



CHARLESTOWN COMMUNITY REVITALIZATION  
TAX RELIEF INCENTIVE PROGRAM (NH RSA 79-E)

# GUIDE & Application

# Application For Community Revitalization Tax Relief Incentive Program

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The following documents contain all the information you will need to complete the application for tax relief to revitalize your building. *PLEASE* take the time to read all of the information carefully. The application instructions and materials are based upon the requirements set forth by NH RSA 79-E. Elements that are required include completion of the application, public hearing with the Board of Selectmen, and execution of a covenant with the Town.

If you have any questions regarding the application, the processes or expectations, please contact:

Office of Planning & Zoning  
Town of Charlestown  
233 Main Street  
Charlestown, NH 03603  
Phone 603.826.4400 Fax 603.826.3709  
[Planning@Charlestown-nh.gov](mailto:Planning@Charlestown-nh.gov)

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Thank you for your interest in the Charlestown 79-E Program and good luck with your application and project.

# About the 79-E Community Revitalization Tax Relief Incentive Program

On March 28, 2023, the Town of Charlestown adopted the provisions of RSA 79-E. The Community Revitalization Tax Relief Incentive (RSA 79-E) Program allowing the Town to provide a temporary period of limited tax relief for property owners who wish to undertake **substantial rehabilitation** of a **qualifying structure** which will provide at least one **public benefit**. Under the statute, use of the 79-E program is limited to designated or recognized downtowns, town centers, or village centers.

To qualify for the 79-E Program, your project must meet all three of the following criteria:

1. The proposed project must be a **Substantial Rehabilitation**.
  - A substantial rehabilitation is a project that costs at least 15% of the pre-rehabilitation assessed valuation or \$75,000, whichever is less. For historic structures, substantial rehabilitation means devoting at least 10% of the pre-rehabilitation assessed valuation or \$5,000, whichever is less, to energy efficiency improvements in accordance with the Secretary of the Interior's Standards for Rehabilitation guidelines for historic structures.
2. The building or structure must be a **Qualifying Structure**.
  - A qualifying structure is a building or structure located within the areas designated by the Town as part of its adoption of the program. However, historic structures located anywhere in the Town are also considered qualifying structures for purposes of the program.
3. The project must provide at least one **Public Benefit** listed in the statute, including:
  - Enhancement of the economic vitality of the downtown; (RSA 79-E:7, I)
  - Enhancement or improvement of a culturally or historically important structure; (RSA 79-E:7, II)
  - Promotion of the preservation and reuse of existing building stock; (RSA 79-E:7, II-a)
  - Promotion of the development of municipal centers, providing for efficiency, safety, and a greater sense of community (RSA 79-E:7, III); or
  - Growth of residential housing in urban or town centers. (RSA 79-E:7, IV)

# Instructions to 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 Selectmen's Office. The applicant shall file a complete application form and submit the required non-refundable application fee of **\$50.00**.
2. Application Review Process:
  - a. 79-E Application Form is submitted to the Selectmen's Office.
  - b. Staff reviews application to confirm completeness & substantial rehabilitation. Staff provides documentation on 79-E Interdepartmental Review sheet.
    - i. The Selectmen's Office confirms submission of required documentation.
    - ii. Building Official confirms validity of construction costs.
    - iii. Assessor confirms construction costs meet substantial rehabilitation threshold (construction costs > 15% building assessed valuations or \$75,000, whichever is less).
    - iv. Zoning Administrator confirms appropriate Planning Board and/or ZBA approvals have been granted.

