

SB 79 - AS INTRODUCED

2017 SESSION

17-0832

10/05

SENATE BILL           **79**

AN ACT               relative to taxation of historic residential structures.

SPONSORS:       Sen. Carson, Dist 14; Rep. Packard, Rock. 5; Rep. Lundgren, Rock. 5; Rep. McKinney, Rock. 5; Rep. Bove, Rock. 5

COMMITTEE:      Ways and Means

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ANALYSIS

This bill enables municipalities to reduce the assessed value of qualifying historic residential structures based on an analysis completed by an architectural historian.

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Explanation:      Matter added to current law appears in ***bold italics***.  
                          Matter removed from current law appears ~~[in brackets and struckthrough.]~~  
                          Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

*In the Year of Our Lord Two Thousand Seventeen*

AN ACT relative to taxation of historic residential structures.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

CHAPTER 79-I

## RESIDENTIAL PRESERVATION ASSESSMENT REDUCTION

79-I:1 Declaration of Public Interest.

I. It is hereby declared to be in the public interest to encourage the preservation of historic and architecturally significant residential structures, thus adding to the historic character of the state's built environment. The rich architectural heritage of the state should be preserved for the enjoyment and education of our population and visitors.

II. This chapter encourages the preservation of historic and architecturally significant residential structures. This will be accomplished by a reduction in the assessed valuation of the structures by the local assessor, providing a small reduction in the property tax.

III. Residential structures qualifying under this chapter preserve a feeling of community by their presence in a historic environment that may be an area, settlement, or formal historic district. Each structure is important as it may visually portray a time in history by its relationship to those around it. Historic areas indicate the early presence of our forefathers and their town centers or are spread out due to agrarian life.

IV. An individual historic structure that continues to exist through the care of its owner preserves the natural resources of wood and stone that were cut and moved to the house site and then transformed into structures by skilled craftsmen. The structures reflect a time when home building was a multiple step process involving many skills to produce a durable result. The size and species of some of the woods used are no longer available. A lot of labor is preserved in these structures due to the time required for materials to be cut, sawn, and chiseled by manual labor.

V. Preservation of these residential structures means that new houses will not need to be built to replace them. The resources that go into a new structure will not need to be expended, thus saving a small portion of our forest environment. Other resources from near and far will not need to be expended for the building of a new structure and for the support of the labor and transportation involved.

VI. The location of these historic structures allows and encourages people to consider the history of their communities over periods of time. Preserving these structures allows people to imagine what individuals were like as we view the different configurations and designs that are

1 manifest in the buildings today. They may also consider the arrangements of old roads as they view  
2 how structures relate to the modern highway alignments. The arrangements of early settlements  
3 may also be considered as people now pass from town to town.

4 VII. People from near and far come to see our historic environment and to appreciate the  
5 design and placement of both the simple and the magnificent. The property tax support under this  
6 chapter will help to encourage owners of these structures to maintain and keep them well for the  
7 rest of the passing world to enjoy.

8 79-I:2 Definitions. In this chapter:

9 I. "Appropriate" means that materials and their format should comply with safe and  
10 conventional use for the time period of the structure.

11 II. "Assessor" means the assessing authority of any town, city, or place.

12 III. "Reduction of assessment value" means a reduction of the yearly-assessed value of the  
13 structure for a period of 5 years. Application for successive terms of 5 years may be made and  
14 approved as long as the qualifying criteria are met. No reduction is intended for outbuildings or  
15 real estate.

16 IV. "Qualifying residential structures" include buildings that:

17 (a) Are at least one 100 years old or qualify for listing on the National Register of  
18 Historic Places or the New Hampshire state register of historic places maintained by the division of  
19 historical resources.

20 (b) Are currently used as the domicile for permanent residents or temporary residents  
21 through the means of rent or lease from the owner.

22 (c) Were once used for single-family residences, but are currently subdivided for multi-  
23 family dwellings, so long as the structure meets qualifying criteria.

24 (d) Were once used for single-family residences, but are currently used for small single  
25 purpose businesses or are subdivided for small office spaces, so long as the structure meets  
26 qualifying criteria.

27 (e) Were once used for single-family residences, and have such significant local, state, or  
28 national importance that they are deemed worthy of a reduction of assessed value, so long as the  
29 structure meets qualifying criteria.

30 (f) Are exceptional structures, which may qualify if they are on the New Hampshire or  
31 Federal Register for Historic Structures or places, without regard to age.

32 V. "Quality of the structure as determined by an architectural historian" means that each  
33 taxing unit will judge the 4 levels of assessment reduction based upon criteria listed in RSA 79-I:3,  
34 II as determined by the architectural historian. The architectural historian will inspect in person  
35 or view evidence through the use of durable image prints.

