

Select Board Checklist for RSA 79-E applications for tax relief.

The following check list should be used according to the applicability of each provision of the law. The Board should note that each item on this check list (designated by a ___) is taken directly from RSA 79-E with much abbreviation & adaptation, that the RSA should be referenced directly during all processing of applications, that the Board may establish further guidelines, and that the Board should set and collect fees for processing applications.

RSA 79-E: COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

1. **79-E:1** Public Benefit: Does the project satisfy one or more of the following:
 - ___ I. "enhance downtowns and town centers"
 - ___ II. "rehabilitation of underutilized structure"
 - ___ II-a. "replacement of underutilized structure with a new structure"
 - ___ II-b. "encourage rehabilitation by increasing energy efficiency"
2. **79-E:2** Definitions
 - N.B.:** Definition of 'substantial rehabilitation' at IV: rehabilitation that costs at least 15 percent of the pre-rehabilitation assessment or at least \$75,000, whichever is less. If historic structure, at least 10 percent of the pre-rehabilitation assessment, or at least \$5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation.
 - 'Historic structure' under I: listed on or eligible for listing on National Register of Historic Places or State register of historic places.
3. **79-E:3** Adoption by towns to thus empower Boards to grant 79-E tax relief
4. **79-E:4** Revitalization Tax Relief Incentive
 - ___ I. Application shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and the application fee.
 - ___ I-a. If replacement, application requires: a New Hampshire division of historical resources individual resource inventory form prepared by an architectural historian; letter from NH division of historical resources identifying cultural, etc., value of structure and lot
 - ___ replacement application not complete and Board not to schedule hearing for replacement (RSA 79-E:4, II) until inventory form and letter, and all other required information, have been submitted.
 - ___ II. Upon receipt of application, public hearing within 60 days
 - ___ III. Within 45 days after hearing, Board shall decide up or down, and set relief period
 - IV. (a) Board may grant relief, provided:
 - ___ (1) Board finds a public benefit under RSA 79-E:7; and
 - ___ (2) The benefit is preserved through a covenant under RSA 79-E:8; and
 - ___ (3) Board finds that the proposed use is consistent with the Town's master plan or development regulations; and
 - ___ (4) If replacement, NH division of historical resources has determined:
 - ___ original structure does not possess significant cultural, etc., value;
 - ___ replacement will achieve one or more of the benefits identified in RSA 79-E:7 to a greater degree than would renovation; and
 - ___ cultural, etc., resources in Town will not be adversely affected
 - N.B.:** Board may request division of historical resources conduct a technical evaluation to establish that historical resources be not adversely affected.
 - IV. (b) If Board grants tax relief,
 - ___ Board shall identify the specific benefit achieved under RSA 79-E:7,
 - ___ shall set terms and duration of covenant under RSA 79-E:8.
 - V. If Board denies tax relief
 - ___ written explanation required
 - N.B.:** pursuant to RSA 79-A:9 or 79-A:11, Tax & Land Appeals or the superior court

can set aside a denial where bad faith or discrimination is found.

VI. Tax Increment Financing district provisions

79-E:4-a Coastal Resilience Zone provisions

5. **79-E:5** Duration of Tax Relief

___ I. up to 5 years, beginning with the completion of the substantial rehabilitation

___ I-a. If replacement Board may grant relief for up to 5 years, beginning only upon the completion of the replacement.

___ Board may add years, but not before completion

N.B.: assessment of the replacement structure and lot shall not increase or decrease between approval of relief and completion plus covenant. Board may not grant any relief if properties appraised under RSA 75:1-a.

___ II. Board may give up to 2 additional years relief if new residential units, up to 4 additional years if affordable housing.

___ III. Board may give 4 additional years relief if listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within, and is important to, a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

N.B.: IV. Board may adopt local guidelines to assist it in determining the appropriate duration of the relief period.

6. **79-E:6** upon expiration of relief, taxes at full value

7. **79-E:7** Public Benefit

rehabilitation must provide at least one of the public benefits;

replacement must provide one or more of the public benefits to a greater degree than rehabilitation of the original structure:

___ I. enhances the economic vitality of the downtown;

___ II. enhances a structure that is culturally or historically important on a local, regional, state, or national level;

___ II-a. promotes conserving embodied energy in local building stock in accordance with U.S. Secretary of the Interior Standards for Rehabilitation energy efficiency guidelines

___ III. Promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or

___ IV. increases residential housing in urban or town centers

8. **79-E:7-a** Public Benefit Determination [Allows Town to adopt further public benefit definitions]

9. **79-E:8** Covenant to Protect Public Benefit

___ I. relief only after owner grants covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted

___ II. Minimum covenant is for relief period, but Board may require up to twice the relief period.

___ III. covenant requires owner to obtain casualty, and, if appropriate, flood insurance

___ Board may require lien against insurance claims to ensure restoration or demolition. If no restoration or demolition within one year, owner subject to provisions of 79-E:9, I

___ IV. covenant to be recorded with registry of deeds

___ V. The applicant shall pay any reasonable expenses incurred by Town

10. **79-E:9** Termination of Covenant; Reduction of Tax Relief; Penalty.

I. If terms not met,

___ a. hold public hearing,

___ b. determine diminished public benefit

___ c. determine whether to terminate or reduce relief period. If terminated, assess all taxes as though no tax relief was granted, with interest in accordance with paragraph II.

