



# Community Revitalization Tax Relief Incentive Program

(NH RSA 79-E)

## Application For Community Revitalization Tax Incentive

The following documents contain everything you will need to complete your application for tax relief to revitalize your building. PLEASE read everything carefully. The application instruction and materials are based upon the requirements set forth by NH RSA 79-E. You will need to fill out the application, take part in a public hearing with the Board of Selectmen, and execute a covenant with the Town. If you have any questions with the application, the process, or what to expect, please contact the Town Planner at (603) 772-7391 ext. 147 or [planning@strathamnh.gov](mailto:planning@strathamnh.gov).

### **Included In This Application Packet:**

1. Application Instructions
2. Application form
3. Covenant to Protect Public Benefit template
4. RSA 79-E Community Revitalization Tax Relief Incentive District Map
5. Text of RSA 79E (to be read and understood by the applicant at the time of application)



## Part 1: Instructions for Applicants

1. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the Board of Selectmen through the Planning Department. The applicant shall file a complete application form including 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 submit the required non-refundable application fee of \$200.00.

In order to assist the Board of Selectmen with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the Board Of Selectmen as part of the application, a New Hampshire Division of Historical Resources Individual Resource Inventory Form, prepared by a qualified architectural historian and if the qualifying structure is located within a designated historic district established in accordance with NH RSA 674:46, a letter from the Stratham Heritage Commission 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 the structure(s) are located.

The application for tax relief shall not be deemed to be complete and the Board of Selectmen shall not schedule the public hearing on the application for replacement of a qualifying structure as required under NH RSA 79-E:4,II until the inventory form and letter, as well as other required information, have been submitted.

2. Upon receipt of an application, the application will be reviewed by the Town Planner and any other Town official deemed appropriate. The applicant must satisfactorily answer any questions they may have for the application to be deemed complete.
3. The Board of Selectmen will hold a duly noticed public hearing to take place no later than 60 days from receipt of an application, to determine whether the structure at issue is a qualifying structure; whether the proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.
4. No later than 45 days after the public hearing, the Board of Selectmen shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.
5. The Board of Selectmen may grant the tax relief, provided:
  - a. The Board of Selectmen grant the request by a majority vote; and
  - b. The Board of Selectmen finds a public benefit under RSA 79-E:7; and
  - c. The specific public benefit is preserved through a covenant under RSA 79-E:8; and
  - d. The Board of Selectmen finds that the proposed use is consistent with the municipality's master plan, Zoning Ordinance, and development/land-use regulations; and



### Instructions for Applicant (continued)

- e. In the case of a replacement, the Board of Selectmen specifically finds that the Stratham Heritage Commission has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of a qualifying structure will achieve one or more of the public benefits identified in RSA79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement.
6. If the Board of Selectmen grants the tax relief, they shall identify the specific public benefit achieved under RSA 79-E:7 and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.
7. If the Board of Selectmen, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The Board Of Selectmen's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.
8. The Board of Selectmen shall have no obligation to grant an application for tax relief for properties located within a tax increment finance district when the Board of Selectmen determines, in its sole discretion that the granting of tax relief will impede, reduce, or negatively affect:
  - a. The development program or financing plans for such tax increment finance districts;  
or
  - b. The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment finance district; or
  - c. The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.



# Community Revitalization Tax Relief Incentive Program (NH RSA 79-E)

## Part 2: Application Form

### OFFICE USE ONLY

(do not write in shaded area)

Date Application Submitted: \_\_\_\_\_ App \_\_\_\_\_ Received by: \_\_\_\_\_

### Building Information

Building Name (if any): \_\_\_\_\_

Building Address : \_\_\_\_\_

Stratham Tax Map: \_\_\_\_\_ Lot: \_\_\_\_\_ Zoning District: \_\_\_\_\_ HCRD Book: \_\_\_\_\_ Page: \_\_\_\_\_

**Contact throughout this application process will be made through the applicant listed below.**

The property owner may designate an agent as the coordinator for the project. This person (the applicant) shall attend public hearings, will receive comments, recommendations, staff reports, and will communicate all case information to other parties as required.

