

PA 490 Working Group Meeting

Tuesday, April 14, 2026

9:30 AM – 11:30 AM

**450 Columbus Boulevard
Plaza North Hearing Room C, Hartford**

Public Participation via [Registration](#)

AGENDA

Call to Order OPM Undersecretary Martin L. Heft
 DoAg Commissioner Bryan Hurlburt

Business

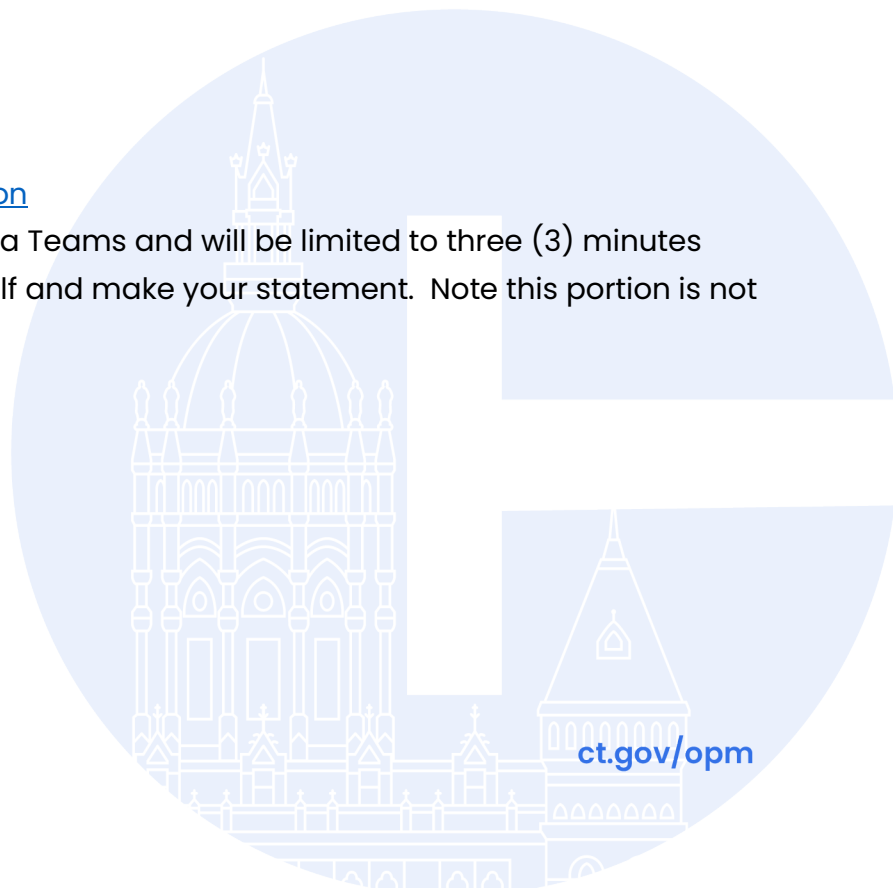
- Additional Other States and National Valuation Methods
 - Pennsylvania
 - Northeast US Farmland Current Use Valuation Methods
- Other Methodology Considerations
- Next meeting – Tuesday, May 12
 - Outreach and Engagement Improvements
 - Taxation of PA 490 Lands

Comments received via e-mail

Public comment – Remote via [registration](#)

Public participation is available via Teams and will be limited to three (3) minutes per person. Please identify yourself and make your statement. Note this portion is not a question-and-answer session.

Adjournment



PA 490 Working Group Meeting
March 24, 2026

The virtual meeting was called to order by Office of Policy and Management (OPM) Undersecretary Martin Heft at 9:39 AM.

Undersecretary Heft noted that a listing of participants are identified under the “people” tab. He asked those calling in by telephone to identify themselves for the record. He also noted the “raise hand” feature for questions.

Working Group Attendance:

Undersecretary Martin L. Heft, Department of Agriculture (DoAg) Commissioner Bryan Hurlburt, Christopher Martin, Paul Larson, Damon Braasch, Mark Walter, John Emmanuel, Keith Bishop, Francis Whelan, Kim Grijalva, Ben Freund, Mike Gilman, Bonnie Burr, Connor Bunovsky, Ella Kennen, Jennie Kapszukiewicz, and Bill Lee.

Guests:

Senator Jeff Gordon, Jared Picco, Shannon Chatfield, William Dellacamera, Chris Bassette, Willow Rich, Gary Annino, David Wasniewski, Alexandra Tamburrino, Steve Preli, Howard Rosenfeld and Melynda Naples

State Agency Staff:

Amanda Samokar (DoAg), Kayleigh Royston (DoAg) and Nathan Wilson (DoAg),

Undersecretary Heft recognized Commissioner Bryan Hurlburt (DoAg), who offered brief remarks thanking attendees for their patience and emphasizing the importance of the day’s extensive presentation and background review.

Business

Undersecretary Heft noted that full background documents of the presentation are available on the Work Group shared drive and the presentation will be an overview. He additionally noted that he was simply presenting the information and cannot provide legal context. He thanked both the Department of Agriculture and the CT Farm Bureau Association for providing the court case documents.

Court Cases

Undersecretary Heft provided a comprehensive review of Connecticut court cases relevant to Public Act 490 classification and valuation. This segment was extensive and served to ground the working group’s future decision-making in existing legal precedent.

Key legal themes highlighted:

- Actual agricultural use controls eligibility.
- Courts repeatedly affirm that land must be actively farmed, regardless of zoning.
- Non-agricultural activities do not qualify.

- Gravel extraction, soil mixing, and similar non-farm operations have consistently been found not to meet the statutory definitions of agriculture.
- Court cases show that discontinuing agricultural use triggers declassification. Maritime uses, oyster operations, or other non-traditional uses were cited as examples.

