Town Forum - Land Use Change Tax

In this Town Forum, the Conservation Commission and the Selectmen debate Warrant Article 10.

Conservation Commission

Article 10 at Town Meeting asks Andover to vote on an additional 50% of the Land Use Change Tax (LUCT) for land conservation. Landowners pay this tax only if they voluntarily remove their land from Current Use assessment, generally for development.

A Conservation Land Acquisition Fund of $10,000 was created in 1992 to purchase conservation land or conservation easements. To supplement the original fund, the Andover Conservation Commission asked voters to approve the use of 50% of the LUCT for land conservation, the remaining 50% being used to offset town expenses.

Currently, 13 towns and cities within our 40-mile commuting area are saving 100% of their LUCT for conservation, and several have added bond warrant articles, in addition to 100% of the LUCT, for unspecified future land purchases.

The CC has received $32,967 from the LUCT. Altogether, conservation land funds now total $37,396. In the past several years, $12,599 has been spent with prior notification of intent and approval of the Selectmen to facilitate or enable conservation easements to become a reality or to protect (monitor) existing easements. Both income and outgo of this funding are driven by unpredictable voluntary actions of landowners.

Andover is now revising its Master Plan, a document that forms the legal foundation for the Planning Board and Zoning Board of Adjustment for future undeveloped land decisions. Development of land raises taxes through increased school needs, road maintenance, and other services. Rural views, sustained wildlife, recreational opportunities, revenue from timber tax, clean air, and unpolluted waters help preserve our rural quality of life.

Growth is inevitable, but we must be prepared for it. For example, allowing uncontrolled growth around Bradley Lake could compromise the town's existing public water supply and might require the expensive development of a whole new water source and distribution system. If the town bought available land parcels or easements surrounding Bradley Lake with money from the conservation land funds, it would offset new taxes needed to protect Andover's water supply, which serves two schools, municipal buildings, businesses, and village residents.

Timing and readily available funding are both critical for a land conservation program. The LUCT is a non-lapsing trust fund, a capital reserve fund, specifically earmarked for future land conservation purposes. The Conservation Commission's policy has always been to seek the Selectmen's review and approval of any expenditures from the conservation land funds. In addition, to purchase land outright would require approval of Town Meeting.

With Andover's Temporary Residential Growth Limitation Ordinance scheduled to expire in 2007, Andover should increase the land conservation funds as a cushion for growth and development. Therefore, the Conservation Commission recommends voting for Article 10, the 100% LUCT warrant article.

Board Of Selectmen

The Land Use Change Tax (LUCT) is a tax that goes into the Town's general revenues with no legal connection to conservation uses. Since the Town needs funds for many purposes, setting aside any portion of tax revenues for a particular purpose necessarily raises tax rates for the balance of our needs.

Should the LUCT revenues paid over for conservation use be doubled? We are all conservationists in our own ways. With only one world to live on, we have to take care of it. But there are many ways to go about that.

The normal procedure is for Town entities to present their annual budgets to the Selectmen and to the Budget Committee, ensuring two levels of scrutiny before the final budget is proposed to Town Meeting.

This system has worked for many years. The Town's needs change from year to year. The Selectmen's use of "zero-based budgeting" – looking at each expense afresh each year – and the Budget Committee's oversight has produced responsible taxation and expenditure.

Automatic set-aside of tax revenues is a profoundly different approach, one without the safeguards of going through the budget process. Expenditures of those funds should be thought out and documented in detail in written plans.

Not only is any particular year's revenue affected, but such commitments will continue to affect the town's finances in a number of ways. And, as the history of the Newman conservation easement has demonstrated, future expenditures may be required for related purposes, not all of them foreseeable now.

The action taken at the 2000 Town Meeting to pay 50% of the LUCT into the Conservation Land Acquisition Fund has provided a way to have some funds available for the Conservation Commission's use. With nearly three times the amount still in the bank than has been spent so far, we think it appropriate that the program prove itself over time before more commitments are made.