**The Property Owner may act as the Applicant. If so, list under Applicant's Name, "Owner", and complete owner's information**

Applicant's Name: \_\_\_\_\_

Owner's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Email: \_\_\_\_\_

### Existing Building Information

Existing Uses (describe current use, size, and number of employees): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Gross Square Footage of Building: \_\_\_\_\_ Year Building was Built: \_\_\_\_\_

Is the building listed on or eligible for listing on the National Register of Historic Places?  Yes  No

Is the building listed on or eligible for listing on the state register of historic places?  Yes  No

Is the building located within and important to a locally designated historic district?  Yes  No



# Community Revitalization Tax Relief Incentive Program (NH RSA 79-E)

## Project Description

Proposed Uses (describe use, size, and number of employees): \_\_\_\_\_

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Is this a change of use associated with this project?  Yes  No

Will the project include new residential units?  Yes  No

If yes, please describe: \_\_\_\_\_

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Will the project include affordable residential units?  Yes  No

If yes, please describe: \_\_\_\_\_

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Has an abatement application been filed or has an abatement been awarded on this property within the past year?  Yes  No

Will any state or federal grants be used with this project?  Yes  No

If yes, describe and detail any terms of repayment: \_\_\_\_\_

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## Replacement of Qualifying Structure

Does the project involve the replacement of a qualifying structure?  Yes  No

If yes, the owner shall submit with this application the following:

1. A New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian.
2. A letter from the Stratham Heritage Commission 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.

**Note:** The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted, if required.



# Community Revitalization Tax Relief Incentive Program (NH RSA 79-E)

## Public Benefit (RSA 79:E-7)

In order to qualify for tax relief under this program, the proposed substantial rehabilitation must provide at least one of the public benefits listed below. Any proposed replacement must provide one or more of the public benefits listed below to a greater degree than would a substantial rehabilitation of the same qualifying structure.

Does the project provide the following public benefits?  
(Check all that apply)

Yes     No

Enhances the economic vitality of the designated area.

If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Enhances and improves a culturally or historically important structure?

Yes     No

If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Promotes development of the designated area, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B.

Yes     No

If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

It increases residential housing in the Professional Residential and Town Center Districts?

Yes     No

If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Other issues and matters applicant deems relevant to this request: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# Community Revitalization Tax Relief Incentive Program (NH RSA 79-E)

## Substantial Rehabilitation

Describe the work to be done and estimated costs.

1. Attach additional sheets if necessary and any written construction estimates.
2. Attach any project narratives, plot plans, building plans, sketches, renderings, or photographs that will help explain this application.

Structural: _____ \$ _____ _____ _____ _____	
Electrical: _____ \$ _____ _____ _____ _____	
Plumbing/Heating: _____ \$ _____ _____ _____	
Mechanical: _____ \$ _____ _____ _____ _____	
Other: _____ \$ _____ _____	
<b>Total Estimated Project Cost:</b>	

Expected project start date: \_\_\_\_\_

Expected project completion date: \_\_\_\_\_



# Community Revitalization Tax Relief Incentive Program (NH RSA 79-E)

## Applicant/Owner Signature

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The undersigned hereby certifies the foregoing information is true and correct:

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Signature	(printed name)	Date
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Signature	(printed name)	Date
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Signature	(printed name)	Date
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Signature	(printed name)	Date
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**Part 3: N.H. R.S.A 79-E Covenant To Protect Public Benefit**

**TOWN OF STRATHAM, NEW HAMPSHIRE  
COVENANT TO PROTECT PUBLIC BENEFIT  
Per RSA 79-E:8 (Community Revitalization Tax Relief Incentive)**

I (We) \_\_\_\_\_ [name] of \_\_\_\_\_ [address], Stratham, NH 03885 (hereinafter referred to, collectively, if appropriate, as "GRANTOR") owner(s) of \_\_\_\_\_ [property] situate at \_\_\_\_\_ [address], Stratham, NH (hereinafter referred to as the "PROPERTY"), for (myself/ourselves/itself) and for (my/our/it's) successors and assigns, for consideration of tax relief granted to GRANTOR by GRANTEE pursuant to the provisions of RSA 79-E, agree to the following covenants imposed by the Town of Stratham, (hereinafter referred to as "GRANTEE"), 10 Bunker Hill Avenue, County of Rockingham, State of New Hampshire.