Determination of Use Value:

- Most thorough discussion of the method for determination of use value as opposed to fair market value is in *Bussa v Glastonbury*. Case provides valuable insight in any case where local assessor determines use value by means other than adopting recommended values from OPM.
- Some cases addressed when towns attempted to use non-standard valuation methods.
- In multiple instances, courts favored statewide recommended values, finding them more consistent and legally sound.
- Capitalization of rentals method found to be inappropriate to value golf course.
- Court accepted farmland was similar enough throughout the state, except River-Valley towns.

Requirements:

- Only landowners, not tenants, may apply for PA 490 classification.
- Loss of PA 490 status when farming ceases.
- Timeliness requirements are strictly enforced.
- Many appeals failed because applications or certifications were filed after statutory deadlines.
- Courts have held that late filings generally cannot be excused, except in rare cases where the town itself failed to provide legally required notice.
- Procedural steps reviewed (Assessor → BAA → Superior Court) with a two-month appeal windows.

Statutes:

- A new 2024 statute gives the Commissioner of Agriculture's advisory opinion formal evidentiary weight for classification claims (No case law yet).
- In parallel, State Forester can designate or cancel forest land classification.
- Court articulated that PA 490 is as much conservation statutes as they are tax relief measures.

Overall, Undersecretary Heft emphasized that very few cases directly address valuation methodology, making it even more important that the working group define clear standards.

Ms. Grijalva inquired if the court case documents were available outside the group. Undersecretary Heft noted that they are on the shared drive for work group members, and the presentation is posted online. The full documents can be added as resources to the website.

Mr. Orefice noted that rental values in a couple of cases were considered not the best way to value and we should consider other ways. Undersecretary Heft replied that the reference to the golf course meant that it could not be considered as farmland values. Mr. Orefice noted Waterford tried their own analysis, and it was challenged, adding the importance to look through the cases to see what has been challenged.

Other States & National Valuation Methods

Undersecretary Heft noted that Commissioner Hurlburt was on a call with other New England state officials and this topic was discussed. Particularly, the state of Maine inquired on what other states are doing. The background shared is the base documents of today's presentation. He reviewed a multi-state comparative analysis, drawing from Maine, Massachusetts, New Hampshire, Vermont, and USDA data.

Maine

- Adopted current use laws in 1971.
- Based on current use rather than just value of other potential uses.
- Municipal assessors establish 100% per-acre values based on farmland rents, farmer-to-farmer sales, soil type and quality, commodity values, topography and State guidelines.
- Requirements for classification:
 - Minimum 5 acres.
 - Used for farming activities. May include woodland and wasteland.
 - Must generate gross income of at least \$2,000 per year.
 - Owner must file income report every 5 years; failure triggers 25% penalty.
- Farm woodland assessed under a separate statewide tree growth valuation system.
- Areas other than farmland or farm woodland must be assessed on the basis of just value.

Massachusetts

- Uses a Farmland Valuation Advisory Commission (FVAC) to set value ranges annually.
- Clear statutory structure under Chapters 61 and 61A.
- Forest Land requirements for classification:
 - Application.
 - Minimum 10 acres.
 - Forest management plan.
 - Review and certification of State Forester.
- Agricultural/Horticultural land requirements for classification:
 - Annual application.
 - Minimum 5 acres.
 - Actively devoted to agricultural/horticultural uses during the tax year and at least two immediately preceding tax years.
- Determination of ranges in value the FVAC shall consider evidence available from soil surveys and such other evidence and documentation.

New Hampshire

- Context for updating the Current Use Board valuation models.
- Agriculture:
 - Existing valuation ranges are outdated (\$25–\$425/acre).
 - Three goals: transparent to all stakeholders, sustainable and be updated over time and reflective of current rather than historical economic conditions.
 - Model development strategy includes utilizing a widely accepted economic approach – Farm Income Capitalization.

- Model calculation is Net income from agriculture production ÷ capitalization rate equals the agricultural land value.
- Forest:
 - Original formula developed by the University of New Hampshire Forestry Department.
 - Model phased-in over five years and is now sole appraisal methodology.
 - The model is a 30-year discounted cash flow using the net operating income of the annual growth for each forest land category.

Vermont

- Requirements for classification:
 - Owned by a farmer and part of the overall farm unit.
 - Used by a farmer or part of the farmer's operation under written lease for at least three years.
 - Produced an annual gross income from the sale of farm crops
 - \$2,000 for parcels of up to 25 acres; and
 - \$75.00 per acre for each acre over 25, with the total income required not be exceeded by \$5,000.
- Requires an annual certification document from landowners each November.
- Current Use Board requirements are specified in statute.
- Board's criteria and recommended values may reflect the class, type, grade, and location of the land, together with its productivity capacity and the income-producing capability.

U.S. Department of Agriculture

- U.S. farmland value increasing to ~\$4,350/acre.
- Cash rents survey provides the basis for county estimates.
- Charts on average farmland values and real estate average value were reviewed for the northeast region.
- USDA Cash Rents and Leases Survey (sent Feb 2026) as a potential model for CT data collection.

A summary with direct website links was reviewed, and restated that all documents are on the shared drive.

Ms. Grijalva asked why only New England was reviewed. Undersecretary Heft noted that this is our neighborhood and we were able to obtain information through the Commissioner's contacts. He added that on the forest side, looking at similar tree growth is important, as is soil types by region. This is a starting point and if the work group wants to explore more that can happen. Ms. Grijalva noted that she was interested in New Hampshire and their methodology if net income from agriculture production.

Mr. Larson noted he spoke with a colleague in Vermont on this matter and offered thanks for the comprehensive information.