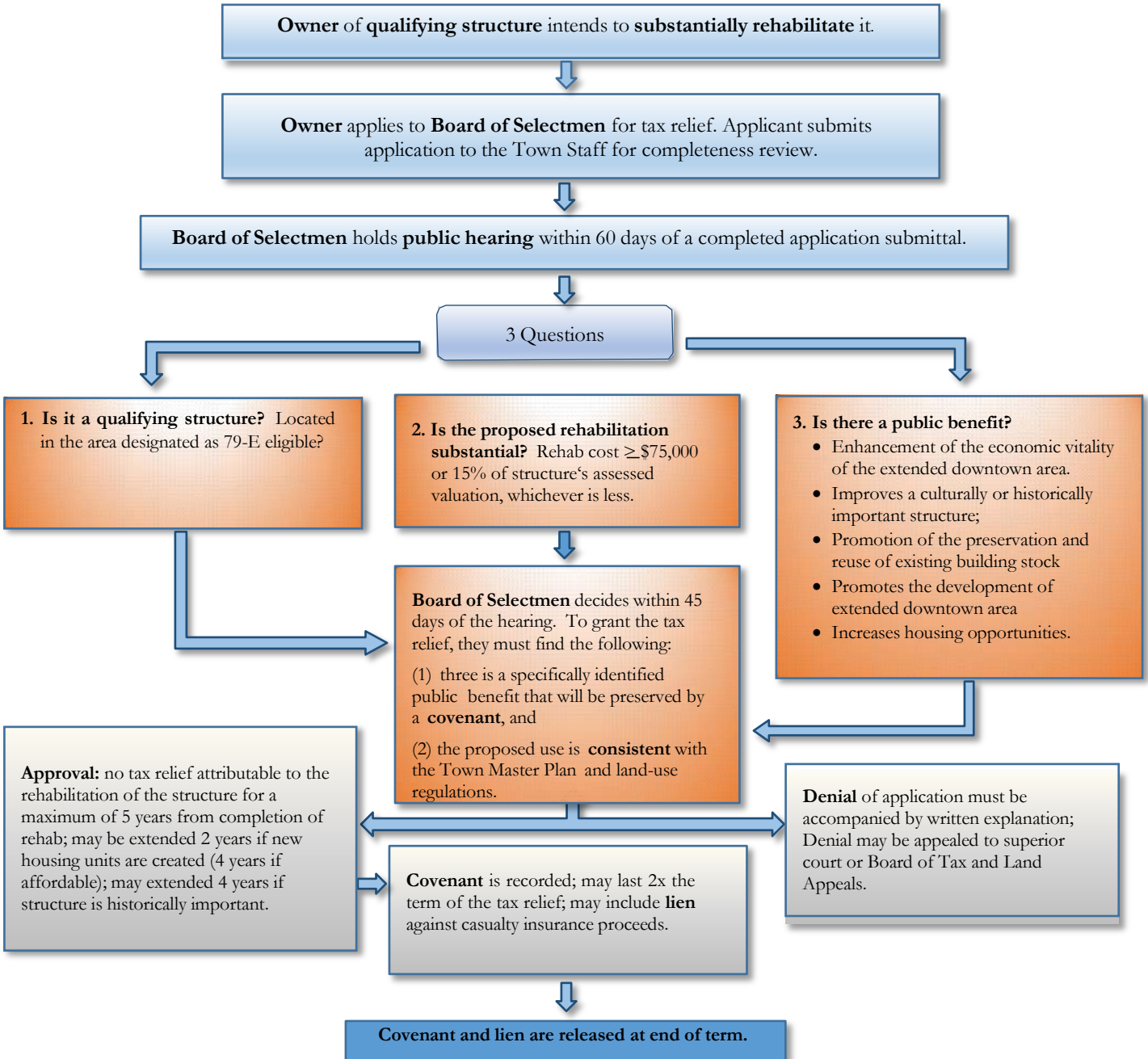
The applicant must satisfactorily answer any questions Town staff may have for the application to be deemed complete.

3. Staff discusses comments documented on 79-E Interdepartmental Review sheet and project specifics (e.g. public benefit, covenants, and tax relief period).
4. Community Development Director prepares draft covenants and recommendations for length of tax relief period.
5. The Board of Selectmen will hold a duly noticed public hearing to take place no later than 60 days from receipt of an application. Selectmen receive testimony from applicant, public, and staff recommendations.
6. 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, shall establish the tax relief period.
7. The Board of Selectmen may grant the tax relief, provided:
  - a. The Board of Selectmen grants 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
  - e. In the case of a replacement, under RSA 79-E:2.III, the Board of Selectmen specifically finds the following:
    - i. The Charlestown Heritage Commission has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value.
    - ii. The replacement of a 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
    - iii. The historical, cultural, or architectural resources in the community will not be adversely affected by the replacement.
9. 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.
10. 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.