These covenants are made in exchange for property tax relief granted with respect to the PROPERTY as a result of the substantial rehabilitation of the PROPERTY to be accomplished by the GRANTOR in accordance with GRANTOR proposal (specific approved scope of work is attached as "CHAPTER 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE ADDENDUM") approved by GRANTEE on [date of Board of Selectmen approval].

This COVENANT is to protect the public benefit in accordance with the provisions of RSA 79-E for a term of \_\_\_\_ [number of year] years, beginning on April first of the first tax year commencing immediately after the completion of the rehabilitation work. Notwithstanding the foregoing, the contemplated tax relief shall be null and void if the proposed rehabilitation work is not completed by March 31st [deadline year for completion].

The PROPERTY is designated as a portion of Tax Map [number] Lot [number] in the Town of Stratham. For further reference to GRANTOR'S title, see deed recorded at Book [reference], Page [reference], Rockingham County Registry of Deeds.

The GRANTEE agrees that the PROPERTY, if substantially rehabilitated in accordance with GRANTOR'S proposal approved by GRANTEE on [date of Board of Selectmen approval] provides a demonstrated public benefit in accordance with the provisions of RSA 79-E:7 inasmuch as the substantial rehabilitation of said property:

- I. Enhances the economic vitality of the Town Center and Professional/Residential Districts.
- II. Enhances or improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located.
- III. Promotes development of the Professional Residential and Town Center Zoning Districts, providing for efficiency, safety and a greater sense of community consistent with RSA 9-B.
- IV. Increases residential housing diversity and opportunities. The Town of Stratham Board of Selectmen held a public hearing on \_\_\_\_\_ [date of Board of Selectmen approval] and at that meeting made the following findings consistent with and required by RSA 79-E: 7



## Community Revitalization Tax Relief Incentive Program (NH RSA 79-E)

& 8. The terms of the COVENANT which is hereby granted by the GRANTOR to the GRANTEE with respect to the above described PROPERTY are to be co-extensive with the tax relief period and are as follows:

### SUMMARY OF FINDINGS.

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(Insert summary of findings if desired).

### GRANTOR'S COVENANTS.

**REHABILITATION OF PROPERTY.** The Grantor agrees to substantially rehabilitate the PROPERTY during the term of this Agreement in accordance with GRANTOR'S proposal approved by GRANTEE on \_\_\_\_\_ [date of Board of Selectmen approval]. The substantial rehabilitation contemplated by GRANTOR'S proposal approved by GRANTEE on \_\_\_\_\_ [date of Board of Selectmen approval] shall be completed by the GRANTOR on or before March 31, \_\_\_\_\_ [deadline year]. All of the work on the attached scope of work must be completed in order for the tax relief to take effect. If only some of the work on the attached scope of work is completed prior to March 31, \_\_\_\_\_ [upcoming year] or March 31, \_\_\_\_\_ [following year], then the PROPERTY shall be fully assessed for the value of that work during the tax year(s) commencing [upcoming year] and/or \_\_\_\_\_ [following year].

**MAINTENANCE OF THE PROPERTY.** The GRANTOR agrees to maintain, use and keep the structure in a condition that furthers the public benefits for which the tax relief was granted and accepted during the term of the tax relief under RSA 79-E.

(Insert any particular restrictions such a signage, maintenance of building and its surroundings, other structure and so forth, as may be agreed upon between the Grantor and Grantee.)

**REQUIRED INSURANCE, USE OF INSURANCE PROCEEDS, AND TIMEFRAME TO REPLACE OR REMOVE DAMAGED PROPERTY.** The GRANTOR agrees and is required to obtain and maintain casualty insurance, as well as flood insurance, if appropriate. As permitted by RSA 79-E:8, this COVENANT shall be a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. The GRANTEE further requires that the restoration or demolition commence within one year

following any insurance claim incident; otherwise the GRANTOR shall be subject to the termination provisions set forth in RSA 79-E:9, I.

