

**TOWN OF PITTSFIELD, NEW HAMPSHIRE**



**RSA 79-E**  
**Tax Relief for Renovations**



DOES YOUR DOWNTOWN PITTSFIELD BUILDING NEED RENOVATION but your worried about the potential increase in taxes? In 2008, Pittsfield voters approved the adoption of RSA 79-E which will provide temporary TAX RELIEF for a property owner to revitalize their building in downtown Pittsfield! RSA 79-E allows a property owner to apply to the Board of Selectmen to DELAY the increases in taxes for up to 5 years. Please contact the Town Administrator at Town Hall for details and an application!

RSA 79-E  
RSA 79-E



## Town of Pittsfield Board of Selectmen

### **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 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 or 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 neighborhood business district)
- 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.



**Town of Pittsfield  
Board of Selectmen**

**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 forth 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 Pittsfield Town Administrator at 435-6773 x 7.

**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.

# **RSA 79-E APPLICATION FORM**



**Town of Pittsfield  
Board of Selectmen**

**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 #	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___  (provide historic district name if applicable)
Existing Uses (describe number of units by type and size)  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:
Will the project include new residential units? Yes___ No___  If yes, please describe:	Will the project include new affordable residential units? Yes___ No___  If yes, please describe:

**Note:** Application must be accompanied by a \$50 Application Fee made payable to “Town of Pittsfield”; property must be located in the Pittsfield Downtown.

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

**Describe the work to be done and estimated cost:** please attach additional sheets if necessary and any written construction estimates

Structural:	\$
Electrical:	\$
Plumbing/Heating:	\$
Mechanical:	\$
Other:	\$
Total:	\$
<small>Note: 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.</small>	

Please attach any plot plans, building plans, sketches, renderings or photographs that would help explain this application.

**APPROVAL BY A MAJORITY OF THE BOARD OF SELECTMEN IS  
REQUIRED**

I have read and understand the Community Revitalization Tax Relief Incentive RSA (see following pages) and I am 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 enter into a covenant with the Town of Pittsfield and pay any reasonable expenses associated with the drafting of the covenant.

\_\_\_\_\_  
 Applicant: (signed) (printed name) Date

Expected project start: \_\_\_\_\_ Expected project completion: \_\_\_\_\_

**Town Contact:** Town Administrator: 435-6773 x 7

## **TEXT OF RSA 79-E**

**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.

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 as defined in this chapter.

**Source.** 2006, 167:1, eff. April 1, 2006.

**Section 79-E:2**

**79-E:2 Definitions. –** In this chapter:

I. "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.

II. "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.

III. "Tax relief" means 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.

IV. "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, eff. April 1, 2006.

**Section 79-E:3**

**79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –**

I. Any city or town may adopt the provisions of this chapter by voting whether to accept for consideration 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 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, eff. April 1, 2006.

#### **Section 79-E:4**

##### **79-E:4 Community Revitalization Tax Relief Incentive. –**

I. An owner of a qualifying structure who intends to substantially rehabilitate 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, any changes in use of the property resulting from the rehabilitation, and an application fee.

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 the 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.

(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.

**Source.** 2006, 167:1, eff. April 1, 2006.

#### **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.

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.

**Source.** 2006, 167:1, eff. April 1, 2006.

#### **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.** – The proposed substantial rehabilitation must provide at least one of the following public benefits in order to qualify for tax relief under this chapter:

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;

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, eff. April 1, 2006.

#### **Section 79-E:8**

**79-E:8 Covenant to Protect Public Benefit.** –

I. Tax relief for the substantial rehabilitation 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.

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, eff. April 1, 2006.

#### **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 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, eff. April 1, 2006.

#### **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, eff. April 1, 2006. 2007, 42:3, eff. July 20, 2007.

#### **Section 79-E:12**

**79-E:12 Rulemaking.** – The commissioner of the department of revenue administration shall 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.

#### **Section 79-E:13**

##### **79-E:13 Extent of Tax Relief.** –

I. 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

II. 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.

**Source.** 2006, 167:1, eff. April 1, 2006.

#### **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.

**RSA 79-E COVENANT TO PROTECT PUBLIC  
BENEFIT**

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 Pittsfield, County of Merrimack and the State of New Hampshire, for [myself/ourselves] successors and assigns, for consideration of tax relief granted, agree to the following Covenants imposed by The Town of Pittsfield, County of Merrimack, State of New Hampshire, in exchange for property tax relief of any increase in assessment due to the substantial rehabilitation 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 Pittsfield Center Historic District (as depicted by Map 6-3 in the Town of Pittsfield 2000 Master Plan), 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 Pittsfield. Also reference Grantor's title by [Warranty] deed recorded at Book \_\_\_\_\_ Page \_\_\_\_\_ , Merrimack 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 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

[insert particular findings if desired].

The terms of the Covenant hereby granted with respect to the above-described PROPERTY are to be coextensive with the tax relief period 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 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 appropriate. The TOWN requires a lien

against proceeds for any insurance claims to ensure proper restoration or demolition of 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-E:9, I.

RECORDING. The Town shall provide for the recording of this covenant to protect public benefit with the Merrimack 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. Applying the provisions of RSA 79-E will not prevent an increase in assessment that would have resulted otherwise; property seeking relief under RSA 79-E will only be protected from the increase in value that improvements bring. 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. 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

II. 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 Pittsfield 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 Merrimack 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.

III. 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 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 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.

ENFORCEMENT.

When a breach of this Covenant to the attention of the GRANTEE, it, 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.

The Owner shall have 30 days after receipt of such notice to undertake those actions, including restoration, which are reasonably calculated to cure the conditions constitution said breach and to notify the Grantee thereof.

The Grantee, by accepting and recording this Covenant to the deed 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 of the economic development purposes for which this Tax Relief and associated Deed Covenant is delivered. WITNESS MY HAND this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Grantor

STATE OF NEW HAMPSHIRE  
COUNTY OF \_\_\_\_\_

Appeared before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_,  
the above signed \_\_\_\_\_, known to me or satisfactorily proven to be the same, and acknowledged that he [they] executed the same for the purposes contained therein.

Notary Public/Justice of the Peace  
My commission expires:

ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Town of Pittsfield NH

By its Board of Selectmen[or authorized officer]

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