Undersecretary Heft called on public member Chris Bassette. Ms. Bassette noted it was a very educational presentation and inquired on assessor education. Undersecretary Heft noted that OPM, DoAg and DEEP published a PA 490 Best Practices guide this year. We work with the CT Farm Bureau

who publish a guide mainly for PA 490 landowners. The Assessor's Association conducts several workshops and provides best practices in their handbook in which OPM and DoAg have been involved. Mr. Braasch confirmed as PA 490 Committee Co-Chair for the Assessor's Association the training and workshops.

Mr. Emmanuel stated it was a good review of the other states. He asked if we were going to do a roll up and make recommendations. He added that it appears CT is the only one to do surveys. Undersecretary Heft noted that OPM and DoAg are facilitators to the working group and will not be making recommendations. He added that everything is an open clean slate, and the purpose of the work group is for all of you to provide the Governor's office, DoAg and OPM recommendations. Commissioner Hurlburt added that the group should have a conversation about the surveys, particularly from what we heard at the last meeting about getting responses and the types of data we receive.

Mr. Orefice reiterated that he would like to discuss surveys further as well. He inquired about the rapid change in CT rates compared to New York and Massachusetts, and whether the research noted any differences in the methodology, for example the yearly changes versus five years. Undersecretary Heft replied that the reports reviewed do not go into the yearly rates.

Commissioner Hurlburt stated that through his review, Massachusetts and Vermont roll on an annual basis, so you would not see a large jump, but may see a gentle increase year to year. He added that New Hampshire has not conducted a revaluation for many years, so in 2019 they started the process and built a five-year implementation period. Maine is looking at something similar. We can discuss putting a cap on whatever methodology is used to set a maximum increase.

Mr. Bishop noted research he did back in February on Northeast states, that consolidate some of today's presentation and add some more detailed information. Commissioner Hurlburt asked if there was anything particular he wanted to highlight. Mr. Bishop commented that the methodologies tend to be around income capitalizations and the valuations tend to be \$2,000 or less. He added that New York has some higher ones, but overall, nothing astounding. Commissioner Hurlburt noted that New York uses an eight-year rolling average and a 10% capitalization rate and a 2% cap on increases. Undersecretary Heft stated that he will share the document via email and put on the shared drive.

Ms. Grijalva agreed that it will be worthwhile to look at those other states. She added attendance at New London Farm Bureau meeting which references Pennsylvania's system. Commissioner Hurlburt noted that Pennsylvania's approach is included in the document Mr. Bishop shared.

Public Comments

Undersecretary Heft stated that there was no public comment emails received.

Shannon Chatfield stated that the survey process does work, just a matter of getting the data and inputs. She was curious on the process from survey collection to Farm Credit East. Undersecretary Heft noted that while this isn't a question-and-answer session, the last meeting presentations go through the process.

Next Meeting

Undersecretary Heft stated that the next meeting is April 14th and will be in-person to discuss other methodology considerations, outreach and engagement.

Adjournment

Commissioner Hurlburt appreciated the comments and discussion. He added that there is a lot to consider and the goal is everybody has the opportunity to participate and offer suggestions. We are planning on having an informational public hearing to solicit larger feedback from the community.

Undersecretary Heft thanked everyone for their attention today, along with the great conversation, thoughts to move this forward. He added it is time to put those thinking caps on and think outside the box.

The meeting was adjourned at 10:58 AM.

Clean and Green

Clean and Green is a preferential tax assessment program, that bases property taxes on use values rather than fair market values. This ordinarily results in a tax savings for landowners. The Pennsylvania General Assembly enacted the program in 1974 as a tool to encourage protection of the Commonwealth's valuable farmland, forestland and open spaces. Currently, more than 12 million acres are enrolled statewide.

What Are the Eligibility Requirements?

A property must be ten acres in size, and in Agricultural Use, Agricultural Reserve, or Forest Reserve. Agricultural Use applications may be less than 10 acres in size if the property is capable of generating at least \$2,000 annually in farm income.

How Are Use Values Determined?

The Department of Agriculture supplies county assessment offices with use values annually. The county has the option to implement these values or use lower values. Agricultural Use and Agricultural Reserve values are based upon the income approach for land appraisal. This standard appraisal technique defines the agricultural use value of a tract of land as the present value of the income stream it can generate when put to its best agricultural use. Forest Reserve values are based on the average value of timber in a particular county, or the average value of six timber types by county.

The updated Clean & Green Use Value, which are no longer divided into subcategories, are based on individual soils. A complete list of the soils in Commonwealth was provided by the USDA, NRCS State Soil Scientist. This list is divided by county and being provided to you as a link. Act 319 requires that the Pennsylvania Department of Agriculture provide assessors with use values annually.

What Is the Penalty for a Change in Use of Land?

A landowner who breaches the covenant is subject to seven years of rollback taxes at 6% interest per year. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid, if the property had not been enrolled, plus 6% simple interest per year.

Can I Remove My Property from Clean and Green After It Has Been Enrolled?

A landowner may voluntarily remove their land from Clean and Green by notifying the county assessor by June 1 of the year immediately preceding the tax year for which removal is requested. Rollback taxes are due upon submission of the request.

May I Sell or Divide My Property Without Having to Pay Rollback Taxes?

The Act allows for two types of divisions or conveyances: "Split-offs" and "Separations." A split-off is a division, by conveyance or other action of the owner, of land, into two or more tracts, for use of constructing a residence. No more than two acres may be split-off per year except if the municipal requires a minimum three-acre subdivision to construct the residence. Cumulative split-offs may never exceed 10 acres, or 10% of the total land originally enrolled, the lesser of the two. Rollback taxes would be due only with respect to the land split-off. Separation is a division, by conveyance or other action of the owner, of land into two or more tracts of land that continue to be in Agricultural Use, Agricultural Reserve, or Forest Reserve. The tracts must usually be at least 10 acres in size and continue to meet the qualifications. No rollback taxes would be due.

