



Town of Hinesburg Tax Stabilization Contract

This agreement made by and between the Town of Hinesburg, a municipal corporation established under the laws of the State of Vermont (hereinafter "Hinesburg"), and Daniel P. Baldwin of Hinesburg, Vermont, (hereinafter "Owner").

WITNESSETH:

WHEREAS, in 1986 Hinesburg first offered Tax Stabilization "piggy back" contracts to farmers as an incentive for signing Land Use Contracts with the State and terminating their Hinesburg Town Land Use Contracts;

WHEREAS, this contract is an extension of that original incentive program;

WHEREAS, Hinesburg, by its Selectboard, was authorized by a majority of registered Town residents voting at the Annual Town Meeting Election of March 1, 2010 to extend the term of these Farmers' Tax Stabilization contracts to qualified farmers for a five year period to extend from April 1, 2010 to March 31, 2015;

WHEREAS, Hinesburg has the authority to enter into tax stabilization contracts with the owners of Agricultural Land pursuant to 24 VSA 2741; and

WHEREAS, Owner holds title to real property in Hinesburg and is desirous of having taxes which have been assessed against the property stabilized;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is covenanted and agreed as follows:

1. **PROPERTY.** The "agricultural land" of the Owner, as defined in 32 VSA 3752(1) and described in Exhibit A attached hereto and made a part hereof, is subject to the provisions of this Agreement. This Agreement does not include any structures located thereon or any "Managed Forest Land" as defined in 32 VSA 3752(9).
2. **ELIGIBILITY.** Owner covenants and certifies to Hinesburg that the lands described in Exhibit A, and the use thereof, qualify for Hinesburg's tax stabilization program under the eligibility requirements set forth in Exhibit B attached hereto and made a part hereof.
3. **TERM.** This Agreement shall commence on April 1, 2010 and shall terminate on March 31, 2015 unless sooner terminated as hereinafter provided.

Tax Stabilization "Piggy Back" Contract
Page 2

4. **ADDITIONAL PROPERTY.** In the event that Owner acquires additional agricultural lands qualifying for Hinesburg's tax stabilization program under the eligibility requirements set forth in Exhibit B, Hinesburg and Owner may enter into an amendment to Exhibit A by adding thereto such agricultural lands. The addition of any agricultural lands shall not extend the term of this Agreement as set forth in the preceding paragraph.

5. **STABILIZATION.** The assessed value of the agricultural lands subject to this Agreement shall be fifty percent (50%) of the State of Vermont Use Value Appraisal as defined in 32 VSA 3752(12).

6. **PENALTY AND LIEN:** Each year during the term of this Contract, the difference between the taxes due on the lands covered by this Agreement and the taxes that would have been owed without this Agreement shall be considered as "deferred" taxes. In the event that this Contract shall become of no further force or effect, as specified below, the following penalties shall apply, except as noted in Section 7:[1] the taxes deferred, as defined above, shall become due for the year of dissolution of this Contract; plus [2] the deferred taxes for the three (3) preceding years under this Agreement; together with [3] a penalty of ten percent (10%) of the Fair Market Value of the land, at the time of the dissolution of this Contract as specified below. The Fair Market Value of the land is the value set by the Town through its tax assessment process. This tax and penalty shall be paid to the Town within thirty (30) days of dissolution of this Contract, except that in the event of sale of the property, the whole amount due to the Town shall be paid before or on the date of the transfer of title.

If the penalty and deferred tax are not paid within the specified time, there will be interest of one and one-half percent (1.5%) added montly to the amount owed. This Contract shall constitute a lien in favor of the Town against the property subject to this Contract. This lien will be referenced in the general index of the Town of Hinesburg and filed in the Town Clerk's Office. Owner will pay any filing fees.

The penalty and deferred tax shall become due upon the conversion of the agricultural lands described in Exhibit A from agricultural use to another use, or the occurrence of any other event twchich renders the Owner of the lands ineligible under the requirements as set forth in Exhibit B.