**RECORDING.** The GRANTEE agrees to and shall provide for the recording of this COVENANT with the Rockingham County Registry of Deeds. It shall be a burden upon the PROPERTY and bind all transferees and assignees of such PROPERTY. The GRANTOR will be solely responsible for payment of the recording fees.



## Community Revitalization Tax Relief Incentive Program (NH RSA 79-E)

ASSESSMENT OF THE PROPERTY. The GRANTEE agrees that the PROPERTY shall be assessed, during the term of the Tax Relief Granted based on the pre-rehabilitation value or such other value utilized by the Assessor to address improvements not covered by RSA 79-E. If the terms of these covenants are not met, the Property Tax Relief will be discontinued. Furthermore, the GRANTEE will assess all taxes to the owner as though no tax relief was granted, with interest in accordance with RSA 79-E:9, II.

### RELEASE, EXPIRATION, CONSIDERATION.

I. **RELEASE.** The GRANTOR may apply to the local governing body of the Town of Stratham for a release from the foregoing discretionary tax relief and associated COVENANT within the duration of the tax relief period of the RSA 79-E upon a demonstration of extreme personal hardship. Upon release from such covenants, the GRANTOR shall thereafter pay the full value assessment of such structure(s) and land to the Tax Collector of the Town of Stratham.

II. **EXPIRATION.** Upon final expiration of the terms of the tax relief and associated covenants the tax assessment will convert to the then full fair market value and these covenants will be concluded.

III. **CONSIDERATION.** The Tax Collector shall issue a summary receipt to the owner of such PROPERTY and a copy of the governing body of the Town of Stratham for the sums of tax relief accorded during the term of this Agreement. The local governing body shall, upon receiving a copy of the above-mentioned consideration, execute a release of the COVENANT to the GRANTOR who shall record such a release with the Rockingham County Registry of Deeds. A copy of such release or renewal shall also be sent to the local assessing official.

IV. **MAINTENANCE OF STRUCTURE.** If, during the term of the tax relief, the GRANTOR shall fail to maintain the structure in conformity with the foregoing agreement, or shall cause the structure(s) to significantly deteriorate or be demolished or removed, the covenants shall be terminated and a penalty shall be assessed in accordance with Paragraph I(a) above.

ENFORCEMENT. If a breach of this COVENANT is brought to the attention of the GRANTEE, the GRANTEE shall notify the GRANTOR, in writing of such breach, which notification shall be delivered in hand or by certified mail, return receipt requested to the GRANTOR.

The GRANTOR shall have 30 days after receipt of such notice to undertake those actions, including restorations, which are reasonably calculated to cure the said breach and to notify the GRANTEE thereof.

If the GRANTOR fails to take such curative action, the GRANTEE may undertake any actions that are reasonably necessary to cure such breach, and the cost thereof, including GRANTEE'S expenses, court costs and legal fees, shall be paid by the GRANTOR, provided the said GRANTOR is determined to be directly or indirectly responsible for the breach.

The GRANTOR, by accepting and recording this COVENANT to the GRANTOR agrees to be bound by and to observe and enforce the provisions hereof and assumes the rights and responsibilities herein provided for and incumbent upon the GRANTEE, all in furtherance the purposes for which this Tax Relief and associated COVENANT is delivered.

WITNESS MY/OUR/IT'S HAND this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.



**Community Revitalization Tax Relief Incentive Program** (NH RSA 79-E)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Grantor

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Grantor

\_\_\_\_\_  
Print Name

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared the above  
\_\_\_\_\_ and \_\_\_\_\_, known to me, or  
satisfactorily proven, to be the same, and acknowledged that he/she/they executed the same for  
the purposes contained therein.

