

TOWN OF HAVERHILL, NEW HAMPSHIRE



RSA 79:E

TAX RELIEF FOR RENOVATIONS

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

This legislation encourages investment in central business districts, neighborhood business districts, downtowns, and village centers. Its goal is to encourage the *rehabilitation and active reuse 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 municipality that has adopted this enabling legislation, a property owner who wants to substantially rehabilitate a building located in a designated district may apply to the local governing body for a period of temporary tax relief.
- The temporary tax relief, if granted, would consist of 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.

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 property is located in one of the neighborhood business districts or village centers.
- 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.

COVENANT TO PROTECT PUBLIC BENEFIT

FILED WITH DEED per RSA 79-E:8 (Community Revitalization Tax Relief Incentive)

I (We) _____ (owner) of _____ Located in the Town of Haverhill, County of Grafton and the State of New Hampshire, for (myself/ourselves) successors and assigns ("GRANTOR"), for consideration of tax relief granted, agree to the following Covenants imposed by the Town of Haverhill, County of Grafton, State of New Hampshire ("GRANTEE"), in exchange for property tax relief due to the substantial rehabilitation or replacement of said property this Covenant to Protect Public Benefit in accordance with the provisions of RSA 79-E for a term of ____ years or other agreed time up to twice the period of tax relief on the following historic or other structure located within the Village centers of Woodsville, Pike, North Haverhill and Haverhill Corner including the land necessary for the function of the building (the Property), described as follows:

The Property is described as a portion of Tax Map ____ Lot ____ in the Town of Haverhill. Also reference Grantor's title by Deed recorded at Book _____ Page _____, Grafton County Registry of Deeds.

The GRANTEE agrees that the Property provides a demonstrated public benefit in accordance with the provisions of RSA 79-E:7 insomuch as the substantial rehabilitation or replacement of said property:

- I. Enhances the economic vitality of downtown.
- 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 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.

The Town of Haverhill Board of Selectmen held a public hearing on _____ and at that meeting made the following findings consistent with and required by RESA 79-E:7 & 8 (minutes of this meeting are available from the town upon request):

The terms of the Covenant hereby granted with respect to the above-described Property are _____ years and are as follows:

MAINTENANCE OF THE PROPERTY: The GRANTOR agrees to maintain the PROPERTY in a use and 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.

[Here insert any particular restrictions such as signage, maintenance of the 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 Property Owner is required to obtain and maintain casualty insurance, as

well as flood insurance if applicable. The TOWN requires a lien against proceeds for any insurance claims to ensure proper restoration or demolition or any damaged structures and property. The TOWN further requires that the restoration or demolition commence within one year following any insurance claim incident otherwise the Property Owner shall be subject to the provisions set forth in RSA 79-EL0, I.

RECORDING: The Town shall provide for the recording of this covenant to protect public benefit with the Grafton County Registry of Deeds. It shall be a burden upon the property and bind all transferees and assignees of such property. Applicant will be solely responsible for 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 another value agreed upon by both parties 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 Town 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 Haverhill for release from the foregoing discretionary tax relief and associated covenant upon a demonstration of extreme personal hardship. Upon release from such covenants, the GRANTOR shall pay the following in consideration to the Tax Collector of the Town of Haverhill.
- II. **EXPIRATION.** Upon final expiration of the terms of the tax relief and associated covenants tax assessment will convert to present valuation and these covenants will be concluded.
- III. The Tax collector shall issue a summary receipt to the owner of such property and a copy to the governing body of the Town of Haverhill for the sums of tax relief deferred. 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 Grafton County Registry of Deeds. A copy of such release or renewal shall also be sent to the local assessing officials if they are not the same parties executing the release or renewal.
- IV. 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 assessed in accordance with Paragraph I above and RSA 79-E:9.

ENFORCEMENT: When a breach of this Covenant is brought to the attention of the GRANTEE, it, shall, after a duly noticed public hearing, determine whether and to what extent the public benefit has been diminished as a result of the breach. The GRANTEE shall notify the owner of the property subject to the covenant, in writing of such breach, delivered in hand or by certified mail, return receipt requested.

Applicant:

Date:

Board of Selectmen

Wayne H. Fortier, Chair

Alfred Garofalo, Vice Chair

Darwin Clogston

Christopher M. Luurtsema

Thomas Friel

Date: _____

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Community Revitalization Tax Relief Incentive Application Instructions

Instructions to the Applicant:

The following documents contain everything you need to complete your application for tax relief to revitalize your building. Please read everything carefully. The application materials are based upon the requirements set by State Law. You will need to fill out the application, take part in a public hearing with the Board of Selectmen, and execute a covenant with the Town. If you have any questions with the application, the process, or what to expect, please call the Haverhill Town Manager at 603-787-6800.

Included in this application packet:

1. Application Form
2. Text of RSA 79:E (to be read and understood by the applicant at the time of application)
3. Covenant to Protect Public Benefit Template

Thank you for your interest in RSA 79:E, and good luck with your application and your restoration project.

TOWN OF HAVERHILL, NEW HAMPSHIRE



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Community Revitalization Tax Relief Incentive Application

Building Name (if any) Building Address	Owner Name (s) Applicant Name (s) (if different)
Owner Address (es) Phone # Email Address	Applicant Address (es) (if different) Phone # Email address
Map # Lot #	Deed recorded on Book Page
Year Built _____ Square Footage of Building _____	Is the building eligible or listed on the State or National Register of Historic Places or located in a Local, State, or Federal Historic District: Yes _____ No _____
Existing Uses Proposed Uses (describe number of units by type and size)	Is there a change of use associated with this project: Yes _____ No _____ If so, please describe: Has an abatement application been filed or awarded on this property within the past year? Yes _____ No _____

Will any state or federal grants or funds be used with this project? If so, describe and detail any terms of repayment (if applicable)

In accordance with RSA 79-E:4 I-a, application must be accompanied by an individual resource inventory form from the NH Division of Historical Resources prepared by a qualified architectural historian and a letter issued by the local Heritage commission.

Selectboard Approval Date: _____

Wayne H. Fortier, Chair

Alfred Garofalo, Vice Chair

Darwin Clogston

Christopher M. Luurtsema

Thomas Friel