

**MINUTES OF THE
CURRENT USE BOARD
PUBLIC HEARING - CONCORD**

Approved as Amended

DATE: April 1, 2016 **TIME:** 1:30 p.m. **PLACE:** NHDRA, 109 Pleasant Street, Concord

BOARD MEMBERS:

Senator Regina Birdsell ~ <i>absent</i>	Representative James Belanger ~ <i>absent</i>
Stephan Hamilton, NHDRA, Chairman	Lorraine Merrill, Dept. of Agriculture
David McMullen, City Official	Andrea Lewy, Towns >5,000
Norm Bernaiche, Towns <5,000	Jon Wraith, UNH Life Science & Agriculture ~ <i>absent</i>
Carol Andrews, NHACC	Susan Francher, NH Forests and Lands
Lindsay Webb, NH Fish & Game	Chuck Souther, Farm Land
Susan Bryant-Kimball, Public Member, Forest Land	Thomas Thomson, Public Member ~ <i>absent</i>

MEMBERS OF THE PUBLIC:

Linda Kennedy, NHDRA	Jasen Stock, NHTOA
Robert Johnson II, NH Farm Bureau	

Public Hearing

Chairman Hamilton passed out paperwork on the **Cub 304.07, 304.08, 304.13 and 304.14** changes and went over the changes. Chairman Hamilton advised that the preliminary determination is that there would be no fiscal impact for the changes but there would be minor reapportionment of tax burdens. Mr. Jasen Stock asked about the proposed rules for unproductive and asked if that was consistent with what was proposed back in January. Chairman Hamilton confirmed and gave a brief explanation. Mr. Tom Thomson asked about the introductions and having that part of the public record.

Introductions

Introductions followed.

Mr. Chuck Souther asked that Chairman Hamilton go through the chronology. Chairman Hamilton complied, and the Public Hearing was then closed.

Chairman Hamilton asked for a motion “for the chair to represent the board before JLCAR in filing the final rulemaking notice with them and answering any questions they may have at their public hearing”. **Ms. Lindsay Webb moved for the motion and Tom Thomson seconded. All were in favor.**

Minutes

(Three sets)

Dave McMullen advised that the “NHAAO” listed after board members’ names be struck from two sets of minutes as it is incorrect – should be just “towns”. Susan Bryant-Kimball advised the wrong Susan was named in a motion. A brief discussion followed on stating names when possible before speaking for recording and transcription purposes. **Mr. McMullen moved to adopt all three sets of minutes as amended. Ms. Susan Francher seconded. All were in favor with one “abstain”.**

Presentation by DRA on Forestland Valuation Model

Chairman Hamilton made the presentation in Mr. Dickman’s stead. The presentation covered categories, types of trees, uses of trees, economic standpoint, market value and market activity, the income producing capability of the land, the value of standing timber not represented (as value of standing timber is exempt from property taxation). Timber is taxed when it is cut etc. Chairman Hamilton also discussed “sourced from the market place”, discounted cash flow, produced and checked annually, inputs - current tax, total number of acres, and annual growth rate. Ms. Susan Francher gave a brief explanation of saw logs to cord conversion. She advised it isn’t so much a market relationship as much as a physical relationship. The presentation continued with Chairman Hamilton speaking of NCREIF, the higher the discount rate the lower the value will be, adjustment factors, value of income and value overall tract size risk adjustment, good proxy for median - 1.1%. Mr. Norm Bernaiche asked if anything changed in that part of the equation from last year. Chairman Hamilton advised he would attempt to pull that information out after the presentation – typically they don’t do a year over year analysis on inputs, they look year over year on the outputs as well as the market activity; possibly a modest increase etc. Mr. Tom Thomson asked if the stumpage values gathered from northern, central and southern are then averaged together. Chairman Hamilton explained and Ms. Francher confirmed yes. Chairman Hamilton talked of the switch from the calculation of a stewardship value per acre to the application of an adjustment factor. Mr. McMullen asked if it wouldn’t be better to set a value and use an SPI. Ms. Francher answered that it is more than the ability of the soil, there are other factors. Ms. Andrea Lewy asked would it be compared to the Marlow decision. Chairman Hamilton replied that is precisely the reason why they made a grid available and included it in the current use booklet. The presentation then continued regarding discounted cash flow, annual management costs, the harvest administration fee, the timber tax yield rate, annual growth rate etc.

Legislative Updates

Chairman Hamilton spoke about SB 121 and the amendments considered. Mr. Robert Johnson advised that SB 121 is being heard on Tuesday, April 5th. Mr. Johnson and Mr. Jasen Stock met with Senator Daniels and spoke of additional language. Mr. Stock spoke of angle of repose, Senator Forester, quarry in Milford, qualifying use, BTLA and NHTOA. A discussion then followed of angle of repose and qualifying use. Ms. Andrea Lewy was concerned that qualifying use of land is subjective – could lead to issues. Mr. McMullen agreed and stated they currently have a good plan and felt they were “splitting hairs”. Chairman Hamilton discussed alteration of terrain. He advised he would be attending the public hearing on Tuesday, April 5th and asked if the board was reasonably comfortable with the solution. Ms. Susan Bryant-Kimball commented it was definitely progress. A discussion followed regarding qualifying property referring to current use, agricultural and forestry use, unproductive etc. Commissioner Merrill commented that when these things change from one house to the other they are sometimes seen with a completely different lens, she asked if it was possible that they’d rather this bill went away or at this point is it enough improved...? Chairman Hamilton doesn’t feel it’s going away. A discussion then followed regarding LUCT, change the use, slags etc. Mr. Thomson talked of sizeable tail ends and what is the difference? He felt this improved it significantly and agreed it’s not going away. A discussion followed regarding crafting a bill, lines 8 & 9, clarity issue in language, contradiction, difference of a gravel pit operator, underlying qualifying use of the land, farm land on seacoast reclaimed and used etc. Mr. Johnson talked of HB 1660 including that the senate

hearing had not been scheduled, as well as imminent domain law, current use program, timberland owners, pipeline, paid on whole property (such as 100 acres) instead of portion etc. A discussion followed.

Subcommittee to Redraft Current Use Booklet

Chairman Hamilton advised that a subcommittee had been established for a redraft of the current use booklet.

Chairman Hamilton motioned to adjourn, Ms. Lindsay Webb so moved and Tom Thomson seconded.

Respectfully Submitted, Elizabeth McGill
NH Department of Revenue Administration – Municipal and Property Division

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

Telephone: (603) 230-5967
Facsimile: (603) 230-5943
Web: <http://www.revenue.nh.gov>

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