May I Build an Additional Home on My Clean and Green Property?

The split-off provision provides for the construction of a residence on enrolled property. Please check with the county assessment office.

May I Conduct Non-Agricultural Activities on My Clean and Green Property?

The act allows for a "rural enterprise incidental to the operational unit." This is defined as a commercial enterprise or venture that is conducted on two acres or less of enrolled land, and when conducted does not permanently impede or otherwise interfere with the production of an agricultural commodity on that portion of enrolled land not subject to roll-back taxes. The two acres on which this enterprise is conducted would be removed from preferential assessment. Rollback taxes would be due with respect to those two acres.

May I Engage in Energy Development on My Clean and Green Property?

The program was recently amended to provide for oil and gas development with a limited rollback tax penalty. Rollback taxes are only due with respect to those areas of the property devoted to the activity - as determined by the county assessor upon submission of a well production report to the Pennsylvania Department of Environmental Protection (DEP). Similarly, commercial wind production is now permitted with rollback taxes limited to those areas devoted to the activity. Tier one alternative energy systems - such as solar and biomass - are permitted without any rollback tax penalty if most of the energy is utilized on the enrolled tract.

May I Engage in Mining On My Clean And Green Property?

The program was recently amended to allow for one small non-coal surface mining permit on enrolled land. Rollback taxes are due on the affected areas.

Must I Allow Public Access to My Clean and Green Property?

Agricultural Reserve is the only category that needs to remain open to the public for passive recreational uses free-of-charge on a non-discriminatory basis. A landowner may place reasonable restrictions on this, however. Examples include: limiting access after dark, prohibiting hunting and restrict use of motorized vehicles.

How Do I Apply for Clean and Green?

Please contact your county tax assessment office to request an application.

What Is the Deadline to Apply for Clean and Green?

The application deadline is June 1 of each year, in order to be considered for the following tax year. The deadline may be extended to October 15 in the year of a reassessment.

Must I Re-Apply Annually for Clean and Green?

Once enrolled, a landowner does not need to reapply. Landowners must, however, notify their county tax assessment office if the status of their enrolled land changes.

Use Valuation of Farmland:

Northeastern US Farmland: Current Use Valuation Methods

In the Northeastern United States, **Current Use Valuation** (also known as Use Value Appraisal or Differential Assessment) shifts property taxation from a land's "highest and best use" (market value) to its "current use" value based on its agricultural productivity.

Primary Calculation Methodologies

Two dominant methods are used across the Northeast to determine these values:

1. **Income Capitalization Approach:** The value is calculated by dividing the expected net income from the land by a capitalization rate.
 - **Formula:** $V = \frac{I}{R}$, where V is the land value, I is the net annual income per acre, and R is the capitalization rate (representing the expected rate of return plus a tax component).
2. **State-Prescribed/Recommended Rates:** A state board or committee sets a schedule of "unit prices" per acre based on soil productivity, crop types, or historical data.

State-Specific Calculations and Examples (2025–2026)

1. New York: Soil-Based Productivity Model

New York uses a highly structured formula based on **10 mineral soil groups** and **4 organic soil groups**.

- **The Formula:**
$$\text{Agricultural Assessment Value} = \frac{\text{Value of Production per Acre} \times \text{Net Profit Percentage}}{10\%}$$

The 10% capitalization rate includes an 8% investment return and 2% property tax rate.
- **Example Classification:** Soil Group **1A** (highest productivity) is valued at 100% of the base value, while Group **10** is valued at only 5% of that base.

2. New Hampshire: Net Income Capitalization

New Hampshire calculates values for a rolling period using an "Olympic average" (dropping the highest and lowest years) of hay and corn silage prices.

- **2025–2026 Rates:** **\$57 to \$473** per acre for farmland.
- **Example:** A farmer with high-quality soil may have their land assessed toward the higher end (\$473), while land with a lower **Soil Potential Index (SPI)** would be assessed closer to \$57.

3. Vermont: Fixed Rate + CLA Adjustment

Vermont's Current Use Advisory Board sets a flat state-wide value annually, which is then adjusted by the town's **Common Level of Appraisal (CLA)** to ensure equity across municipalities.

- **2025 Agricultural Value: \$510** per acre.
- **Example Calculation:** For 50 acres of farmland in a town with a CLA of 0.90:

$$\$50 \text{ acres} \times \$510 \times 0.90 = \$22,950 \text{ (Adjusted Use Value)}\$\$$$

4. Connecticut: Recommended Unit Prices (2026)

Connecticut uses a "Recommended Schedule of Unit Prices" released by the Office of Policy and Management (OPM). On **January 5, 2026**, these values were updated to reflect corrected data.

- **2026 Farmland Classifications:**

Classification	State-Wide Value (Per Acre)	River Valley Value (Per Acre)
Tillable A (Excellent)	\$3,250	\$3,950
Tillable D (Good)	\$870	\$870
Orchard E	\$2,300	\$2,300
Pasture F	\$815	\$815
Swamp/Ledge/Scrub G	\$40	\$40

On January 19, 2026, the Connecticut Governor issued an executive order to **reinstate 2020 land use values** for 2025 assessments, **voiding the above values.**

Comparative Land Classifications

States categorize land differently to apply these formulas:

- **New Jersey:** Classifies land as **Cropland Harvested, Cropland Pastured, Permanent Pasture, or Woodland** (Appurtenant vs. Non-Appurtenant).
- **Pennsylvania:** Uses the **Income Approach** but categorizes land into **Agricultural Use, Agricultural Reserve, and Forest Reserve**, with specific sub-valuations for individual soil types provided by the USDA NRCS.
- **Massachusetts:** The Farmland Valuation Advisory Commission (FVAC) adopts ranges for **Agricultural, Horticultural, and Forest** land, which local assessors then apply based on local productivity.
- **Rhode Island:** Uses three classes based on **soil limitations** (Slight, Moderate, or Severe) relative to Fair Market Value (FMV). For example, "Slight Limitation" land is assessed at **30% of FMV**.

