

1 Current Use Board
2 Regular Board Meeting

3
4 **Draft**

5
6 **DATE:** November 14, 2023

TIME: 3:00 p.m.

7
8 **LOCATION:** Department of Revenue - Training Room, 109 Pleasant Street, Concord NH

9
10 **BOARD MEMBERS:**

11 *(E) Excused*

12
13 Senator Ruth Ward

14 Representative Josh Yokela

15 Dr. Anton Bekkerman, Dean's Designee, UNH College of Life Sciences and Agriculture

16 Shawn Jasper, Commissioner, NH Department of Agriculture, Markets and Food

17 Rick Evans, NHDRA Commissioner Designee, NH DRA

18 Larissa Robinov, Commissioner Designee, NH DNCR, Division of Forests and Lands

19 Barbara Richter, Executive Director, NH Association of Conservation Commissions

20 Mark Beauchesne, Executive Director, Designee, NH Fish & Game

21 Jonathan Rice, Assessing Official, City (E)

22 Tom Hughes, Assessing Official, Population <5,000

23 Norm Bernaiche, Assessing Official, Population >5,000

24 Tom Chrisenton, Public Member, Forest Landowner

25 Tom Thomson, Public Member

26 Chuck Souther, Chair, Public Member, Agriculture

27
28 **MEMBERS of the PUBLIC:**

29 Sam Greene, NH DRA

Rob Johnson, NH Farm Bureau

30 Jasen Stock, NHTOA

31
32 Chair Souther convened the regular meeting of the Current Use Board at 3:00 p.m. Introductions followed.

33 Tom Chrisenton was introduced as the new board member representing the public as a forest landowner.

34
35 **Minutes**

36
37 Senator Ward *motioned to accept the minutes of September 21, 2023*; Ms. Robinov *seconded the motion*. No
38 discussion. Chair Souther called the motion to accept the minutes of September 21, 2023, as written. *Motion*
39 *passed unanimously*.

40
41 **Proposed 2024-2025 Forest Land Assessment Ranges**

42
43 Mr. Bernaiche *motioned to move the 2024-2025 proposed forest land assessment ranges into rulemaking*; Mr.
44 Thomson *seconded the motion*.

45
46 **Forest Land**

47 White Pine \$122 - \$184 per acre

48 Hardwood \$67 - \$101 per acre

49 All Other \$39 - \$59 per acre

50
51 Unproductive \$24 per acre

Forest Land with Documented Stewardship

White Pine \$74 - \$110 per acre

Hardwood \$40 - \$60 per acre

All Other \$24 - \$36 per acre

Wetland \$24 per acre

52 Chair Souther called the motion to move the proposed 2024-2025 forest land assessment ranges, with and with
53 documented stewardship, into rulemaking. No further discussion. *Motion passed unanimously.*

54
55 Review of Public Forums

56
57 A brief summary was provided of the four public forums. Comments were received at all the forums relating to
58 SPI, the increase in the low-end value of the range, and how to reflect the value of pastureland more
59 appropriately. The use of information from Pennsylvania and New York was questioned as their yield and costs
60 of corn silage are much different than New Hampshire, and a suggestion was made to only use hay in the model.
61 A request was made for the Board to consider changing the term “unproductive”, as it may be considered
62 derogatory, and use a more positive term to promote the importance of the current use program. It was noted the
63 term “unproductive” is used in statute.

64
65 More time was requested for the agricultural community to review and provide input on the model before being
66 implemented due to the significant increase in values. It was noted that higher prices of corn and hay typically
67 lead to lower net income and a request for the Board to address that. Could a methodology be developed to
68 compare actual on-farm rental costs for corn and hay land with the proposed methodology to determine if there
69 is a direct correlation between the two figures that could explain the increase in values? Could a factor be
70 inserted in the model to account for carbon credits? Does the model adjust for management costs such as
71 fertilizer? A situation was brought forward relating to a property of less than 10 acres that was being grazed by
72 animals rather than mowed with a tractor and why this does not qualify for current use.

73
74 There were also several comments applauding the Board’s effort to develop a model based on land’s income-
75 producing potential that will provide support, defensibility, and transparency.

76
77 Moving Forward

78
79 Discussion about how to move forward with the model followed. Mr. Thomson and Commissioner Jasper felt
80 the increase in the low value of the range was too significant and more thought and consideration was needed
81 for the value of pastureland.

