



**OVERVIEW OF CURRENT USE
ASSESSMENT RSA 79-A**

PURPOSE: Preserve open space - a property tax strategy helping landowners keep their open space undeveloped.

STRATEGY: Assess land at its present use rather than its highest potential use. Enacted July 1, 1973.

BASICS

- Parcel must be at least 10 acres or provide \$2500 in annual agriculture or horticultural products.
- A one time 10% land use change tax is assessed based on current market value at the time the use changes to a non-qualifying use.
- Can sell or subdivide without penalty. (If parcels are still at least 10 acres or meet other criteria).
- Encumbrance remains with the land, no matter who owns it.
- There are no “buy out” provisions.

APPLICATION and NOTIFICATION

- Accepted or denied by your town.
- Applications are submitted on or before April 15th to your town with the cost to record it in registry of deeds.
- Owner can retract the application within the same tax year if not yet recorded in registry of deeds.
- Town must notify landowner by July 1st or within 15 days, if applied after July 1st.
- No application is accepted after the tax rate has been set in town for that year.
- Recorded at county registry of deeds by assessing officials by August 1st.
- Appeals made to your local officials and/or the NH Board of Tax & Land Appeals within 6 months.

ACREAGE REQUIREMENTS

- Farm Land -10 acres or more, unless land is producing \$2500 or more per year in agriculture or horticulture crops - then any size
- Forest Land- 10 acres or more
- Unproductive (incapable of producing a farm or forest crop)- 10 acres or more
- Wetlands- Any size (Can include an optional 100 foot buffer around the wetland if unimproved land left in natural state)
- Or any combination of farm, forest, and unproductive land including wetlands- 10 acres or more

CURRENT USE ASSESSMENT RANGES

Before equalization ratio is applied. Effective as of April 1, 2010

FARM LAND: \$25 - \$425 per acre. The soil potential index (SPI) can be applied.

FOREST LAND: Assessment within the following ranges to be determined 1) grade (severity of the terrain), 2) location (factors affecting accessibility of the forest products), and 3) site quality (the ability of the site to grow trees)

	<u>WITH Stewardship Documentation*</u>	<u>WITHOUT Stewardship Documentation</u>
White Pine	\$97 -\$146/acre	\$138 -\$207/acre
Hardwood	\$20 - \$36/acre	\$55 - \$82/acre
All Other	\$43 - \$64/acre	\$76- \$114/acre

To qualify as “forest land with documented stewardship”- 1) certified Tree Farm documentation, or 2) management plan prepared by licensed NH forester

Hardwood category species include red oak, sugar maple, white birch and yellow birch.

UNPRODUCTIVE LAND, including Wetland: \$20 per acre (incapable of producing a farm or forest crop)

RECREATION ADJUSTMENT: Current use doesn't require land to be open to public use! However, if your land is in current use, an additional assessment reduction is available for allowing certain recreational activities. Pertinent facts include:

- An additional 20% reduction in assessment
- No increased liability
- Total ownership doesn't have to be put into the recreation adjustment.
- Must allow hunting, fishing, snowshoeing, hiking, skiing, nature observation (unless detrimental to a crop)
- Can post against mechanized and off-highway vehicles, camping, etc. and still qualify
- If taken out of recreation adjustment, land can't be put back in for 3 years, including the year of disallowance.

OTHER ISSUES

Frontage: Qualifying land shall not be excluded because of road or water frontage.

Contiguous Parcels: Land qualifies regardless of being divided by a highway, railroad, river or water body or political boundary.

House Lot: Land and maintained grounds that buildings are on, including driveway, utilities, septic, etc are excluded from current use. Size of house lot to be excluded isn't governed by local zoning requirements.

Buildings: Permanent buildings not allowed include sheds, sugarhouse, etc. Footprint of building excluded.

GETTING OUT OF CURRENT USE

- There is no buy-out provision. Once the land is accepted, it is in forever and status is passed to subsequent owners.
- Owner must physically change the use of the land to a non-qualifying use or create a parcel less than 10 acres.
- Only the changed portion comes out, the rest remains in current use if it is still 10 acres or more or meets other criteria.

PENALTY: The land use change tax due to the town is 10% of the full and true value (non-current use value) of the changed portion as assessed by the town at the time of the change. The rest of the land remains in current use if it still qualifies. The payment of back taxes is NOT the penalty. The town will bill for the penalty.

Penalty is assessed when:

- The land use is physically changed; only the acres changed are assessed. The remainder stays in current use except for roads and utilities to approved developments and land needed to fulfill density requirements for zoning
- The size no longer conforms (i.e. less than 10 acres. The new owner is responsible for the penalty when land is transferred, not when it is just subdivided).
- Topsoil or gravel is removed and sold. Removal for landowner's use is allowed.

NOTE:

- Change from one category to another is allowed, but you must notify your town.
- Land can be sold with no penalty (unless the parcel is less than 10 acres). It remains in current use regardless of who owns it.
- Land can be subdivided with no penalty, unless lots sold or gifted from the subdivision are less than 10 acres. In that case penalties are assessed when land is sold or given. The new owner is responsible for the penalty.

For a complete set of guidelines and application forms contact your town office or NH Department of Revenue Administration at 271-2687. The information is also available on Dept of Revenue Administration website at <http://www.nh.gov/revenue/> or http://www.nh.gov/revenue/munc_prop/propertyappraisal.htm#CUB

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