

OVERVIEW OF CURRENT USE ASSESSMENT RSA 79-A

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

STRATEGY: Assesses 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 N.H. Board of Tax & Land Appeals within 6 months.

ACREAGE REQUIREMENTS

- Farm Land: 10 acres or more, unless land is producing \$2,500 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, 2012

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

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

	<u>WITH Stewardship Documentation*</u>	<u>WITHOUT Stewardship Documentation</u>
White Pine	\$71-106/acre	\$118-176/acre
Hardwood	\$34-52/acre	\$57-86/acre
All Other	\$23-34/acre	\$38-57/acre

*To qualify as “forest land with documented stewardship” you must provide documentation for 1) a certified Tree Farm, or 2) certified by the Sustainable Forestry Initiative (SFI) or the Forest Stewardship Council (FSC), or 3) provide a management plan prepared by New Hampshire licensed forester or documentation on form CU-12.

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

“All other” category includes “naturally seeded Christmas trees.”

UNPRODUCTIVE LAND: \$23 per acre (incapable of producing a farm or forest crop)

WETLAND: \$23 per acre

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.

- An additional 20% reduction in assessment
- No increased liability
- Total ownership doesn't have to be put into the recreation adjustment.
- Unless a detriment to a crop, must allow hunting, fishing, snowshoeing, hiking, skiing, nature observation.
- 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 the status is passed to subsequent owners.
- Owner must physically change the use of the land to a non-qualifying use, or through sale or other disposal means, 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 for forestry or agriculture.

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 the entire law, rules, and informational handbook, contact the UNH Cooperative Extension Forestry Information Center at 1-800-444-8978 and request a copy of the *Current Use Criteria Booklet* or visit: <http://revenue.nh.gov/current-use/booklets.htm>.

M. Patmos UNH Cooperative Extension 3/05, Revised by Karen Bennett, Extension Forestry Professor and Specialist 5/19

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