\_\_\_\_\_  
Notary Public/Justice of the Peace

My commission expires:\_\_\_\_\_

**ACCEPTED** this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by the Town of STRATHAM.

TOWN OF STRATHAM

By:\_\_\_\_\_  
Stratham Town Administrator  
(Or other authorized designee)

Print Name:\_\_\_\_\_





Part 4: Chapter 79-E Community Revitalization Tax Relief Incentive District Map

**RSA 79-E**  
**Community Revitalization**  
**Tax Relief Incentive Map**  
March 2014



Town of Stratham, New Hampshire

**Legend**

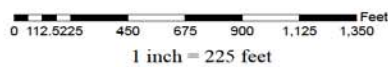
Zoning Districts

- Residential / Agricultural District (R/A)
- Town Center District (TC)
- Professional / Residential (PRE)
- Gateway Commercial Business District (GCBD)

Tax Relief Incentive District

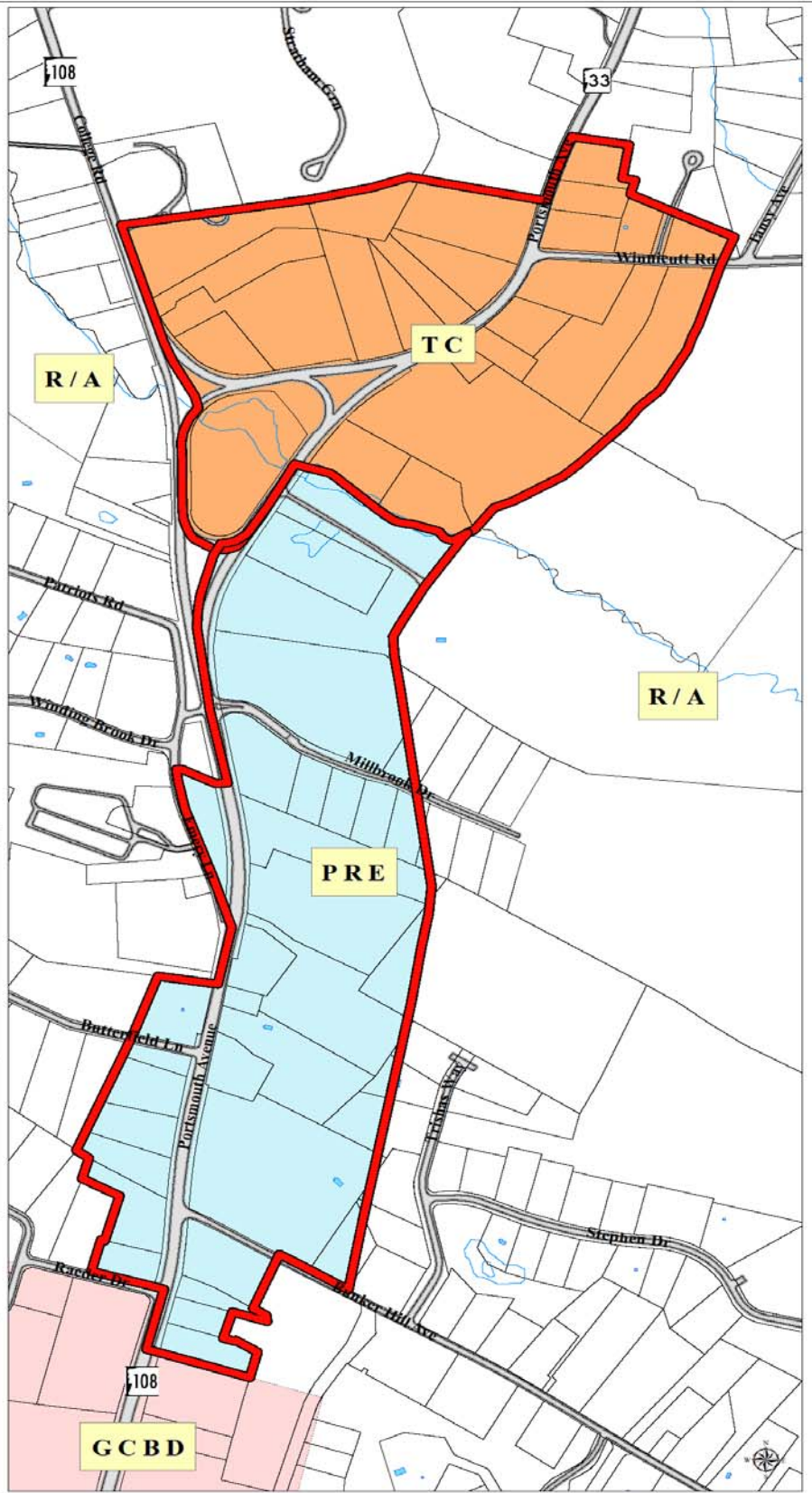
- Tax Relief Incentive District
- Parcel
- Roads
- Municipal Boundary
- Ponds
- Rivers and Streams

