



Community Revitalization Tax Relief Incentive Program

(NH RSA 79-E)

Program Overview

On March 14, 2014, the voters of the Town of Stratham adopted N.H. RSA 79-E, known as the Community Revitalization Tax Relief Incentive. This program encourages investment in the Town Center District and the Professional/ Residential District with a new local property tax incentive. The goals of the program are to encourage the rehabilitation and active use of underutilized commercial, office, mixed-use, and residential buildings.

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How the Program Works

- ✓ A property owner who intends to substantially rehabilitate a building located in the designated districts may apply to the Board of Selectmen 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.
- ✓ The Town of Stratham may grant property tax relief of up to 5 years, beginning with the completion of substantial rehabilitation. At its discretion, the Town may add:
 - An additional 2 years for a project that results in new residential units.
 - An additional 4 years for a project that includes affordable housing.
 - An additional 4 years for substantial rehabilitation of a qualifying historic

structure provided that renovations are conducted in accordance with the U.S. Secretary of Interior's Standards for 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.
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Eligibility

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

- ✓ The building is located in the Town Center or Professional /Residential Zoning Districts
 - ✓ 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 Stratham's master plan or development regulations.
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For more information, please contact:

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Application Process

Owner of qualifying structure intends to substantially rehabilitate it.

Owner applies to **Board of Selectmen** for tax relief. Applicant submits application to the Town Planner for review.

Board of Selectmen holds **public hearing** within 60 days of application complete.

3 Questions

1. Is it a qualifying structure?

Located in either the Professional/Residential or the Town Center District.

2. IS the proposed rehabilitation substantial?

Rehab cost \geq \$75,000 or 15% of structure's assessed valuation, whichever is less.

3. Is there a public benefit?

- Economic Activity;
- Improves a culturally or historically important structure;
- Promotes development in the Professional/Residential or the Town Center.
- Increases housing in the Professional/Residential or the Town Center District.

Board of Selectmen decide within 45 days of the hearing. To grant the tax relief, they must find the following: (1) there is a specifically identified public benefit that will be preserved by a **covenant**, and (2) the proposed use is **consistent** with the Town Master Plan and land-use regulations.

Approval: no tax relief attributable to the rehabilitation of the structure for a maximum of 5 years from completion of rehab; may be extended 2 years if new housing units are created (4 years if affordable); may be extended 4 years if structure is historically important.

Covenant is recorded; may last 2x the term of the tax relief; may include **lien** against casualty insurance proceeds.

Denial of application must be accompanied by written explanation; Denial may be appealed to superior court or Board of Tax and Land Appeals.

Covenant and lien are released at end of term.

Termination: the tax relief provided by the Town of Stratham may be terminated if the property owner fails to maintain or utilized 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.