

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

16-2762

SB 442-LOCAL, *relative to property taxation of public real estate used or occupied by a private person.*

Senate Way & Means Committee

The proposed bill would amend RSA 72:23 (a)–(c) so that all property taxes assessed on land, buildings and personal property owned by the State of New Hampshire or a political subdivision of the State, that is used or occupied by other than the State or a political subdivision of the State, shall be assessable against the occupant of the real estate irrespective of whether the lease contains a provision requiring the occupant to pay property taxes, unless such occupant is also qualified for a tax exemption.

Currently, when the State or a political subdivision of the State leases property to other than the State or a political subdivision of the State, the lessor is directed to include a provision in the lease requiring the occupant to pay the property tax attributable to the leased property. However, the statute does not currently address the occupant's obligation to pay the property tax when the lease does not contain the required property tax payment provision or the ability to make an assessment directly against the occupant.

With the proposed legislation in place, the ability to collect the property tax from an occupant leasing property from the State or a political subdivision would no longer depend on the inclusion of precise wording in the lease agreement in regards to the occupants' obligation to pay the property tax.

The proposed amendment to RSA 72:23, 1(a)-(c) would have no impact on state or local property tax revenues.

This bill would take effect on July 1, 2016.