36 VI. "Sympathetic" means that designs and styles are harmonious with each other within  
37 the context of the structure.

38 79-I:3 Qualifying Criteria for Reduction of Assessment Value.

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I. The assessor in any municipality adopting the provisions of this chapter may reduce the assessed value of a qualifying residential structure by 5, 10, or 15 percent for a period of 5 years. The quality of the structure shall be based upon levels of criteria that are to be interpreted by an architectural historian. In categories A through H in paragraph II the number (1) level represents a 5 percent reduction, the number (2) level represents a 10 percent reduction and the number (3) level represents a 15 percent reduction of the assessment of the structure. A (4) level qualifies as a zero reduction.

II. The categories and levels of criteria for each category shall be as follows:

(a) Style Integrity:

(1) Original structure design which may have poorly designed and/or executed architectural additions or alterations.

(2) Original structure design with architecturally sympathetic additions.

(3) Original structure design which may have additions, that if removed would not alter the original intent or design.

(4) The structure fails to meet design criteria for this program due to date, massive alterations that hide original design, or very poor or unsafe physical condition.

(b) Siding:

(1) Siding is replaced, with a similar style and material to the original.

(2) Siding has some original materials with more than ½ replaced with a similar style and material to the original type of materials.

(3) Siding has more than ½ original materials and the remainder replaced with duplicate style and material to the original.

(4) Siding is replaced with materials and/or style of materials that are not appropriate for the architectural style theme of the structure.

(c) Roof:

(1) Replaced with some regards to the original look and/or color.

(2) Replaced with materials and colors sympathetic to the original design or style.

(3) Original or replaced with materials duplicating the original material.

(4) Roofing is not appropriate for this structure, or is not protecting the structure or is not suitable for its function.

(d) Windows:

(1) Newer window materials and style, but in original locations for the architectural theme of the structure.

(2) Windows in original locations, with original style and replaced original materials.

(3) Windows with original style appearance, locations, and materials.

(4) Windows are not proper in style, size and/or materials for the structure.

(e) Doors – Exterior:

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- 1 (1) New doors with appropriate style and appearance.
- 2 (2) Doors with original style, appearance and that may have up to 100 percent new
- 3 materials.
- 4 (3) Doors with original style and appearance and with less than 50 percent replaced
- 5 original type of materials.
- 6 (4) Doors that do not follow the architectural theme of the building in style and/or
- 7 materials .
- 8 (f) Chimney:
- 9 (1) Replaced with appropriate appearance.
- 10 (2) Reproduction with good materials and appropriate appearance.
- 11 (3) Original with some maintenance or repairs that follow the architectural style of
- 12 the structure.
- 13 (4) Does not match the architectural theme of the structure in its style, location or
- 14 material.
- 15 (g) Maintenance:
- 16 (1) Little or no maintenance work to protect the exterior structural elements, but
- 17 those elements are still in satisfactory mechanical/physical condition.
- 18 (2) Sufficient preservation maintenance to make the structure visually attractive for
- 19 its type and to maintain the physical condition of its exterior surfaces and decorations.
- 20 (3) Good maintenance work to preserve the structural elements, decorative
- 21 elements and general appearance.
- 22 (4) Maintenance not being done and/or in deteriorating condition.
- 23 (h) Foundation:
- 24 (1) Replaced over 75 percent of original with similar materials.
- 25 (2) Replaced over 50 percent of the original with similar materials.
- 26 (3) Original with less than 50 percent replaced similar materials.
- 27 (4) Not appropriate for the support of the structure or for the types of materials.
- 28 III. Additional information may be requested that may help the architectural historian
- 29 decide what assessment reduction level to assign to the applicant's structure as follows:
- 30 (a) Location. Does the structure exist at its original location or in a place where its
- 31 historical significance was achieved, even if that significance is just to have existed intact for a long
- 32 period of time?
- 33 (b) Design. Does the structure maintain enough of its original design to be favorably
- 34 compared with the initial structure?
- 35 (c) Design. Are all subsequent additions done in a manner sympathetic with the
- 36 original design?
- 37 (d) Setting. Does the structure still reside in a visual environment consistent with its
- 38 historical nature?

(e) Materials. Are the current structural materials consistent in configuration and style to represent the original unique design?

(f) Workmanship. Is the workmanship of the structure consistent with good practices for the erection of the structure in its historic time?

(g) Feeling. Does the structure evoke a feeling of appropriate aesthetic and historical nature for its time and place? Is the look and feeling consistent with what one would think of as being historically correct?

