

CONFIDENTIAL
Legislative Bill Review Form: 2016

Bill Number: H.852

Name of Bill: An act relating to State lands

Agency/Dept: Tax

Author(s) of Bill Review: Candace Morgan

Date of Bill Review: 03/07/16

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

Status of Bill: As passed by 1st body

Recommended Position: Support

Analysis of Bill

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

This bill is one of several bills created by House Natural Resources out of H.584/S.237 (Misc. Forest Bill from FPR). As introduced, 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. 2 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. 3 creates a Forestland Intergenerational Transfer Study Committee. This study committee is tasked with looking at developing a statewide program to improve the capacity of providing successional planning technical assistance to forestland owners in Vermont. Committee has 10 members, including Commissioner of FPR and a few members appointed by the Governor (see below). Of interest to Tax is the duty of the committee to "develop other strategies for lessening the impact of estate taxes or other pressures that could lead to the breaking up and subdivision of intact forest parcels."

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.*

Yes. The Forestland Intergenerational Transfer Study Committee includes a member of the public who is a forestland owner, an estate planning consultant or attorney, and a representative of the Vermont Natural Resources Council, all appointed by the Governor. The first meeting must occur before September 1, 2016.

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

Date: 03/30/16