The following table compares the **exit penalties** and "**rollback**" taxes for the Northeastern states. These penalties are designed to recoup lost tax revenue and discourage the conversion of farmland into residential or commercial developments.

Comparison of Exit Penalties: Northeastern States (2025–2026)

State	Penalty Type	Duration / Calculation	Notes
Connecticut	Conveyance Tax	10% to 0% of total sales price.	Tax is 10% in Year 1, decreasing 1% annually until it hits 0% after 10 years.
Delaware	Tax Recapture	10 years of back taxes.	Also includes a 20% penalty for failure to notify authorities of a use change.
Maine	Tax Recapture	5 years of back taxes.	Recaptures the difference between taxes paid and what would have been due at FMV plus interest.
Massachusetts	Alternative	10-year Conveyance OR 5-year Rollback.	Uses whichever is higher if sold for non-farm use within 10 years of ownership.
New Hampshire	Land Use Change	10% of FMV.	Applies at the time the land is "developed" or no longer qualifies.
New Jersey	Rollback Tax	2 years plus the current year.	Requires paying the tax difference for the current year and the two preceding years.

New York	Rollback Tax	5 years of tax savings.	Penalty is multiplied by tax savings; some non-district lands require an 8-year commitment.
Pennsylvania	Rollback Tax	7 years of back taxes.	Includes an interest charge (typically 6%) on the rollback amount.
Rhode Island	Conveyance Tax	10% to 0% of FMV.	Sliding scale from 10% (Years 1–6) down to 0% after 15 years of enrollment.
Vermont	Land Use Change	10% of FMV.	Secured by a "contingent lien" that only springs into existence upon development.

Critical Nuances in Penalty Structures

1. Conveyance Tax vs. Rollback Tax

- **Conveyance Tax (CT, MA, RI):** Calculated as a percentage of the **Fair Market Value (FMV)** or the actual **Sales Price**. This is often much more expensive than a rollback because it is tied to the high market value of the land at the time of sale, rather than just the taxes "saved" in previous years.
- **Rollback Tax (NY, NJ, PA, ME):** Calculated as the **difference** between the taxes actually paid and the taxes that *would* have been paid at full market value over a specific period (usually 2–7 years).

2. The 2026 Connecticut "Assessment Freeze"

In January 2026, the Connecticut Governor issued an executive order to **reinstate 2020 land use values** for 2025 assessments.

- **The Problem:** Recent updates to "Recommended Unit Prices" had caused unexpected tax hikes for farmers.
- **The Impact:** This action allows farmers to maintain their current tax levels while a state working group reviews the appraisal methodology for 2027 and beyond.

3. Vermont's Contingent Lien

Unlike some states where the penalty is due immediately upon leaving the program, Vermont utilizes a **contingent lien**.

- If you stop farming but **do not develop** the land (e.g., you leave it as open space), the 10% Land Use Change Tax may be deferred.
- The lien "stays" with the land, only becoming due if a subsequent owner chooses to build a road, house, or commercial structure.

This deep dive explores the precise methodologies used by **Massachusetts** and **New Hampshire** for the 2026 fiscal year to ensure agricultural land is taxed on its ability to produce crops rather than its development potential.

Massachusetts: FVAC Productivity Breakdown (FY 2026)

The **Farmland Valuation Advisory Commission (FVAC)** determines a range of values per acre based on specific land classifications. For **FY 2026**, the FVAC adopted valuations using capitalized farmland rents and historical averages from the **USDA National Agricultural Statistics Service (NASS)**.

1. Land Categories & Value Ranges

The FVAC categorizes land by its "dominant soil rating" into three productivity levels: **Below Average, Average, and Above Average**.

Classification	FY 2026 Below Avg	FY 2026 Average	FY 2026 Above Avg
Cropland Harvested: Vegetables, Tobacco, Sod, Nursery	\$1,164	\$1,455	\$1,746
Cropland Harvested: Dairy, Beef, Hay; Tillable Forage	\$233	\$291	\$349
Orchards, Vineyards, and Blueberries	\$1,164	\$1,455	\$1,746

Cranberry: Based on barrels per acre (Range \$1,165 - \$2,717)	\$1,165	\$1,941	\$2,717
Productive Woodland: (Chapter 61 or 61A)	\$70	\$88	\$106
Nonproductive Land: Wetland, Scrub, Rock	\$73	\$73	\$73

2. 2026 Methodology Shifts

- **Uniform Woodland Rates:** For FY 2026, the FVAC voted to approve a single rate for woodland throughout the Commonwealth, rather than separating by region (East/West of the CT River), reflecting a **4.8% increase**.
- **Cranberry Value Spike:** Cranberry values saw a significant **9.7% increase** over FY 2025, with specific yields reported by growers determining the final rate.
- **General Inflation:** Chapter 61A land values generally increased by **6.9%**, while nonproductive land increased by **7.4%**.

New Hampshire: Determining Hay and Silage Prices

New Hampshire’s **Current Use Board (CUB)** uses a mathematical model focused on the state’s primary agricultural outputs: **Hay** and **Corn Silage**.

