

Discussion Points to Increase Land Use Change Tax Allocation to Conservation Fund

Money may be appropriated by vote of town meeting or city council to a commission for operating expenses, capital expenditures, the conservation fund, or the forest management fund. If your commission would like to increase the amount of money going into your Conservation Fund from the Land Use Change Tax, make sure you invest in a public education campaign before town meeting.

Define the Land Use Change Tax

The land use change tax (LUCT) is a tax assessed by towns on owners of undeveloped forest or farmland when it is taken out of “current use” property tax assessment, usually for development. The tax is assessed at 10% of the fair market value of the land area being removed, assessed at the time of the change in use.

Explain how much your town has earned from the LUCT in recent years

Show lowest and highest values and averages for the past decade or other representative time period.

Tell what portion of the whole town budget that represents

It is likely that the income from LUCT is a very small part of the town budget.

Explain where the LUCT money goes now

If money is not already going into the Conservation Fund it is probably goes into the general fund.

Explain what you propose to do with the money

Putting all or part of the LUCT into the Conservation Fund, with or without a “cap” (see NHACC Handbook for sample warrant article language) (if there is a cap, explain how that works)

Reasons to use the Land Use Change Tax for Conservation

1. The Current Use was created in 1972 as an incentive for landowners to keep their land undeveloped. The Land Use Change Tax is assessed when the land is developed. Using the money from the development land to reinvestment in retaining important natural areas for your town is a logical use of the funds.
2. This is a source of money for conservation projects that does not depend directly on the local property taxes and has no direct impact on tax bills.
3. List any data from surveys or Master Planning process that demonstrate local support for conservation
4. If there were strong votes in favor of conservation spending or other conservation initiatives earlier in your town, list them.
5. Conserving selected parcels of open space buffers, the town from tax increases related to growth.
6. Conserving land is a way to retain what people like about the town, even while population increases, other land becomes developed and schools and roads become more crowded. (Cite population statistics from your town)
7. If you have accomplished good projects with other money the conservation commission has had, talk about those
8. If you have a potential project that could be supported with this money, explain it (without violating confidentiality)
9. If you could have protected an important natural area in town if you had money, explain how that was a lost opportunity.



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10. Protecting more open space is good for wildlife and plants, air and water quality and the people who enjoy various forms of outdoor recreation.

What other towns assign land use change tax to conservation?

This is the most popular source of money for the Conservation Fund. In New Hampshire, 160 towns (68% of all towns) have voted to assign some or all of their land use change tax to the conservation fund. List towns abutting yours that do this and the amount they allocate. Ask NHACC for list of towns.

Explain how much the proposal will cost tax payers

Base your numbers on the LUCT that will be allocated each year (base it on the long-term average above, or the amount imposed by the cap). Apply tax rate for the most recent year. Explain what tax rate you used and where you got the figures. Numbers from other towns that have done this calculation recently were \$6.30 per homeowner to \$8.27 per \$100,000 assessed value.

Explain what the money will be used for

This depends on the priorities of your conservation commission. Be as specific as possible. Give examples of the costs for similar expenditures in your town or nearby towns. If you will be cooperating with other conservation groups (local, regional or statewide land trusts or others) state that.

Explain who would decide how the funds would be spent

State laws governing Conservation Commissions define the purposes conservation commissions can spend money for. If the conservation commission plans to purchase land or interest in land (like a conservation easement) they must hold a public hearing and get approval from the Board of Selectmen.

Explain that future town meetings can change the decision

Future Town Meetings can vote to change (increase or decrease) the amount, raise lower or remove the cap, or to discontinue the allocation.

Summarize the key points that are most compelling for the people in your community. Focus on the value of conserving certain parcels in the future for the health and happiness of your municipality.

Common Questions from voters:

Why not just ask the voters for money for projects as they arise?

Having money in the Conservation Fund allows conservation commission to negotiate with willing land owners. Land owners may want or need to complete the project before the next regular town meeting. Special town meetings are possible, but you must petition the Superior Court for permission to hold a special town meeting to vote on money that wasn't previously approved in concept at a regular town meeting.

If you are planning to produce marketing materials to support your position at town meeting it's best to collect private donations for this purpose.

An abundance of caution is advised.