including Commissioner of Forests, Parks and Recreation and Commissioner of Housing and Community Development. Of interest to Tax is that the committee shall have the assistance from Tax, including the use of our consultant economist who has expertise on tax and finance issues related to forestland. Report is due January 1, 2017.

Sec. 10 establishes a working group on the Intergenerational Transfer of Forestland. FPR must establish a working group on or before August 1, 2016 of interested parties to develop recommendations for a statewide program to improve capacity of providing successional planning to forestland owners in Vermont. Tax is not specifically named, but "lessening the impact of estate taxes" is one of the things the group must consider. Report is due December 15, 2016.

**2. Is there a need for this bill?** *Please explain why or why not.*

This bill includes legislative priorities of the Commissioner of Forest, Parks and Recreation.

**3. What are likely to be the fiscal and programmatic implications of this bill for this department?**

There will be some increase in administrative duties for the Tax Department to forgive the Land Use Change Tax and releasing the liens of land purchased by ANR. However, it is only upon request so it should not be excessive. Also, the language we supplied allows for ease of interpreting other instances where we can release a lien - something Tax had not explicitly had in the past.

**4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**

N/A

5. **What might be the fiscal and programmatic implications of this bill for others and what is likely to be their perspective on it?** (e.g., public, municipalities, organizations, business, regulated entities)

Minimal impact to municipalities who need to release the liens of land purchased by ANR.

6. **Other Stakeholders**

6.1 **Who else is likely to support the proposal and why?**

6.2 **Who else is likely to oppose the proposal and why?**

7. **Rationale for recommendation:** *Justify recommendation stated above.*

This bill achieves the goals of FPR's legislative priorities and also allows Tax to fix a portion of the law around current use that was less than clear.

8. **Specific modifications that would be needed to recommend support of this bill:** *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

9. **Will this bill create a new board or commission AND/OR add or remove appointees to an existing one? If so, which one and how many?** *This is simply expanded language to indicate whether the bill would also add or remove appointees to existing board or commission, under the administration's control.*

This bill establishes a new study committee, but there are no appointees on the committee (other than Commissioners or designees).

**Secretary/Commissioner has reviewed this document. Name:** Mary Peterson

**Date:** 05/11/16