

**MINUTES OF THE
CURRENT USE BOARD
RULEMAKING HEARING**

Approved as Written

DATE: June 22, 2017 **TIME:** 1:00 p.m.

LOCATION: Department of Revenue Administration, 109 Pleasant Street, Concord NH

BOARD MEMBERS:

(E) Excused Absence

Senator Ruth Ward *(E)*
Stephan Hamilton, NHDRA, Chairman
David McMullen, City Assessing Official *(E)*
Barbara Richter, NHACC
Jon Wraith, UNH Life Science & Agriculture *(E)*
Lindsay Webb, NH Fish & Game
Thomas Thomson, Public Member *(E)*

Representative James Belanger *(E)*
Lorraine Merrill, Dept. of Agriculture, Markets & Food
Andrea Lewy, Assessing Official, Towns >5,000 *(E)*
Norm Bernaiche, Assessing Official, Towns <5,000 *(E)*
Susan Francher, NH Forests and Lands *(E)*
Chuck Souther, Public Member, Farm Land *(E)*
Susan Bryant-Kimball, Public Member, Forest Land

MEMBERS OF THE PUBLIC:

Jim Michaud, Hudson

Jasen Stock, NHTOA

Chairman Hamilton opened the public hearing at 1:00 p.m.

He welcomed those in attendance at the public hearing of the Current Use Board. The hearing is being held to accept public comment on the proposed amendments to the following current use administrative rules: Cub 304.07, Cub 304.08, Cub 304.13 and Cub 304.14. The hearing was noticed in the June 1, 2017, Rulemaking Register as Notice Number 2017-72, and is being conducted pursuant to the NH Administrative Procedures Act, RSA 541-A:11 and Cub Part 203.

The following rules represent assessment ranges for forest land categories with and without documented stewardship, the unproductive land category and wetland category, respectively, that are being adopted with amendments:

Cub 304.07 Assessment Ranges for Forest Land Categories.

The assessment ranges for the categories of white pine, hardwood and other for forestland without documented stewardship have increased.

Cub 304.08 Assessment Ranges for Forest Land Categories with Documented Stewardship.

The assessment ranges for the categories of white pine, hardwood and other for forestland with documented stewardship have increased.

Cub 304.13 Assessment Range for Unproductive Land.

The assessment range for the unproductive category has increased.

Cub 304.14 Assessment Range for Wetland.

The assessment range for the wetland category has increased.

As a result of these rule changes, property owners may see an increase in their taxes; municipalities and unincorporated places may see an increase in revenue from current use taxes.

Public Comment

Mr. Michaud, of 12 School Street, Hudson, NH, first commented that the proposed rules were not included on the department's website. He also stated he did not believe the increase to the rates would create revenue but rather a shift in the allocation of the tax burden.

In response to the first comment, Chairman Hamilton stated there is a section on the department's website for notice of the commissioner's rulemaking and he would look into providing future notice of the administratively attached board's proposed rules there. To the second question, he agreed with Mr. Michaud that for most municipalities the change in assessments of individual property may have an impact on the allocation of the tax burden and not necessarily increase the revenue to the town. However some communities receive payments in lieu of taxes from entities such as the federal government which may or may not be based on current use land values so there may be a minor impact on those.

Mr. Michaud asked if the proposed assessment ranges are the ranges for the 2017 tax year. Chairman Hamilton stated these are the ranges that were presented at the public forums pursuant to statute and voted to be adopted by the current use board.

Mr. Stock, representing the New Hampshire Timberland Owners Association (NHTOA), stated the rates are consistent with what they are seeing and they have no issues with them. He added he is happy to answer questions relating to forestry, timber and related markets, if any.

Chairman Hamilton asked if the NHTOA members are seeing inconsistencies with the formula results or if they are matching up with their expectations. Mr. Stock stated at the moment they appear to be consistent. He added there have been shifts in certain markets, in particular low-grade softwood, so it will be interesting to see how those shifts once entered into the formula will affect the five-year average.

Chairman Hamilton asked if the low-grade softwood market is being impacted by the change in biomass plant productivity for electrical generation. Mr. Stock stated there has been an impact in the lakes region from the Alexandria closure but most significantly, there have been a number of pulp mills in central and western Maine that have purchased a lot of wood out of New Hampshire that have either closed or throttled back their production and no longer purchase from New Hampshire. There is some biomass capacity in that market, although very tight, and no market for softwood pulp.

A brief discussion followed including the impact of the market on future values and potential negative consequences; the symbiotic relationship with Canadian mill products and assets; how market forces may affect a landowner's ability to continue good forestry management practices and how that might affect the conservation of open space. Chairman Hamilton added, at this time the program seems to be functioning in a way that provides for conservation and appropriate benefits to maintain it however it is something the board should keep an eye on.

Commissioner Merrill reported there have been ups and downs in the agricultural land assessments; however the assessment range has remained stable. She stated the American Farmland Trust reported New Hampshire as number five in the country for the percent of agricultural land that has been converted to development. This may become a concern if it becomes uneconomical for people who need to derive an income to hold woodlands and may cause more of this land to be put up for sale for development.

Ms. Richter stated from the feedback she has received on forest land, the current use program is a fair system. She added there was some concern about protecting agricultural land and to make sure the current use program was doing all they could to keep farms viable.

Other Business

Chairman Hamilton reported the board has been interacting with the assessing community on the issue of agricultural structures and equipment and the feedback has been very positive. He believes education will help provide clarity and a better understanding of what is equipment versus a structure.

The deadline for the submission of written comments is July 5, 2017. Written submissions can be made to the Current Use Board c/o NH DRA, 109 Pleasant Street, PO Box 487, Concord NH 03302-0487. You can also submit information via e-mail to stephanie.derosier@dra.nh.us.

Chairman Hamilton thanked those in attendance for coming and providing valuable input and comments. The board will take into consideration comments provided as well as testimony received at this hearing. If there are revisions necessary to the initial proposal, it will be made before the final proposal is filed. It is expected the final proposal will be submitted to the Joint Legislative Committee on Administrative Rules (JLCAR) for the next regularly scheduled meeting following the deadline of July 5, 2017.

Chairman Hamilton closed public hearing at 1:25 p.m.

Respectfully Submitted, Stephanie Derosier
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
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E-mail: cub@dra.nh.gov
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
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