The provisions of this Section (Section 6) shall apply only to that portion of Owner's lands which become disqualified from inclusion in this Contract. The ten percent (1-%) penalty and repayment of deferred taxes shall be effective for the year of the event plus the three (3) preceding years.

Tax Stabilization "Piggy Back" Contract
Page 3

7. EXCEPTIONS TO THE PENALTY: This agreement shall terminate but penalties and repayment of deferred taxes (as provided for in Section 6) shall be waived under the following conditions:

- a. In the case of sale or transfer of deed, if the new owner meets the eligibility requirements of Exhibit B and elects to enter into a land use contract with the State of Vermont, provided that there is no interruption in the active and exclusive use of the land for farming. If the transferred land and/or house site is sold or transferred prior to March 31, 2015 and the new transferee fails to meet the conditions described herein, the penalties described in Section 6 shall become due.
- b. If the Owner becomes permanently disabled or is prevented by natural disaster from farming and the disposition of the property results in a change in use, then the Owner or Owner's representative may apply to the Selectboard for a waiver of penalties and to the Board of Abatement for the abatement of deferred taxes.
- c. If Owner trades a portion of his/her land for another, as long as the new land qualifies for this contract and the traded land continues to qualify for this Contract under the terms of Exhibit B. In this case, an amendment shall be made to Exhibit A to show the loss or gain and state the new number of acres included in the Agreement.
- d. If Owner builds a dwelling for himself/herself or for an employee of the Owner's farm operation, then the dwelling and the two (2) surrounding acres shall be excluded from receiving the benefits provided by this Agreement, but no penalties and/or deferred taxes shall be due.
- e. When land is condemned as a result of eminent domain, or when a sale agreement is made in anticipation of these condemnation proceedings, to achieve the same public purposes.

8. OTHER STABILIZATION PROGRAMS: At its sole option, the Selectboard of the Town of Hinesburg may renegotiate or terminate this Contract, but no penalty shall be assessed and deferred taxes shall be abated, upon the occurrence of either of the two following events:

- a. The enactment of a mandatory use value appraisal system by the State of Vermont which requires Vermont municipalities to tax real estate on the basis of its Use Value and not Fair Market Value.

Tax Stabilization "Piggy Back" Contract
Page 4

- b. The enactment of any other legislation amending the State of Vermont's Land Use Program to reduce farmers' property tax liability.

9. Any dispute as to the terms or conditions of this Agreement is to be resolved by the Hinesburg Board of Civil Authority.

WITNESS TO HINESBURG
SELECTBOARD

BY THE HINESBURG SELECTBOARD

Tom Ayer

Michael Bissonette

Andrea Morgante

Phil Pouech

Jonathan S. Trefry

WITNESS TO OWNER(S)

BY THE OWNER(S)

EXHIBIT A

I. Description of Owner's Property subject to this Agreement. For the purpose of identification, this agreement pertains to the lands enumerated in the State of Vermont, Division of Property Valuation and Review Use Value Program Contract Identification Number 117-4294 as "Total Program Acres;" said contract is included herein by reference.

II. Total acres subject to this Agreement (total does not include the 2-acre housesite), as defined in 32 VSA 3752 : 105.96 acres. Each parcel held by Owner and not made subject to this Agreement will be assessed at fair market value.

EXHIBIT B

To qualify for the Tax Stabilization Program of the Town of Hinesburg, the Owner(s) must prove that the agricultural lands have been classified and accepted for the State of Vermont Use Value Appraisal. Eligible lands shall not include structures, nor shall they include the two (2) acres which surround structures used as dwellings. Also excluded from eligibility are: gas or oil drilling sites and the surrounding five acres in area; land used for mining or removal of gravel for commercial purposes; and/or and land used in connection with commercial enterprises other than farming, such as parking lots and surrounding stores.