82
83 Mr. Bernaiche noted the median value per acre of farmland is \$322 per acre and the SPI is weighted, taking into
84 consideration both the good and bad land, the dollar impact will not be as significant as perceived. There have
85 been various reasons stated to use and not use an SPI, one being that it has not been necessary. This increase
86 may provide more incentive for owners to get it done.

87
88 Chair Souther stated Stacy Luke, Director of the Merrimack Conservation District, provided information
89 illustrating the low number of landowners who do request an SPI and a document, “Soil Potential Index (SPI)
90 for Current Use Assessment of Farmland in New Hampshire” published in 1993 that explains how the SPI
91 numbers were derived and how an SPI is calculated, which will be provided to the Board.

92
93 Dr. Bekkerman noted this model incorporates crop production; it does not incorporate pastureland production or
94 the use of pastureland. There is a way to calculate the value of pastureland and then apply the capitalization
95 approach, which could then be used to replace the low-end value of \$25. Pastureland is based on forage quality
96 and would be calculated using animal units, which are derived by determining how long an animal can sustain
97 on an acre of land, then backing out the value of the grass production based on animal unit and applying a forage
98 quality component.

99
100 Mr. Hughes felt this was a solid model and that there is a lot of focus on the \$25 to \$312. Another way to look at
101 the changes is the range between the high and low values. The difference of the current range is \$400; the
102 difference of the proposed range is \$345. The changes do not need to be proportional and with this model, the
103 values are transparent and defensible. And, if an SPI is applied, pastureland will be reflected in the value.
104 Another point is if the crops change, the cost multiplier will change. Using a lower value crop may result in a
105 negative number, which does not make sense.

106 It was noted that this was a very difficult year for farmers and adding increased values to that could cost
107 landowners their businesses and their properties. Mr. Thomson stated the Board worked on the forest land model
108 for four years before it was rolled out and he is opposed to implementing this model, this year. Commissioner
109 Jasper echoed Mr. Thomson's thoughts adding that the state is looking to provide farmers relief due to the bad
110 year. He is still concerned about the increase in the low-end values and would like to see more consideration for
111 pastureland. He is also opposed to implementing the model this year.
112

113 Dr. Bekkerman expressed some concern about applying the SPI, unsure whether the comparison of the old and
114 new range is apples to apples. Pastureland accounts for a large amount of acreage however there is no
115 consideration in this model for it, therefore, applying an SPI will only capture the low end of the corn and hay
116 productivity. Based on data he was able to gather, the range for pastureland would be \$181-\$322. If this were
117 incorporated, the proposed range would be \$181-\$657.
118

119 Mr. Bernaiche *motioned for Dr. Bekkerman to incorporate the pastureland component in the model and bring*
120 *back to the Board*; Commissioner Jasper *seconded the motion*. Discussion followed. There were a couple of
121 concerns. The first related to the timing for rulemaking and whether proposed values could be ready in time. The
122 second, whether changes should be presented to the public before being submitted into rulemaking. There was
123 some thought that if the proposed values were going to change, they should be brought to the public first.
124 Another thought was that the formula has been presented to the public and any changes producing less impact
125 on the landowners would not receive opposition and therefore the process of holding public forums is
126 unnecessary.
127

128 Another consideration was the importance of transparency in the process. Having heard from the public, any
129 changes, no matter what the impact, should be presented. The proposed values will not be ready in time for
130 April 1, 2024, so there is no rush. The Board is statutorily required to hold (3) public forums each year. The
131 model, any changes, and proposed farmland assessment values will be presented next fall.
132

133 Mr. Bernaiche *amended his motion for farmland assessment range to remain at \$25-\$425 per acre for the*
134 *2024-2025 tax year and for the Board to work towards incorporating a pastureland component into the*
135 *model*; Commissioner Jasper *seconded the amended motion*. No further discussion. Chair Souther called the
136 motion. Representative Yokela opposed. All others approved. *Motion passed with a majority vote*.
137

138 Other Business

139 Cub Definition of "Curtilage"

140
141
142 Mr. Bernaiche *motioned to form a subcommittee to review and discuss clarifying language to the definition of*
143 *curtilage*; Commissioner Jasper *seconded the motion*. Mr. Bernaiche and Ms. Richter volunteered to be on the
144 committee. No further discussion. Chair Souther called the motion. *Motion passed unanimously*.
145

