

Discussion Points
Land Use Change Tax Allocation to Conservation Fund
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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

Explain where the LUCT money goes now

Probably it goes into the general fund.

Explain what you propose

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 losing open land to development is a logical reinvestment in retaining important open space and rural character for our town.
2. This is a source of money for good conservation projects that does not depend directly on the local property taxes and has no direct impact on tax bills
3. Show survey or master plan information indicating that your town supports conservation or retaining rural character
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, tell 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 prevented an undesirable land use change if you had money, explain that.
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. As of October 2008, 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. [2013 Land Use Change Tax spreadsheet.](#)

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. (And be sure to be aware of the changes under “SB 381” that become effective January 1, 2009.)

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. This is likely to be the small decrease in tax bills that this change would make, and the value of conserving certain parcels in the future.

Discussion Points Concerning Lowering Land Use Change Tax allocation to the Conservation Fund

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.

History of Land Use Change Tax allocation in your town

Explain what percent of the LUCT is allocated to the Conservation Fund, when it was passed, how large the support was when it was passed. How much money has come into the fund each of the past years. (Go back far enough to be thorough but not so far back that you get really boring.) How much money is presently in the Conservation Fund?

Explain what the Conservation Fund has been used for

Tell whatever property interests you have acquired and anything else that the money has been used for. Focus on the projects that are well known, have wide appeal and provide clear benefit to the towns people.

Explain what upcoming plans there are for the Conservation Fund

Explain the number and type of projects under negotiation, and their anticipated costs. Be careful not to reveal any confidential information about parcels being negotiated. Mention any outside funds that the Conservation Fund is a likely match for. Explain what conservation commission will NOT be able to do without the funds.

Explain the tax savings that the proposed change in LUCT allocation would provide to an average homeowner should it be allocated to the general fund. These are typically very modest numbers.

Emphasize the value to voters of conservation land

1. Mention popular previous uses of the conservation fund
2. List any data from surveys or Master Planning process that demonstrate local support for conservation
3. If there are local, regional, or statewide plans that document value of open space/natural resources in your town, cite these.
4. The land use change tax was created in 1972 to help landowners keep their land undeveloped. Using the money from losing open land to development is a logical reinvestment in retaining important open space and rural character for our town.
5. This is a source of money for good conservation projects that does not depend directly on the local property taxes and has no direct impact on tax bills

6. Reemphasize any previous strong votes in favor of conservation spending or other conservation initiatives earlier in your town.
7. Conserving selected parcels of open space buffers the town from tax increases related to growth.
8. 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)
9. Protecting more open space is good for wildlife and plants, air and water quality and the people who enjoy various forms of outdoor recreation.

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. Courts willingness to allow special town meetings for such purposes is variable.

Summarize the key points that are most compelling for the people in your community. This is likely to be the small decrease (or no change at all) in tax bills that this change would make, and the value of conserving certain parcels in the future.

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.

Caution is advised!