(h) Association. Is there a design significance of the structure, known important owner or local historical event that adds a value to the structure?

**79-I:4 Application Procedure.**

I. Any owner of a qualifying residential structure may apply to the assessor to grant a reduction of the assessed value.

II. Applications may be made at any time during a calendar year. A processing fee of \$50 shall be paid to the assessor for each application. When an application is approved it shall be applicable for the next 5 tax years as established by the assessor.

III. Evaluation periods and submission deadlines shall be established by the assessor. The decision making process shall not take longer than 60 days.

IV. In municipalities that have a heritage commission or historic district commission, the assessor shall obtain a recommendation from the corresponding commission for the application. That recommendation shall be for 0 percent, 5 percent, 10 percent, or 15 percent reduction in the assessment of the structure. This recommendation shall take no longer than 60 days to complete.

V. The applicant shall select an architectural historian from the list of architectural historians maintained by the division of historic resources or the New Hampshire Preservation Alliance. The architectural historian may charge a fee to the applicant for the evaluation required under this chapter.

VI. The application form shall be provided by the local municipal entity. It shall be established by the department of cultural resources, division of historic resources, subject to the approval of the department of revenue administration. It shall contain at least the following:

(a) The applicant's name, mailing address, telephone number, and email address.

(b) The property owner's name, address, telephone number, and email address, if different from the applicant.

(c) The physical location of the structure by street address.

(d) Property identification as determined by assessor's records, such as tax map number and lot number.

(e) The date that the original structure was built or a reference date for the start of construction.

(f) The architectural historian's name, address, telephone number, and email address.

(g) A list of the evaluation criteria in RSA 79-I:3, II, with space for notes by each

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1 criterion.

2 (h) A space for the architectural historian to recommend a reduction in assessed value  
3 of 0, 5, 10, or 15 percent.

4 (i) A space for notes summarizing the architectural historian's assessment of the quality  
5 of the structure.

6 (j) Necessary language to discourage the reporting of fraudulent information by the  
7 applicant and/or the architectural historian.

8 (k) A set of supporting print photographs which may be used to aid with the inspection  
9 process. Photographs may be a major portion of the inspection process and should be durable and  
10 contain the date of creation. When used, 3 sets will be used by the architectural historian, retention  
11 by the assessor, and by the applicant. Photographic materials submitted should follow the National  
12 Register Photo Policy Factsheet.

13 79-I:5 Approval; Denial.

14 I. The applicant shall be notified of the decision of the assessor based upon the quality of  
15 the structure as determined by an architectural historian within 60 days after acceptance of the  
16 application form and payment of the processing fee. The percentage of assessment reduction shall  
17 be applied to the structure's evaluation for a period of 5 tax years beginning with the next tax year.  
18 An application may be made for subsequent 5-year assessment reduction periods by following the  
19 same procedures as the initial application. Subsequent assessment reductions may change with  
20 each application and evaluation.

21 II. A denial of an assessment reduction shall be provided to the applicant with the reasons  
22 for the failure to achieve an assessment reduction.

23 III. Approved assessment reductions as determined by the assessor shall apply to the  
24 structure for a period of 5 tax years.

25 IV. The architectural historian shall score the application by noting which level is the most  
26 predominant among the criteria in RSA 79-I:3, II, using the additional information in RSA 79-I:3,  
27 III to further confirm an assessment reduction level.

28 79-I:6 Adoption.

29 I. Any city or town may adopt or modify the provisions of this chapter by voting whether to  
30 accept for consideration or modify requirements for requests for assessment reduction. Any city or  
31 town may do so by following the procedures in this section.

32 II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the  
33 question shall be placed on the warrant of a special or annual town meeting, by the governing body  
34 or by petition under RSA 39:3.

35 III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the  
36 legislative body may consider and act upon the question in accordance with its normal procedures  
37 for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body  
38 of such municipality may vote to place the question on the official ballot for any regular municipal

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1 election.

2 IV. If a majority of those voting on the question vote "yes," applications for assessment  
3 reduction under this chapter may be accepted and considered by the local governing body at any  
4 time thereafter, subject to the provisions of paragraph VI of this section.

5 V. If the question is not approved, the question may later be voted on according to the  
6 provisions of paragraph II or III of this section, whichever applies.

7 VI. The local governing body of any town or city that has adopted this chapter may consider  
8 rescinding its action in the manner described in paragraph II or III of this section, whichever  
9 applies. A vote terminating the acceptance and consideration of such applications shall have no  
10 effect on assessments previously granted by the city or town, nor shall it terminate consideration of  
11 applications submitted prior to the date of such vote.

12 2 Effective Date. This act shall take effect 60 days after its passage.