1. The "Olympic Average" Calculation

To prevent extreme market spikes or dips from causing erratic tax shifts, New Hampshire uses an **Olympic Average** of the last five years of data.

- **The Math:** The highest and lowest values from a 5-year period are discarded, and the remaining three values are averaged.
- **Example:** If hay prices over 5 years were (\$170, \$244, \$98, \$143, \$169), the model drops \$244 and \$98, averaging the remaining three to get **\$160.67**.

2. Hay Price Sourcing

- **Data Source:** Annual agricultural surveys in New Hampshire conducted by the **USDA NASS**.
- **Application:** This average price is used to determine the **Net Income** an acre of land can generate.

3. Corn Silage Regression Model

Because corn silage is rarely sold on a commodity market (it is usually grown and consumed on the same farm), NH uses a **Cornell University regression model**.

- **The Inputs:** The model combines **NH hay prices** with **corn-for-grain prices**.
- **The Proxy Data:** Since NH does not report corn-for-grain prices, the state uses an average of **New York and Pennsylvania** prices as a proxy.
- **The Output:** This calculated silage price then undergoes the same **Olympic Average** treatment before being factored into the land valuation.

4. Final Valuation Flow

Once the net income per acre is determined using these stabilized prices, a **Cost Multiplier** (estimated at the proportion of operation costs to revenue) is applied to arrive at a "Net Income" figure. This is then **capitalized** using a rate that accounts for long-term loan interest and local property taxes to set the per-acre assessment range (currently **\$25 - \$425** for farmland).

The 2026 methodologies for Massachusetts and New Hampshire highlight two distinct approaches to agricultural valuation: Massachusetts relies on a **categorized productivity model** set by a central commission, while New Hampshire utilizes a **statistical smoothing model** to protect farmers from market volatility.

Massachusetts: FVAC Productivity Breakdown

The **Farmland Valuation Advisory Commission (FVAC)** meets annually to establish per-acre value ranges for land classified under **Chapters 61 and 61A**.

1. The Valuation Process

The FVAC process moves from statewide data collection to local municipal application:

- **Data Sourcing:** The commission analyzes capitalized farmland rents and historical productivity data from the **USDA National Agricultural Statistics Service (NASS)**.
- **Commission Meeting:** Every year, the FVAC adopts a recommended range of values for various agricultural, horticultural, and forest land categories.
- **Local Application:** Municipal Boards of Assessors must use these ranges alongside their own professional judgment of local land values. Any local value set *outside* the FVAC range must be justified by a comprehensive study.

2. FY 2026 Classifications

For the **FY 2026** tax year (covering the January 1, 2025 assessment date), the FVAC refined values based on soil ratings.

- **Vegetable & Nursery Land:** Valued between **\$1,164 (Below Average)** and **\$1,746 (Above Average)** per acre.

- **Dairy & Forage Land:** Significantly lower, ranging from **\$233 to \$349** per acre, reflecting lower per-acre income potential compared to high-intensity crops.
- **Woodland Uniformity:** In a 2026 shift, the commission adopted a **uniform statewide rate** for productive woodland, eliminating previous regional price differences.

New Hampshire: Hay & Silage Price Determination

The New Hampshire **Current Use Board (CUB)** focuses on stabilizing the "income-producing capability" of land through a specific mathematical formula.

1. The "Olympic Average" Logic

To ensure that a single "boom" or "bust" year in crop prices does not cause a sudden spike in property taxes, New Hampshire applies an **Olympic Average** to 5 years of market data.

- **Removal of Outliers:** The highest-priced year and the lowest-priced year in the current 5-year cycle are discarded.
- **Smoothing:** The remaining three years are averaged to create the base price used in the valuation model.
- **Result:** This "smoothed" price prevents temporary inflation in hay or grain markets from driving farmers out of business via higher tax assessments.

2. Sourcing Proxy Data

New Hampshire faces a data challenge: it does not produce enough "corn-for-grain" to generate its own reliable state-level price data.

- **Hay Data:** Sourced directly from annual **USDA NASS surveys** specifically for New Hampshire.
- **Corn Silage Proxy:** To calculate silage values, the state uses a **Cornell University regression model**.
- **Multi-State Indices:** Because NH lacks grain data, the model uses an average of **New York and Pennsylvania corn prices** as a proxy for regional market realities.

3. Final 2025–2026 Ranges

The result of these calculations for the current tax cycle (April 1, 2025 – March 31, 2026) is a farmland assessment range of **\$57 to \$473 per acre**. This is used by local assessors, who may further adjust the value based on a property's individual **Soil Potential Index (SPI)**.

New York Land Assessment Valuation

In New York, agricultural assessment values are certified annually to provide "use value" tax relief for eligible farmland. This system ensures land is taxed based on its agricultural productivity rather than its potential for residential or commercial development.

Calculation Methodology

The state uses an **Income Capitalization** approach based on a soil's inherent ability to produce crops.

- **8-Year Rolling Average:** The base value is the average capitalized value of production per acre for the eight-year period ending two years prior to the current year.
- **Formula:** The capitalized value is calculated by dividing the (Value of Production \times Net Profit Percentage) by a **10% capitalization rate** (composed of an 8% investment return and a 2% real property tax rate).
- **2% Cap:** By law, the annual change in the base agricultural assessment value for any given year cannot exceed **2%** of the previous year's value.

New York Land Classification System

New York classifies land into **10 Mineral Soil Groups** and **4 Organic Soil Groups** based on their productivity and drainage capabilities.