# Application Process Overview

## Community Revitalization Tax Relief Incentive



**Termination:** the tax relief provided by the Town of Charlestown may be terminated if the property owner fails to maintain or utilize the property according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction. The Board of Selectmen holds a public hearing to determine the extent of the diminution of the public benefit; the tax relief may be reduced or terminated; if it is terminated, the property owner is liable for back taxes.

# Charlestown 79-E Application



Town of Charlestown, NH

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## Application For Community Revitalization Tax Relief Program

### Instructions to the Applicant:

You will need to fill out the application, provide required documentation, take part in a public hearing before the Board of Selectmen and execute a covenant with the Town of Charlestown, which will be recorded in the Sullivan County Registry of Deeds. To the extent that may be required by your specific application, you may also need to submit your proposal to the Planning Board, the Zoning Board of Adjustment and/or the Heritage Commission.

The Selectmen's Office will be available to respond to questions the applicant(s) may have regarding the application form, drawings and plans. Legal assistance should be obtained from the applicant's personal attorney.

If you have any questions with the application, the process, or what to expect, please call the Planning & Zoning Administrator at (603) 826-4400 or email: [Planning@Charlestown-nh.gov](mailto:Planning@Charlestown-nh.gov).

Thank you for your interest in the Community Revitalization Tax Relief Incentive, and good luck with your application and restoration project.

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### Office Use Only

Date Application Submitted: \_\_\_\_\_ Received By: \_\_\_\_\_ (Initials)

Applicant: \_\_\_\_\_ Application Fee Received: Yes  No

Board of Selectmen Action: Approved  Denied  Date: \_\_\_\_\_

# COMMUNITY REVITALIZATION TAX RELIEF PROGRAM (RSA79-E)

(To be completed by the Applicant)

## Property/Building Information

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

Property/Building Address: \_\_\_\_\_

Zoning District: \_\_\_\_\_ Tax Map: \_\_\_\_\_ Lot: \_\_\_\_\_ Registry 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 as requested.**

### Applicant's Name:

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

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

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

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

### Owner's Name:

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

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

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

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

### Existing Property/Building Information:

Existing Uses (describe present use, size, and number of employees, etc.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Is the building listed on, or eligible for listing, on the National Register of Historic Places or located within a locally designated State or National Register Historic district?  Yes  No

*If yes, provide a copy of the approved designation by the State or National Register of the building or the district.*

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



**Existing Property/Building Information (Continued):**

Gross Square Footage of Building: \_\_\_\_\_ Year Building was built: \_\_\_\_\_ Gross  
Square Footage of Parcel: \_\_\_\_\_ Area of Parcel to be impacted: \_\_\_\_\_  
Square footage of building to impacted: \_\_\_\_\_  
Total assessed value of parcel as of date of application: \_\_\_\_\_  
Assessed value of building: \_\_\_\_\_ Assessed value of land: \_\_\_\_\_

**Project Description**

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

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:  
\_\_\_\_\_

Will the project include affordable residential units?  Yes  No

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

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, low income subsidies, or any other tax credits be used with this project?  
 Yes  No

If yes, describe and detail the amount of the aid and terms of repayment: \_\_\_\_\_  
\_\_\_\_\_

Number of years of requested tax relief: \_\_\_\_\_

For any request for tax relief for up to an additional four (4) years for historic buildings, the project described must meet the Secretary of Interior's Standards for Rehabilitation. (See NH RSA 79-E:5, III)

**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 Charlestown 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.

**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)

Enhances the economic vitality of the designated area?  Yes  No

If yes, please describe:

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Enhances and improves a culturally or historically important structure?  Yes  No

If yes, please describe:

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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:

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Increases residential housing in urban or town centers?  Yes  No

If yes, please describe:

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Promotes preservation and reuse of existing building stock by rehabilitation of historic structures  Yes  No

If yes, please describe:

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Other issues and matters applicant deems relevant to this request?  Yes  No

If yes, please describe:

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**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

<b>Structural (both exterior and interior):</b>	Estimated Cost: _____
<b>Electrical:</b>	Estimated Cost: _____
<b>Plumbing/Heating:</b>	Estimated Cost: _____
<b>Mechanical:</b>	Estimated Cost: _____
<b>Other:</b>	Estimated Cost: _____

**Total Estimated Project Cost:**

**Expected Project Start Date:** \_\_\_\_\_ **Expected Project Completion Date:** \_\_\_\_\_

**Optional attachments to this application include the following:**

Sketches, renderings, photographs, plot plans, building plans, elevations, construction details/costs not included in application, and multi-year cash flow pro forma showing all revenues and expenditures for the project, which might help explain the project.