146 Taxpayer Situation

147
148 A taxpayer brought a scenario to the Board about using his 9.2 acres of farmland as rotational pasture for his
149 animals versus mowing it with a tractor and selling the hay. He provided a similar sized property that is mowed,
150 and bales of hay sold, that produces about 130 bales at \$50 each. He questioned why grazing a property with
151 animals versus mowing it with a tractor does not qualify for current use.
152

153 Mr. Johnson submitted proposed language for a rule change to allow such a situation to qualify. The current rule
154 includes pasturage as a crop, yet there is an exceptions as to how it can be harvested.
155

156 The issue is the current rule requires \$2,500 from the sale of a products and proof of revenue with receipts for
157 land under 10-acres. It was noted that the exceptions in the rule appear to complicate things and that no matter
158 the language, there will always be an outlier.
159

160 Ms. Richter *motioned to form a subcommittee to review the situation and proposed language*; Mr. Hughes
161 *seconded the motion*. Mr. Bernaiche and Ms. Richter volunteered to be on the committee. No further discussion.
162 Chair Souther called the motion. Representative Yokela opposed. All others approved. *Motion passed with a*
163 *majority vote*.

164
165 After a brief discussion, it was felt the Board should be aware of how carbon credits might affect current use and
166 be prepared in the event potential statutory changes pass that require a separate category. Chair Souther will
167 reach out to Charlie Levesque to give a presentation to the Board about carbon credits.

168
169 Mr. Bernaiche *motioned to adjourn*; Commissioner Jasper *seconded the motion*. Chair Souther called the
170 motion. *All approved*.

171
172 Chair Souther adjourned the meeting at 4:23 p.m.

173
174 Respectfully Submitted, Stephanie Martel
175 NH Department of Revenue Administration – Municipal and Property Division

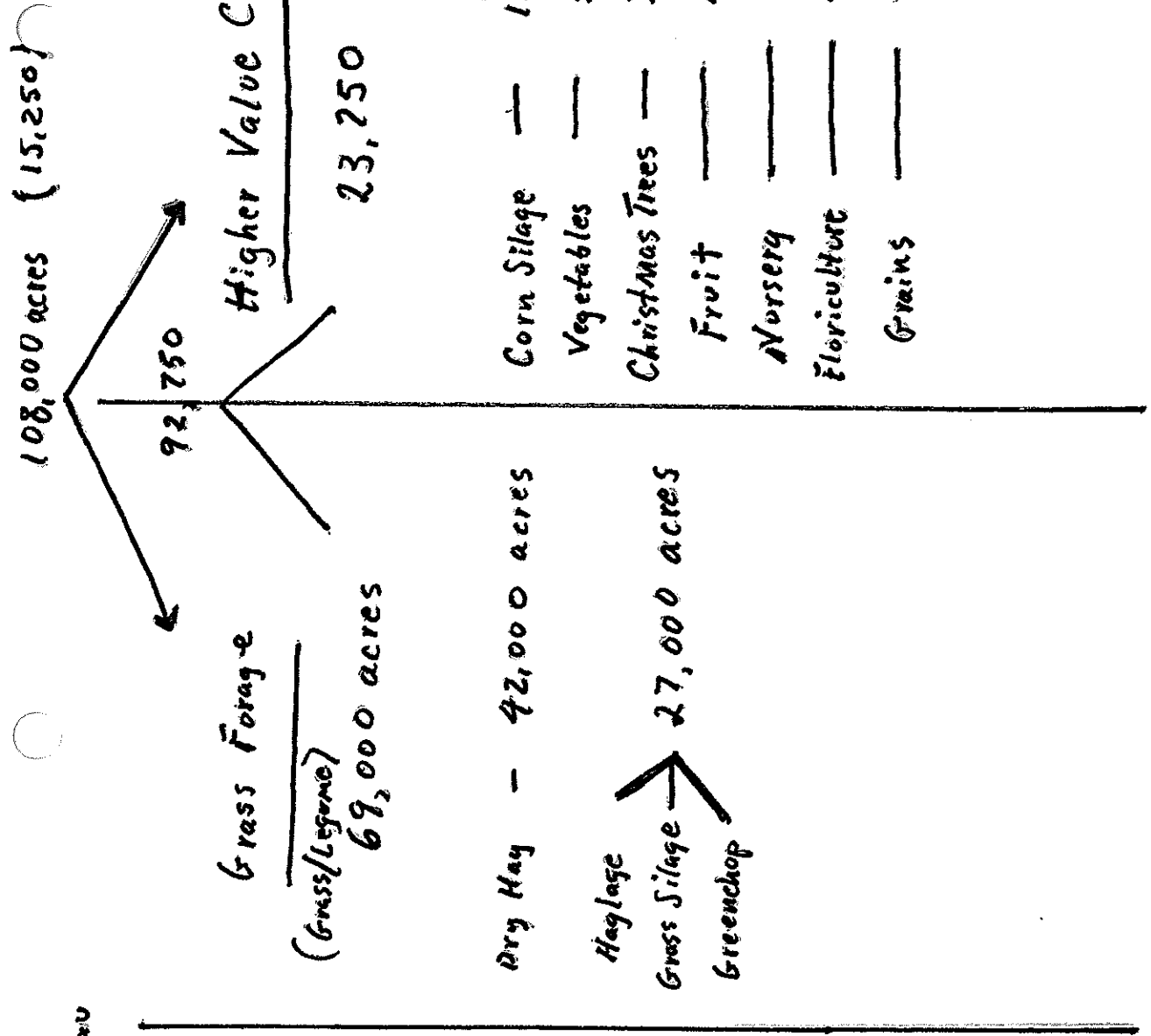
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177
178 Documentation relative to the Current Use Board may be submitted, requested or reviewed by:

179
180
181 Telephone: (603) 230-5096
182 Facsimile: (603) 230-5947
183 E-mail: cub@dra.nh.gov
184 Web: <http://revenue.nh.gov/current-use>

In person at 109 Pleasant Street, Concord
In writing to:
Current Use Board
c/o NH Dept. of Revenue Administration
PO Box 487
Concord, NH 03302-0487

NH Cropland Breakdown:

Submitted by: Rob Johnson, NH Farm Bureau



Pastureland
30,000 acres

New Hampshire Farm Bureau Policy:

When defining land of less than 10 acres for eligibility in the Current Use program, we support amending Cub 304.01 to make clear pasture value is an eligible crop.

PART Cub 304 CURRENT USE ASSESSMENT OF OPEN SPACE LAND

Cub 304.01 Current Use Acreage Requirement.

(a) Open space land shall consist of:

- (1) A parcel or tract of farm land, forest land, or unproductive land totaling 10 or more acres;
- (2) A parcel or tract of any combination of farm land, forest land, or unproductive land, which totals 10 or more acres;
- (3) A certified tree farm of any size;
- (4) A tract of unimproved wetland of any size; or
- (5) A tract of undeveloped land of any size, actively devoted to the growing of agricultural or horticultural crops with an annual gross income from the sale of **production value of** crops normally produced **grown** thereon totaling at least \$2,500, subject to the following:

a. The landowner shall demonstrate to the local municipal assessing officials that during the previous year, at least \$2,500 ~~gross income was earned from the sale of~~ **in production value of** agricultural or horticultural crops grown on the land;

b. All land qualifying for current use assessment under Cub 304.01(a)(5), above, shall be required to show **demonstrate** \$2,500 ~~of annual gross income from the sale of~~ crops normally produced thereon;

c. Land qualified for open space assessment under Cub 304.01(a)(5), above, shall be classified as follows:

1. The acreage on which the income producing crop is actually grown shall be classified as farm land, pursuant to Cub 304; and
2. Contiguous land not involved in the income producing activity shall be classified as farm land, forest land, or unproductive land, pursuant to Cub 304, regardless of acreage; and

d. Land qualified under this section in tax years prior to 1993 may stay in current use even though the annual gross value of \$2,500 came from the sale of value-added agricultural products marketed from the land, provided that such landowner(s) continue to produce such products that qualified the land for current use assessment

Source. (See Revision Note #1 and Revision Note #2 at chapter heading for Cub 300) #12857-B, eff 8-23-19

Cub 304.03 Current Use Assessment of Farm Land.

(a) Farm land, pursuant to RSA 21:34-a, shall be a parcel or tract of undeveloped land, devoted to, or capable of, the production of crops including the following:

- (1) Forage;
- (2) Grains;
- (3) Fruit;
- (4) Vegetables;
- (5) Herbs;
- (6) Plantation Christmas trees;
- (7) Nursery stock;
- (8) Sod;
- (9) Floral products;
- (10) Pasturage;
- (11) Fiber;
- (12) Oilseeds; or
- (13) Short rotation tree fiber farming.

Source. (See Revision Note #1 and Revision Note #2 at chapter heading for Cub 300) #12857-B, eff 8-23-19