In essence, the present proposal turns over examination and decision of both setting aside an unknown amount of future tax revenue and spending significant amounts of the Town's money to an unelected body which is self-selecting and has a legitimate but narrow focus, one which may or may not be shared by the town in general.

The identities and qualifications of the folks who may approve expenditure of these funds in the future (the Conservation Commission and the Board of Selectmen) cannot be known now. There is neither a written long-term expenditure plan nor projections of continuing financial commitments on the Town's part, and prior consultation with other Town agencies for some kinds of expenditures is not required.

Other New Hampshire towns, some similar to Andover and some not, have bought into this approach. That is their right.

We see our duty to include examination and recommendations on such choices. Here we recommend careful analysis by citizens to gain an understanding as to why we do not favor increased funding at this time.

Warrant *from page 11*

fund or source of the revenue. (BALLOT VOTE REQUIRED)

[This is a "housekeeping" article with no impact on our tax bills. It will allow us to keep the donations to the Blackwater Park separate from the Town's other money indefinitely, or until a future Town Meeting decides otherwise. The ballot vote will occur during the evening Town Meeting, not in the morning.]

Warrant Article 14

To see if the town will vote, under the provisions of RSA 80:80-III, to authorize the Selectmen to sell by negotiated sale or by listing on the real estate market a property consisting of approximately 17 acres with frontage on Chase Hill Road, identified as map 2, lot 559-140 on the Andover tax map. If approved, the Selectmen are authorized to sell the property for no less than the current assessed valuation adjusted by the previous year's equalization ratio and the proceeds shall be used as revenue to reduce taxes. The property was acquired by tax deed in 1989.

[This same article was passed at last year's Town Meeting and, at this point, the sale of the property is pending. If the sale is completed before this year's Town Meeting, we'll skip this article.]

Warrant Article 15

To see if the town will vote, under the provisions of RSA 80:80-III, to authorize the selectmen to sell to an abutting landowner a parcel of land consisting of approximately 0.25 acres with frontage on Depot Street, identified as map 28, lot 225-557 on the Andover tax map. If approved, this parcel will be merged with the abutter's parcel, and shall not be considered a separate lot of record. The property was acquired by tax deed in June of 1995.

[This parcel isn't buildable, and turning out of it onto Depot Street is unsafe. The abutting landowner has agreed to pay $2,000, which is the amount their assessment will increase when the parcel is added to their existing parcel. Putting this parcel back on the tax rolls will increase the Town's total tax revenues by about $22 per year.]

Warrant Article 16

As required by resolution of the 2004 town meeting, to see if the town will hear the report and recommendation of the selectmen and to vote to change the manner in which the Town Clerk/ Tax Collector is compensated from the current system of fees collected to a system of hourly pay and to authorize the selectmen to negotiate the rate of pay, hours of operation and other duties as needed. If approved this article would take effect in March of 2007.

[The full report is included in the Town Report and will also be presented for discussion at Town Meeting.]

Warrant Article 17

To see if the town will vote to abandon the town's right of way interest in the Class VI portion of Sam Hill Road.

[For more information on Article 17, see the Town Forum on page 13.]

Warrant Article 18

To see if the town will vote to establish a Conservation Lands Advisory Committee for the purpose of determining the advisability for the Town of Andover to acquire fee title to or conservation easements on selected conservation lands, to determine the means for doing so, to develop a process for identifying such properties, to develop criteria for selection of such properties, and to develop a list of properties recommended to the Town for acquisition of fee title or conservation easement.

This committee shall consist of seven members to be appointed by the board of selectmen as follows: one member each from the conservation commission, planning board, budget committee, recreation committee and three members at large from the Andover community. This committee shall report its findings and recommendations to the 2006 Town Meeting for consideration and appropriate action. (Submitted by petition.)

[This article has no impact on this year's tax bill.]

Warrant Article 19

To transact any other business that may legally come before this meeting.