

**New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE
TIR 2013-005 Date July 30, 2013**

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Central Tax Services at (603) 230-5920.

New Hampshire 2013 Municipal and Property Law Changes

The purpose of this Technical Information Release (TIR) is to provide New Hampshire cities and towns, as well as taxpayers, with a convenient reference guide of relevant statutory changes made during the 2013 Legislative Session by the New Hampshire General Court impacting property tax and municipal laws. This TIR is for informational purposes only and is intended to provide a summary or synopsis of enacted legislation. It is not intended to be relied upon as full and complete text or as a substitute for the actual state law. Please refer to the applicable statute and rules to determine how this information applies to specific persons or situations. If you have any questions, or need additional assistance, please contact the NH Department of Revenue Administration Municipal and Property Division at (603) 230-5090.

RSA CHAPTER 21-J ADMINSTRATIVE:

House Bill 252 (Chapters 247, Laws of 2013) Sections 1 through 10 of the bill consolidate the functions and responsibilities of the NH Department of Revenue Administration's Municipal Services Division and Property Appraisal Division into a single division, the "Municipal and Property Division," under RSA 21-J:15. The Municipal and Property Division will be under the supervision of an unclassified director.

Effective: Sections 9 and 10 shall take effect July 24, 2013. Sections 1-8 shall take effect upon the date when the abolition of position 14455, the transfer of funding and appropriations to the unclassified position established in Section 10 of this bill, and the initial appointment of the Director of the Municipal and Property Division have occurred, as certified by the Commissioner of the Department of Revenue Administration to the Director of Legislative Services and the Secretary of State.

Amended: RSA 21-J:15, RSA 21-J:14, IV(a), RSA 21-J:13, IX, RSA 149-M:22, IV, RSA 485-A:22, V-c(d), RSA 21-J:2, II and III, and repealed RSA 21-J:9.

MUNICIPAL:

Senate Bill 2 (Chapter 58, Laws of 2013) provides that the calculation of the local tax cap in towns adopting RSA 32:5-b shall be adjusted to include a fund balance brought forward from previous years.

Effective: August 5, 2013

Amended: RSA 32:5-b

House Bill 115 (Chapter 114, Laws of 2013) modifies the procedure for filling a vacancy on a cooperative school district budget committee. Under the new law, in a cooperative school district, the remaining budget committee members representing the same town or towns as the departed member shall fill a vacancy on the budget committee, provided that there are at least two such members. If there are less than two remaining members on the budget committee representing the same town or towns as the departed member, or if the remaining members are unable, by majority vote, to agree upon an appointment, the selectmen of the town or towns involved shall fill the vacancy by majority vote in convention. If the selectmen are unable to fill the vacancy then the cooperative school district moderator shall make the appointment.

If the vacancy is for the cooperative school board representative to the cooperative school district budget committee, such vacancy shall be filled by the cooperative school board. A member appointed to fill a vacancy shall serve until the next district election when the voters of the district shall elect a replacement for the unexpired term.

Effective: August 24, 2013

Amended: RSA 671:33, IV

House Bill 126 (Chapter 9, Laws of 2013) amends the existing law that allows a town, by vote of the legislative body, to establish a revolving fund to maintain as well as facilitate or encourage recycling programs.

Effective: July 6, 2013

Amended: RSA 31:95-h, I(a)

House Bill 134 (Chapter 115, Laws of 2013) permits towns to establish contingency funds for unanticipated expenses and to make expenditures from such funds. Under the new law, if the legislative body has, by warrant article, established a contingency fund in the annual budget for the purpose of unanticipated expenses, the board of selectmen may expend funds from such account to meet the costs of such expenses. The contingency fund may not exceed 1% of the amount appropriated by the town for town purposes during the preceding year, excluding capital expenditures and the amortization of debt. The new law also requires a detailed report of all expenditures from the contingency fund to be made, annually, by the selectmen and published with their report.

Effective: August 24, 2013

Amended: RSA 32:11 and new section RSA 31:98-a.

House Bill 138 (Chapter 116, Laws of 2013) allows any political subdivision that has adopted the official ballot referendum form of meeting to use a topical description of the substance of a ordinance or amendment on the official ballot for adoption instead of the full text of the ordinance or amendment.

Effective: August 24, 2013

Amended: RSA 40:13, VI, new paragraph RSA 40:13, VII-a and VIII-a.

House Bill 139 (Chapter 117, Laws of 2013) extends the time towns that have adopted official ballot voting procedures to approve bonding in solid waste management districts and to withdraw from solid waste management district to 120 days.

In section 6 of the new law, the Greenland School District meeting and election held on March 11 and 12, 2013 concerning Warrant Article 9 to adopt provisions of RSA 40:13 to allow official ballot voting (which passed by the required 3/5 vote) was ratified.

Effective: August 24, 2013; Section 6 is effective June 25, 2013.

Amended: RSA 53-B:6, I; RSA 53-B:7, VI(a) and VI (c); and RSA 53-B:7, XX(a) and XX(c).

House Bill 269 (Chapter 197, Laws of 2013) authorizes a school district to conduct a special meeting necessitated by changes in adequate education funding.