1. Mineral Soils (Groups 1–10)

- **Productivity Index:** A base soil unit capable of producing the highest tons of Total Digestible Nutrients (TDN) per acre is assigned an index of 100.
- **Ranking:** Groups 1–4 are considered "highly productive" soils, while Groups 5–10 have progressively lower yields or higher operational costs.
- **Farm Woodland:** Up to 50 acres (increasing to 100 acres in some 2026 legislative proposals) is valued the same as **Mineral Group 7**.

2. Organic (Muck) Soils (Groups A–D)

- **Group A:** Valued at **two times** the base mineral value (1A).
- **Hierarchy:** Groups B, C, and D are valued at **65%, 55%, and 35%** of the Group A value, respectively.

NY Certified 2026 Agricultural Values

The following values were established on **January 5, 2026**, for use on 2026 town assessment rolls.

Mineral Soil Group	Value Per Acre (2026)	Organic Soil Group	Value Per Acre (2026)
1a (Highest)	\$1,292	A (Highest)	\$2,584

1b / 2a	\$1,150	B	\$1,680
2b / 3a	\$1,021	C	\$1,421
3b / 4a	\$879	D	\$904
4b / 5a	\$749		
5b / 6a	\$607		
6b / 7	\$478		
8	\$336		
9	\$207		
10	\$64		
<i>(Note: Values for 6b–10 and Organic B–D are calculated based on mandated statutory percentages of the base certified 1a value).</i>			

Eligibility Reminder

To receive these rates in 2026, land generally must consist of at least **7 acres** and generate an average of **\$10,000** in annual gross sales for the preceding two years.

Connecticut's Land Classification System

Connecticut's use value assessment is determined under **Public Act 490 (PA 490)**, which allows qualifying farm, forest, and open space land to be taxed at its "current use" value rather than its "highest and best use" (market/development) value.

1. Calculation Methodology: Income Capitalization

The state determines these values using an **Income Capitalization Approach**. This method focuses on the potential income the land can generate through agricultural activities, rather than its potential sale price for development.

- **The Basic Formula:**
$$V = \frac{I}{R_o}$$
Where V is the land value, I is the net annual income (typically derived from regional rent surveys for different land classes), and R_o is the overall capitalization rate.
- **Rental Rate Surveys:** The Office of Policy and Management (OPM) and the Department of Agriculture conduct surveys to determine typical annual rental rates for various land classes (e.g., Tillable A, Pasture, Orchard).
- **Capitalization Rate (R_o):** This rate is developed by combining finance (mortgage) rates and equity yield rates. For recent survey periods, the calculation has included a finance rate (around **4.49%**), a safe risk rate (**2.76%**), and the effective real property tax rate (**3.16%**), leading to a calculated capitalization rate of approximately **10.41%**.

2. 2026 Status and Legislative Directive

As of **January 19, 2026**, there is a significant temporary shift in how these values are applied:

- **Reinstatement of 2020 Values:** Due to inconsistent data and extreme spikes in the October 2025/January 2026 updates (such as swamp land rising from **\$40** to **\$970** per acre), Governor Lamont directed the OPM to rescind the new 2025/2026 recommended values.
- **Current Directive:** Municipalities are currently directed to use the **2020 Recommended Land Use Values** for the 2025 grand list and 2026 tax year while a working group develops a more reliable long-term valuation process.

3. Reinstated 2020 Recommended Values (Per Acre)

Because the 2025 updates were rescinded, the following 2020 rates are the current standard for **2026**:

Land Category	State-Wide Value	River Valley Value
Tillable A (Excellent)	\$1,880	\$2,530

Tillable B (Very Good)	\$1,280	\$1,810
Tillable C (Good/Fair)	\$1,110	\$1,690
Tillable D (Fair)	\$850	\$1,170
Orchard E	\$990	\$990
Pasture F	\$280	\$280
Swamp/Ledge/Scrub G	\$40	\$40
Woodland/Forest Land	\$390	\$390

4. Role of the Local Assessor

While OPM provides the "recommended" schedule, the local municipal assessor makes the final determination on whether a specific parcel qualifies. Assessors have some flexibility to modify these values if they can provide clear justification for doing so based on local conditions.

Northeastern Farmland Values & Valuation Methods (2025–2026)

In the Northeastern U.S., states primarily use **Income Capitalization** to determine agricultural use values, though the specific data points—such as soil quality or crop-specific net income—vary significantly. Below is a summary of the current valuations and methodologies for the region as of **February 2026**.

State	Primary Valuation Method	Current (2025–2026) Assessment Values (Per Acre)
Connecticut	Income Capitalization (Based on 2020 data per 2026 Executive Order)	\$40 (Swamp/Ledge) to \$2,530 (River Valley Tillable A)
Maine	Income Capitalization (USDA NASS state-level data)	Varies by county; typically \$300 – \$600 for average cropland
Massachusetts	Productivity Model (FVAC-prescribed ranges by crop type)	\$233 (Dairy/Forage) to \$2,717 (Above-Avg Cranberry)
New Hampshire	Olympic Average (5-year smoothed hay/silage prices)	\$57 (Low-quality soil) to \$473 (High-quality soil)
New Jersey	Productivity Index (Grouped by soil class and drainage)	\$30 – \$1,000+ (depending on crop intensity and soil group)
New York	Soil-Based Income Cap (10 mineral & 4 organic groups)	\$64 (Mineral Group 10) to \$2,584 (Organic Group A)
Pennsylvania	Income Approach (USDA NRCS soil sub-valuations)	Varies widely by county; often ranges \$200 – \$1,500
Rhode Island	Fixed Percentage of FMV (Based on soil limitations)	Usually 30% – 50% of Fair Market Value

