



## **RSA 79-E, Community Revitalization Tax Relief Incentive: Fact Sheet**

This legislative proposal encourages investment in downtowns and village centers with a new tax incentive modeled on existing New Hampshire statute (the so-called Barn Bill). Its goals are to *encourage the rehabilitation and active use of under-utilized buildings* and, in so doing, to

- **promote strong local economies** and,
- **promote smart, sustainable growth, as an alternative to sprawl, in accordance with the purpose and objectives of RSA Ch. 9-B** (State Economic Growth, Resource Protection, and Planning Policy).

### **How it works:**

- In a town that has adopted the tool created by this legislation, a property owner who wants to substantially rehabilitate a building located downtown, or in a village center, may apply to the local governing body for a period of temporary tax relief.
- The temporary tax relief, if granted, would consist of a finite period of time during which the property tax on the structure would not increase as a result of its substantial rehabilitation. In exchange for the relief, the property owner grants a covenant ensuring there is a public benefit to the rehabilitation.
- Following expiration of the finite tax relief period, the structure would be taxed at its full market value taking into account the rehabilitation.

### **The legislation offers strong community process and discretion:**

- Any city or town may adopt this program with the majority vote of its legislative body.
- Applications by property owners are made to the governing body and are accompanied by a public notice and public hearing.
- The governing body may grant tax relief if the application meets the guidelines and public benefit test.
- The governing body may deny the application in its discretion: “..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.” (79-E:4 V)

### **Qualifying properties:**

A property owner can apply for the tax relief only if:

- The building is located in the community’s downtown district (or equivalent), and
- The rehabilitation costs at least 15% of the building’s pre-rehab assessed value, or \$75,000, whichever is less, and
- The rehabilitation is consistent with the municipality’s master plan or development regulations.
- Adopted as of 3/09: Berlin, Concord, Groveton, Hopkinton, Hooksett, Lisbon, Manchester, Moultonboro, Pittsfield, Rochester and Warner.

*For more information or to share experiences from your municipality, contact:*

N.H Preservation Alliance, 603.224.2281 or [jg@nhpreservation.org](mailto:jg@nhpreservation.org)