**Applicant/Owner Signature**

To qualify for this tax relief incentive, the costs of the project must be at least 15% of the pre-rehabilitation assessed value or \$75,000, whichever is less.

I/we certify the estimated costs are reasonable and the costs of the project meet the above requirement.

Initial here: \_\_\_\_\_

I/We understand that failure to meet this threshold or the listing unreasonable construction costs will result in the denial of the application and forfeiture of the application fee.

Initial here: \_\_\_\_\_

I/we have read and understand the Community Revitalization Tax Relief Incentive, RSA 79-E, and am/are aware that this will be a public process including a public hearing to discuss the merits of this application and the subsequent need to enter into a covenant with the Town and pay all reasonable expenses associated with the drafting/recording of the covenant.

Initial here: \_\_\_\_\_

**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 as required under RSA 79-E:4, II until the inventory form and letter required by RSA 79-E:4, I-a, and all other required information, have been submitted, if required

Initial here: \_\_\_\_\_

**IMPORTANT**

Per RSA 79-E:13(II), the Base or "Original" Assessed Value for any tax relief is only set after the following two conditions are met:

1. Approval by the Board of Selectmen.
2. The Applicant's entering into a Covenant with the Town of Charlestown to protect the public benefit.

Therefore, the Applicant and/or property owner shall not commence any of the improvements included in this application until such time as he/she has secured the above. This prohibition shall include any demolition to an existing structure.

**Affidavit**

I/we have read and understand the RSA 79-E, Community Revitalization Tax Relief Incentive and the March XX, 20XX Town vote and am/are aware that this will be a public process including a public hearing to be held to discuss the merits of this application and the subsequent need to grant a covenant in the deed to the property to the Town and pay all reasonable expenses associated with the drafting/recording of the covenant. 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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Signature (printed name) Date

## Declaration of Covenant Template

TOWN OF CHARLESTOWN, NEW  
HAMPSHIRE COVENANT TO PROTECT  
PUBLIC BENEFIT

Per RSA 79-E:8 (Community Revitalization Tax Relief Incentive)

I (We) \_\_\_\_\_ [name] of \_\_\_\_\_ [address], \_\_\_\_\_ (town, city, zip code) (hereinafter referred to, collectively, if appropriate, as "GRANTOR") owner(s) of \_\_\_\_\_ [property] situate at \_\_\_\_\_ [address], Charlestown, 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 Charlestown, (hereinafter referred to as "GRANTEE"), 1 Union Square, County of Sullivan, 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 years] 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 Tax Map [number] Lot [number] in the Town of Charlestown. For further reference to GRANTOR'S title, see deed recorded at Book [reference], Page [reference], Hillsborough 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 extended Charlestown Downtown Area.
- 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 extended North Charlestown and downtown areas, providing for efficiency, safety and a greater sense of community consistent with RSA 79-E.

IV. Increases residential housing diversity and opportunities. The Town of Charlestown 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 & 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.

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*(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 Hillsborough 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.

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 Charlestown 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 Charlestown.
- 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 Charlestown 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 Hillsborough 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\_\_\_\_\_.

Witness: \_\_\_\_\_ Grantor: \_\_\_\_\_

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

Witness: \_\_\_\_\_ Grantor: \_\_\_\_\_

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

STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

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

CHARLESTOWN. TOWN OF CHARLESTOWN

By: \_\_\_\_\_

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

*Charlestown Town  
Administrator (Or other  
authorized designee*

## N.H. RSA 79-E

### TITLE V TAXATION

#### 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 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

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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 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 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 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 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.

## 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 may 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. 2016, 85:2, eff. July 18, 2016.

## 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.

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