Vermont	Fixed Annual State Rate (Set by Advisory Board)	\$510 (Adjusted by town Common Level of Appraisal)
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State	Primary Category	Assessment Range (Per Acre)	Notes on Classification
Connecticut	Tillable A to G	\$40 – \$2,530	Currently uses 2020 values per 2026 Governor directive.
Maine	Farmland	Varies by County	Municipalities use Dept. of Ag guidelines based on income and market data.
Massachusetts	Cropland/Dairy	\$233 – \$1,746	FY2026 rates for Cropland Harvested vs. Dairy/Forage land.
New Hampshire	Farmland	\$57 – \$473	2025–2026 rates; exact value depends on Soil Potential Index (SPI).
New Jersey	Cropland/Woodland	\$35 – \$1,248+	2026 estimates based on 5 Soil Groups (A-E) across

			each county.
New York	Mineral Soils	\$64 – \$1,292	2026 certified rates for Mineral Soil Groups 1a (highest) to 10.
New York	Organic (Muck)	\$904 – \$2,584	2026 certified rates for Organic Groups A (highest) to D.
Rhode Island	Specialty/Dairy	\$115 – \$1,955	Categorized by Ornamental (\$1,955), Vegetable (\$650), and Dairy (\$300).
Vermont	Agricultural Land	\$510	Single statewide rate for 2025–2026, adjusted by local CLA.
Vermont	Forest Land	\$152 – \$203	Based on accessibility (distance from class I, II, or III roads).

Understanding the Regional Methodologies

1. The Income Capitalization Standard

Most Northeastern states use the formula $V = I / R$, where I is the net income per acre and R is a capitalization rate (usually 8%–11%).

- **Connecticut & Maine:** Rely heavily on rental surveys to determine "I" (Net Income).
- **New York:** Uses a highly technical soil productivity index where Group 1a (the best soil) sets the 100% benchmark for all other values.

2. The Statistical "Smoothing" Approach

- **New Hampshire:** Uniquely uses the **Olympic Average**—dropping the highest and lowest price years from a 5-year cycle—to protect farmers from sudden tax spikes when hay or grain prices surge temporarily.

3. State-Mandated Fixed Rates

- **Vermont:** Instead of a complex formula for every farm, a state board sets one single value per acre (\$510 for 2025/2026) for all enrolled farmland across the entire state.
- **Massachusetts:** The **FVAC** provides a specific "ceiling" and "floor" for different crops (e.g., cranberries vs. tobacco), giving local assessors a narrow range to work within.

4. The 2026 Connecticut "Valuation Freeze"

It is important to note that **Connecticut** is currently in a state of flux. Following an attempted 2025 update that would have seen some assessments rise by **over 2,000%**, the state has reverted to **2020 valuation levels** for the 2026 tax year to provide emergency relief to the agricultural sector.

Key Court Cases

Over the period of 2000–2025, several significant court cases in Connecticut have shaped the application of **Public Act 490 (PA 490)**, focusing primarily on the "actual use" of land and how local assessors interpret the criteria for farmland classification.

Key Court Cases (2000–2025)

- ***Brennan v. Board of Assessment Appeals of the Town of Seymour (2024)***: This recent Appellate Court case involved a town tax assessor declassifying **7.26 acres** of "excess property" as farmland during a town-wide revaluation.
 - **The Issue**: The assessor determined the land was not in "actual use" as farmland.
 - **The Outcome**: The court affirmed the assessor's decision, relying on **General Statutes § 12-107c (a)** factors. It ruled that the landowner's failure to demonstrate active agricultural use (such as crop production or livestock grazing) justified the declassification.
- ***Cecarelli v. Board of Assessment Appeals of Town of North Branford (2003)***: This Superior Court case addressed the valuation of a residence and its curtilage on a farm where development rights had been deeded to the state.
 - **The Issue**: The town attempted to value the residential area as a standard market-rate lot despite the farm's legal deed restrictions.
 - **The Outcome**: The court ruled in favor of the farmer, holding that the **market value** must account for real encumbrances. It accepted a specialized appraisal of **\$96,000** for the dwelling, noting that "artificial constructs" like standard residential lot pricing do not apply when land use is strictly restricted by law.
- ***7 Germantown Rd., LLC v. City of Danbury (2025)***: While not specifically a farmland case, the Connecticut Supreme Court issued a major ruling on **standing** for property tax appeals.
 - **The Outcome**: The court held that missing the 120-day appraisal filing requirement for high-value properties does *not* automatically strip a taxpayer of their standing to appeal. This is considered a significant "taxpayer victory" that provides more leeway for all property owners—including those with large agricultural tracts—to prosecute their appeals even if technical deadlines are missed.

Common Grounds for Legal Challenges

Most farmland assessment disputes reaching the Superior Court involve the **Assessor's field review** and subsequent "declassification" of parcels.

- **"Excess Property" Disputes**: Assessors often try to reclassify peripheral wooded or wetland areas of a farm as residential land, which is taxed at a much higher rate.
- **Proof of Agricultural Activity**: Cases often hinge on the level of documentation

required. For instance, one 2020/2021 Colebrook case involved an appeal where the assessor denied classification because the owner did not provide **seed receipts**, despite such receipts not being a formal statutory requirement for PA 490 verification.

- **Town-Wide Revaluations:** Taxpayers frequently challenge declassifications that occur during mass appraisals, arguing that the private revaluation companies used by towns lack the site-specific field review necessary to determine "actual use".

Legislative & Executive Context (2025–2026)

Following the "catastrophe" of the 2025 revaluation cycle—where flawed state data suggested raising swamp land values by **2,400%**—Governor Lamont issued a 2026 directive to halt the new valuations. This executive action effectively prevented a new wave of court challenges by reinstating the **2020 land values** while a permanent legislative solution is developed.