



## What is Current Use Assessment?

Current Use Assessment is a program designed to preserve open space by providing tax incentives to encourage landowners to keep their open space-type properties in “current use.” Specifically, it seeks to prevent the loss of open space due to property taxation at values incompatible with agricultural or undeveloped uses. When property taxes on agricultural, undeveloped, or forested lands become too high, many landowners are forced to sell their lands to developed interests. Current use assessment allows these open space lands to be taxed on a significantly lower property value than current land valuation may suggest, thereby providing owners an incentive to keep their open space lands free from development due to a smaller tax burden.

Current Use was developed with the public interest in mind, since open space provides healthful, attractive, outdoor environments that maintain the New Hampshire rural character. These lands also provide significant scenic beauty, wildlife refuge, and water conservation.

## How Does Current Use Assessment Work?

Current use lands are assigned a value based upon the income-producing capability of the land in its current use, rather than current real estate market value. A range of current use values are provided for each type of eligible land classifications in accordance with the specific class, type, grade, and location of open space-type land. Eligible, open space-type lands are described in the next section.

Conversely, a land use change tax is levied when lands in the program change from an open space use to a non-qualifying use. The land use change tax applies at a rate of 10 percent of the full and true value of the land, *in addition to* the full real estate value taxes, when the lands are taken out of Current Use.

In this way, the Current Use Assessment program establishes both an *incentive* for putting lands into current use (by lowering the land valuation for tax purposes) and a *disincentive* for developing lands already in the Current Use program (by levying a land use change fee).

## What Kinds of Lands are Eligible for the Current Use Program?

Lands that are considered for Current Use Assessment include farmlands, forest land, unproductive land, and wetlands. In general, farm lands, forested land, or unproductive land needs to total ten or more acres. Lands of *any* size that are undeveloped, are actively devoted to growing agricultural or horticultural crops, and have an annual gross income from the sale of crops of at least \$2,500.00 are also eligible. In addition, certified tree farms and tracts of unimproved wetlands are also eligible with no acreage restrictions. Comprehensive guidelines for eligibility and assessment rates are given in the *Current Use Criteria Booklet* in Sections 304.01 to 304.05, but the following table summarizes the main points:

Description of Eligible Lands	Assessment Range
<p><u>Farm Land</u></p> <ul style="list-style-type: none"> <li>• Forage</li> <li>• Grains</li> <li>• Fruit</li> <li>• Vegetables</li> <li>• Herbs</li> <li>• Plantation Christmas Trees</li> <li>• Nursery Stock</li> <li>• Sod</li> <li>• Floral Products</li> <li>• Pasturage</li> <li>• Fiber</li> <li>• Oilseeds</li> <li>• Short-rotation Tree Fiber Farming</li> </ul>	<p>\$25.00 - \$425.00 per acre</p>
<p><u>Forest Land</u></p> <p>(No documented stewardship)</p> <ul style="list-style-type: none"> <li>• White Pine</li> <li>• Hardwood</li> <li>• Other</li> </ul> <p>(With documented stewardship)</p> <ul style="list-style-type: none"> <li>• White Pine</li> <li>• Hardwood</li> <li>• Other</li> </ul> <p>(Stewardship documentation may consist of either tree farm certification or a management plan prepared by a licensed NH forester.)</p>	<p>\$112.00 - \$170.00 per acre  \$55.00 - \$84.00 per acre  \$91.00 - \$137.00 per acre    \$63.00 - \$115.00 per acre  \$15.00 - \$36.00 per acre  \$44.00 - \$87.00 per acre</p>
<p><u>Unproductive Land</u></p>	<p>Includes unimproved lands upon which there are no structures, are incapable of producing agricultural or forest crops, and are being left in a natural state without interference with natural ecological processes.</p> <p style="text-align: center;">\$15.00 per acre</p>
<p><u>Wetlands</u></p>	<p>In addition to the wetland area itself, a buffer of 100 feet shall be allowed, provided that the land within the buffer is unimproved and in a natural state.</p> <p style="text-align: center;">\$15.00 per acre</p>
<p><u>Gross Income of \$2,500.00</u></p>	<p>During the previous year, it shall be demonstrated that at least \$2,500.00 gross income was generated from the sale of crops grown on the land. Lands will be classified as either farm land or contiguous land (not involved in income production, but is farm land, forest land, or unproductive land) regardless of acreage.</p> <p>(Assessment values depend on the type of land classification and respective proportions of land classification. Above rates apply.)</p>

### How Successful Is the Current Use Program?

To date, approximately      acres of undeveloped, agricultural, or forested lands are enrolled in the Current Use program, representing thousands of individual landowners. These lands represent approximately

percent of the entire supply of open space lands in the state.

### **Where Can I Find Further Information on the Current Use Program?**

You may obtain a copy of the *Current Use Criteria Booklet* (for a fee) by visiting the NH State Library, in Concord (603-271-2239). Telephone orders are not accepted. The booklet may also be obtained in electronic format on disk from:

NH Department of Revenue  
c/o G. Bartlett  
45 Chenell Drive  
Concord, NH 03301

The booklet is also available online at <http://webster.state.nh.us/revenue/currentuse/2002-2003Booklet.htm>. You may also contact the Department of Revenue Administration (603-271-2687) or any one of the Current Use Board members for further information:

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In addition, the Statewide Program of Action to Conserve our Environment (SPACE) is a non-profit coalition of natural resource conservation, agricultural, tourism, and business organizations who advocate

the necessity of Current Use. They have compiled a set of links and publications that further detail information about Current Use. They may be found at [www.nhspace.org](http://www.nhspace.org). Some publications available for purchase on their web site include:

- *Current Use Criteria Booklet*. State of New Hampshire Department of Revenue Administration. (\$3.00)
- *A Layperson's Guide to Current Use*. SPACE. (\$3.00)
- *The Economic Impact of Open Space in New Hampshire*. Resource Systems Group, Inc. (\$3.00)
- *Does Open Space Pay?* Philip A. Auger. (\$1.00)
- *Eligibility and Enrollment in New Hampshire's Current Use Taxation Program*. Eric Kingsley. (\$1.00 for summary, \$5.00 for entire copy).
- *Methods of Taxation of Forest Land and Non-Forest or Farm Income from Land Under Current Use Assessment Programs in the United States*. Charles Niebling and Charles Levesque. (\$3.00)
- *New Hampshire's Current Use Program - A Study of Tax Effects in Ten New Hampshire Towns*. Brian J. Hill. (\$10.00)
- *Land Use Change Tax Income from Ten Selected New Hampshire Towns, 1988 - 1994*. Charles Levesque. (\$5.00)
- *New Hampshire's Land Use Change Tax and Who Really Pays It*. Robert Dawson. (\$5.00)
- *Land Use and Growth in New Hampshire - Tax Impacts of the Current Use Program, 1987*. D.E. Morris, J.D. Kline, and G.E. Frick. (\$5.00)
- *Land Use and Growth in New Hampshire - Town Incomes from the Land Change Tax, 1980-1987*. D.E. Morris. (\$3.00)
- *Survey Report of Current Use Practices in New Hampshire & Executive Summary*. R. Kelly Myers. (\$1.00 for summary, \$8.00 for entire copy)
- *Cost of Community Services Study - Town of Exeter*. Charles Niebling. (\$3.00)
- *Current Use in New Hampshire: A Fourteen Year Retrospective*. D.E. Morris, G.E. Frick, R.R. Weyrick, and B.J. Hill. (\$10.00)