Effective: September 7, 2013

Amended: New section RSA 197:3-a

House Bill 305 (Chapter 103, Laws of 2013) establishes a study committee to study the tax obligations and state aid for towns and districts that have electric generation facilities, including renewable generation facilities subject to a payment in lieu of taxes under RSA 72:74, sited within the town or district. The committee will study the laws governing the apportionment formula for cooperative and regional school districts, and may propose changes to remedy disproportionate tax assessments and tax obligations resulting from the electric generation facility. In addition, the committee may also study how electrical generation facilities affect the tax bases of surrounding municipalities and how the use of payments in lieu of taxes for renewable energy projects has worked, including whether the provisions in statute to establish them are sufficient to protect property taxpayers and whether they ensure proportionality.

The Committee is required to report its findings and any recommendations for proposed legislation to the Speaker of the House of Representatives, the President of the Senate, the House Clerk, the Senate Clerk, the Governor, and the State Library on or before November 1, 2013.

Effective: June 24, 2013

Amended: N/A

PROPERTY APPRAISAL:

Senate Bill 80 (Chapter 78, Laws of 2013) allows towns and cities to add “historic structures” in the municipality to the Community Revitalization Tax Relief Program in RSA Chp. 79-E. To qualify as a “historic structure” the building must be listed on, or determined eligible for listing on, the National Register of Historic Places or the State Register of Historic Places and the building’s preservation and reuse must conserve the embodied energy in existing building stock.

Effective: April 1, 2013 (NOTE: The provisions of this new law shall not be applied in any city or town until the amendments to RSA Chp. 79-E:1, RSA 79-E:2 and RSA 79-E:7 provided for in the bill have been adopted according to the procedures in RSA 79-E:3).

Amended: RSA 79-E:1; RSA 79-E:2; new paragraph in RSA 79-E:7.

House Bill 147 (Chapter 18, Laws of 2013) repeals RSA 21-J:11-a, which required the Assessing Standards Board to make a recommendation for municipal reimbursement for expenses incurred as a result of changes in assessment practices resulting from legislation enacted in response to the judicial interpretation of Part 2, Article 6 of the New Hampshire Constitution in *Evelyn Sirrell et al. v State of New Hampshire et al.*

Effective: May 16, 2013

Amended: RSA 21-J:11-a, III

Senate Bill 179 (Chapter 232, Laws of 2013) clarifies the definition of “renewable generation facility” for purposes of payments in lieu of property tax payments under RSA 72:73. Under the new law, “renewable generation facility” means a “. . . facility which produces electric energy for resale solely by the use, as a primary energy source, of geothermal energy, tidal or wave energy, wind energy, solar thermal energy, photovoltaic energy, landfill gas energy, hydro energy, biomass energy, energy generated from bio-oil, bio synthetic gas, and biodiesel as defined in RSA 362-A:1-a, I, I-a, and I-b, including the land, all rights, easements, and other interests thereto, and all dams, buildings, structures, and other improvements situated thereon which are necessary or incidental to the production of power at the facility.”

The new law also allows a facility constructed prior to July 16, 2009 that combusts municipal waste for energy where mercury emissions are reduced to an emission rate of 0.028 milligrams per dry standard cubic meter or less corrected to 7% oxygen by volume on a dry basis, or at least 85% control efficiency, to make payments in lieu of taxes in accordance with RSA 72:74.

Effective: September 13, 2013

Amended: RSA 72:73

House Bill 181 (Chapter 20, Laws of 2013) repeals the Equalization Standards Board under RSA 21-J:1-a, III and RSAs 21-J:14-c and :14-d. The new law also transfers to the Assessing Standards Board the duty to annually review the procedures of the prior year’s ratio studies conducted by the Department of Revenue Administration for the purposes of equalization and the evaluation of assessment performance and to establish procedures for improving the ratio studies for the forthcoming property tax year; to develop standards for equalization and to review, revise, and approve the Equalization Manual published by the Department of Revenue Administration; and annually determine, vote upon, and recommend to the Department of Revenue Administration, the ratio study procedures for use in the forthcoming tax year.

Effective: July 15, 2013

Amended: Repeal RSA 21-J:1-a, III, RSA 21-J:14-c, and RSA 21-J:14-d; and amended RSA 21-J:14-b with new paragraphs IV, V and VI.

House Bill 182 (Chapter 21, Laws of 2013) lowers the population requirement for membership to the Assessing Standards Board for certain members. For the two assessing official members nominated by the New Hampshire Association of Assessing Officials and for the municipal governing body official; the town population requirement has been reduced from 5,000 to 3,000.

Effective: July 15, 2013

Amended: RSA 21-J:14-a, II

House Bill 518 (Chapter 254, Laws of 2013) adds a notarized statement of service letter, a completed DD FORM 4/2, October 2007 from the National Guard, and a completed DD FORM 1300, February 2011 to the documents accepted to establish an individual's status as a veteran. In addition, the new law specified that training for active duty shall be included as service for purposes of the Veterans' Tax Credit under RSA 72:28.

Effective: July 24, 2013

Amended: RSA 21:50, I(b) and RSA 72:28, IV (a).

House Bill 655 (Chapter 141, Laws of 2013) provides that when the owner of a property subject to a tax deferral sells or otherwise conveys the property, the owner or grantee shall pay in full the deferred taxes plus any interest due to the municipality granting the deferral. If the owner or grantee does not pay the accrued amount on the property within 9 months of the date of sale or conveyance of the property, the municipality may commit the accrued amount of the deferral to the tax collector with a warrant signed by the assessing officials requiring him or her to collect it; and the tax collector shall have the same rights and remedies as provided in RSA 76:13 and RSA 80.

Effective: January 1, 2014

Amended: RSA 72:38-a

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 230-5000.