**Area of Detail**



Notes:

1. RSA 79-E Tax Relief Incentive Map created by the Planning Department using data available from the Town of Stratham, Sewall Inc., GRANIT, and Rockingham Planning Commission. Valid as of March 2014.
2. The Planning Department maintains a continuing program to identify and correct errors. The Department makes no claims as to the validity or reliability or to any implied uses of this representation.





### Part 5: Chapter 79-E Community Revitalization Tax Relief Incentive

#### Section 79-E:1

##### **79-E:1 Declaration of Public Benefit. –**

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.

II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

**Source.** 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

#### Section 79-E:2

##### **79-E:2 Definitions. –** In this chapter:

I. "Historic structure" means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.

II. "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter. Qualifying structure shall also mean historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock. Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals. Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

III. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

IV. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least



### NH RSA Chapter 79-E (continued)

15 percent of the pre-rehabilitation assessed valuation or at least \$75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation 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. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than \$75,000 based on local economic conditions, community character, and local planning and development goals.

V. "Tax increment finance district" means any district established in accordance with the provisions of RSA 162-K.

VI. "Tax relief" means:

(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.

(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.

VII. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

**Source.** 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013.

### Section 79-E:3

#### **79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –**

I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider





### NH RSA Chapter 79-E (continued)

rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

**Source.** 2006, 167:1. 2010, 329:3, eff. July 20, 2010.

### Section 79-E:4

#### **79-E:4 Community Revitalization Tax Relief Incentive. –**

I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant 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 an application fee.

I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources 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. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV. (a) The governing body may grant the tax relief, provided:

- (1) The governing body finds a public benefit under RSA 79-E:7; and
- (2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and
- (3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and

(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical





### NH RSA Chapter 79-E (continued)

resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:

(a) The development program or financing plans for such tax increment finance districts; or  
(b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or

(c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

**Source.** 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

### Section 79-E:5

#### **79-E:5 Duration of Tax Relief Period. –**

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and 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.

IV. The governing body may adopt local guidelines to assist it in determining the appropriate



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duration of the tax assessment relief period.

**Source.** 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

#### Section 79-E:6

**79-E:6 Resumption of Full Tax Liability.** – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

**Source.** 2006, 167:1, eff. April 1, 2006.

#### Section 79-E:7

**79-E:7 Public Benefit.** – In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:

- I. It enhances the economic vitality of the downtown;
- II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;
  - II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.
- III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or
- IV. It increases residential housing in urban or town centers.

**Source.** 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

#### Section 79-E:7-a

**79-E:7-a Public Benefit Determinations.** – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

**Source.** 2010, 329:5, eff. July 20, 2010.

#### Section 79-E:8

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

- I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a 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 and as otherwise provided in this chapter.
- II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.
- III. The covenant shall include provisions requiring the property owner to obtain casualty



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insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition of damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

**Source.** 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

### Section 79-E:9

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

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner 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) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.

(b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.

(c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.

(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be 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.

**Source.** 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

### Section 79-E:10

**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.

**Source.** 2006, 167:1, eff. April 1, 2006.



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### Section 79-E:11

**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.

**Source.** 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

### Section 79-E:12

**79-E:12 Rulemaking.** – The commissioner of the department of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

**Source.** 2006, 167:1, eff. April 1, 2006.

### Section 79-E:13

#### **79-E:13 Extent of Tax Relief.** –

I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or

(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.

II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

**Source.** 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

### Section 79-E:14

**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.

**Source.** 2006, 167:1, eff. April 1, 2006.