II. Any tax payment required under paragraph I shall be payable according to the following procedure:

- a. DRA determines payment due according to RSA 75:1
 - b. DRA forms shall be in quadruplicate.
 - ___ #1, #2, and #3 copies to the tax collector plus special tax warrant
 - ___ #4 copy retained by the local assessing officials
 - c. tax collector shall mail #2 copy to the owner
 - d. Payment due not later than 30 days after mailing the bill. 18% interest due thereafter on any amount not paid within the 30-day period. 12% interest charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.
- 11. **79-E:10** Lien for Unpaid Taxes. - The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.
 - 12. **79-E:11** Enforcement. - All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.
 - 13. **79-E:12** Rulemaking. - DRA commissioner can make rules
 - 14. **79-E:13** Extent of Tax Relief
 - ___ I. (a) relief only on assessment increases attributable to the rehabilitation and not to those increases attributable to other factors including but not limited to market forces; or
 - ___ (b) relief shall be on value above original assessed value. Original assessed value is value assessed at the time the Board approves relief and the owner grants the covenant. If building destroyed, assessed value means value as if not destroyed.
 - 15. ___ II. relief shall only apply to improvements made after the Board approves the application and owner grants the covenant. In the case of a building destroyed by fire or act of nature within 15 years prior to adoption of 79-E by the Town, relief may apply to a replacement begun, but not completed, before date application is approved
 - 16. **79-E:14** Other Programs.
 - ___ The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Step-by-step Process Table

Steps	If yes	If no
1. Owner intends to rehabilitate or replace an existing structure.	Go to step 2	n/a
2. Owner applies for 79-E tax relief (see application form and checklist); Select Board holds public hearing within 60 days of application receipt.	Go to step 3	n/a
3. Board must make decision within 45 days of hearing. To grant the tax relief, it must answer yes to applicable steps 4, 6, 7, 8, 9, <u>and</u> find that the proposed use is consistent with the master plan and development regulations	Go to step 4	n/a
4. Is the property in a village area designated by the Select Board (a 'downtown')?	Go to step 5	Go to step 11
5. Is project the rehabilitation of an existing building?	Go to step 6	Go to step 7
6. Is the rehab cost \geq \$75,000 or 15% of structure's assessment, whichever is less? [Town meeting can set either/both numbers higher.]	Go to step 8	Go to step 11
7. Is project a replacement of an existing building or one that falls under RSA 79-E:13 II?	Go to step 8	Go to step 11
8. Does existing structure have no significant historical, cultural, or architectural value (NH Div. Historical Resources form req.), <u>and</u> does public benefit of replacement <u>exceed</u> that of rehabilitation?	Go to step 9	Go to step 11
9. Does project sufficiently better one or more of: economic vitality; culturally or historically important structure; village development; village housing?	Go to step 10	Go to step 11
10. Approval, and terms, at Board's discretion.	Go to step 12	Go to step 11
11. Denial: must have written explanation; denial may be appealed either to board of tax and land appeals or superior court, provided decision shall not be set aside except for bad faith or discrimination.	Process completed	n/a
12. Board sets terms of covenant, owner accepts; Board files w/ registry of deeds	Go to step 13	Go to step 11
13. Covenant and lien requirements fulfilled; covenant and lien released at end of agreed term	Process completed	Go to step 14
14. Relief may be reduced or terminated when covenant violated. Public hearing to determine loss of benefit; if terminated, owner liable for back taxes.	Process completed	n/a

Approved: 8/3/2020

RSA 79-E Tax Relief Application Form

Stratford NH

Date submitted _____

Purpose of RSA 79-E as applied in designated areas:

- Promote rehabilitation of underutilized buildings.
- Promote development of new housing units.
- Promote energy efficiency and green construction methods in the Town's village areas.

Form of Assistance:

- A freeze of limited duration on a property's assessment following the rehabilitation or replacement of that property.

How it works:

- Applicant meets with Select Board to propose project.
- Applicant satisfactorily completes application and submits it to the Select Board
- Select Board assesses existing property and holds a public hearing.
- Select Board renders a decision.
- Applicant provides covenant protecting the public's interests.
- Applicant satisfactorily completes rehabilitation. Tax relief period begins.
- Covenant satisfied, relief period ends, Select Board releases covenant.
- Covenant not satisfied, relief terminated, applicant liable for all back taxes.

It is the applicant's responsibility to demonstrate compliance with the criteria listed in RSA 79-E and set by the Select Board. Attached to the application is a step-by-step process table, and a checklist, derived and abbreviated from 79-E, that will be used in evaluating the application. These may be of some assistance to the applicant. Nevertheless, the applicant is advised to become fully familiar with the contents of RSA 79-E before making an application.

Approved: 8/3/2020

Owner(s) Name(s) & Address:

Applicant's Name & Address:

Building Name (if any):

Address & PID:

Year Built: _____ Floor Area: _____

Eligible or listed on State or National Register of Historic Places? _____

Current use(s):

Details of proposed use(s):

Expected project completion date: _____

Will State or federal grants or funds be used in this project? _____

If yes, describe terms thereto, and of repayment, if any.

Please attach any plans, sketches, renderings, photographs or other materials that will aid the Select Board in arriving at a decision.

Approved: 8/3/2020

Describe work to be performed and provide cost estimates. Attach copies of any written estimates and use additional sheets as needed.

Work	Cost
Structural:	
Electrical:	
Plumbing:	
Heating:	
Finish:	
Energy efficiency:	
Other:	
Total Cost	

In accordance with RSA79-E:4 I-a, application must be accompanied by an individual resource inventory form from the NH Division of Historical Resources (NHDHR) prepared by a qualified architectural historian and a letter issued by the NHDHR that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located.

Applicant's signature

Printed name

Date

Select Board Signatures:

Approved: 8/3/2020

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