

# Bill as Introduced

HB 1246 - AS INTRODUCED

2010 SESSION

10-2142  
10/03

HOUSE BILL        **1246**

AN ACT            allowing the towns of Salem and Windham to adopt a certain property tax exemption.

SPONSORS:        Rep. R. Elliott, Rock 4

COMMITTEE:      Local and Regulated Revenues

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ANALYSIS

This bill allows the towns of Salem and Windham to adopt a property tax exemption against assessed value for persons who have maintained a primary residence in the town for at least 40 years and who do not have school-age children.

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Explanation:     Matter added to current law appears in ***bold italics***.  
                     Matter removed from current law appears [~~in brackets and struck through.~~]  
                     Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Ten*

AN ACT allowing the towns of Salem and Windham to adopt a certain property tax exemption.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Property Tax Exemption; Forty-Year Residency; Towns of Salem and Windham; Adoption.

2 I. The legislative body of the town of Salem and the legislative body of the town of Windham  
3 may each or both adopt the provisions of this act and exempt an amount from the assessed value of  
4 taxable property for qualifying owners of residential real estate who have maintained a principal  
5 residence in the municipality for at least 40 consecutive years and who have paid property taxes on  
6 such residence or residences for at least 40 consecutive years, and who do not have children entitled  
7 to attend public schools residing in the home. The amount of the property tax exemption shall be  
8 determined to, as nearly as possible, reduce the total tax bill by the amount of the school portion of  
9 the tax bill. The term "residential real estate" as used in this section shall mean the real estate the  
10 person occupies as his or her principal place of abode together with any land or buildings  
11 appurtenant thereto and shall include manufactured housing if used for said purpose.

12 II. The procedure for adoption in the town of Salem shall be in accordance with the  
13 procedures for passage of resolutions, ordinances, and other legislation in the town charter. The  
14 procedure for adoption in the town of Windham shall be by placing the question on the warrant of a  
15 special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3.

16 III. If adopted, the exemption shall take effect in the tax year beginning April 1 following its  
17 adoption. The legislative body may rescind the exemption provided by this act in the same manner  
18 as described in paragraph II.

19 IV. Procedures for application, qualification, extension, investigation, and appeal of the  
20 exemption permitted by this act shall be in accordance with requirements in RSA 72 for generally  
21 applicable exemptions, credits, and deferrals.

22 2 Effective Date. This act shall take effect upon its passage.

# Hearing Minutes

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

PUBLIC HEARING ON HB 1246

**BILL TITLE:** allowing the towns of Salem and Windham to adopt a certain property tax exemption.

**DATE:** January 14, 2010

**LOB ROOM:** 303      **Time Public Hearing Called to Order:** 10:30 am

**Time Adjourned:** 11:10 am

(please circle if present)

**Committee Members:** Reps. Walz, ~~Taylor~~, ~~Hamm~~, ~~Theberge~~, ~~Mulholland~~, ~~Butterworth~~, D. Howard, ~~Lyons~~, Merry, ~~Stetson~~, C. ~~Webber~~, ~~Stohl~~, ~~Kidder~~, ~~Hess~~, P. ~~Katsakiores~~, ~~Vaillancourt~~, A. ~~Peterson~~, M. Allen and ~~Hinkle~~, L. ~~Blankenbaker~~

**Bill Sponsors:** Rep. R. Elliott, Rock 4

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Rep. Bob Elliott:** Simple enabling bill, local school issue bill: Principal residence AND paid property tax for 40 years, and have no children in school. It will reduce taxes by about 40%. Would require special town meeting. Won't effect state at all. Won't effect town meeting this year. This is a pilot program, Could be nullified after one year.

**Rep. Stohl:** Why did you pick 40? **A:** Because least amount people who would be impacted. Very few people involved.

**Q –** If you paid taxes for 40 years, did your children receive public education? **A-** Yes, I have always supported the schools. Nine children and x grandchildren in school.

**Rep. Theberge:** There are other exemptions in place for some of these elderly residents? **A:** We don't know at this point. We're not asking for a dime; just asking you to be good Americans and give us back our local control.

**Rep. Stetson:** How would this effect the state wide property tax? **A:** Hadn't thought of that.

**Q:** Salem is a town charter municipality: But Salem is different. **A:** Selectmen told us we have to get state permission first before we go to towns.

**Rep. Vaillancourt:** Elderly exemptions are means tested. This would not. The richest person in town could be exempted by this? **A:** Yes. **Q:** Would you like it to be means tested? We don't have the capability to know who ius who. The schools will find that information. **Q:** DO YOU WANT IT MEANS TESTED? **A:** No. When I was educating my children I was earning \$100K, but now I don't

**Rep. Peterson:** Would you believe that I would qualify for this in 12 years? I've received over \$425,000 in educational benefits, and I would be saved \$10K every year.

Rep. Theberge: What would you say to people who can't have children? A: 40 years is enough.

Rep. Hinkle: Constitutionality? A: It would be constitutional if it spread to all state. We're not here to debate constitutionality.

Rep. Vaillancourt: If I lived here for 20 years, then went away for a year, would I have to start over.

**\*Annette Cooke:** Salem, supports bill –submitted written testimony. I was in house, served on committee of children, youth, etc. This is mainly to help the children of Salem, get better budgets passed. It's not about giving tax relief, but we want them to continue to support system. It's going to cost a lot of money? Town hall thought no more than 50 people. My children 2. I paid for them for 12 years, then another batch, then another. 40 years is enough. State legislature has to enable you. This bill will save the town money. If we keep elderly people in town, then will not be sold to people w/ children. Right now we pay \$900K in exemptions. Most are from veterans. We don't really help elderly because too much money, have to include cost of car. No monetary consequences.

Rep. Vaillancourt: Philosophical: If only had gay people, would be no children. Elderly might support cost of schools if didn't have to pay. Cost wouldn't be more than 10 cents.

Stetson: Elderly are voting against increased school tax. Why are we letting people vote if not paying for there votes.

**Faith Cook:** My parents live in Salem – in support - He's lived there 37 years. Salem voters will tell us if they don't want it. This would help my parents.

**Steve Hamilton** from DRA: Neither opposed or in support -The ability to set the level of elderly exemption is locally controlled. Salem is one of stingiest. Salem could raise levels for elderly exemptions much more.

Rep. Peterson: Those exemptions are means tested?

A: Yes, and means may be adjusted by communities as well.

Respectfully submitted,

Rep. Tim Butterworth  
Clerk



**HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES**

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**Bill Sponsors:** Rep. R. Elliott, Rock 4

**TESTIMONY**

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LOCAL AND REGULATED REVENUES  
HEARINGS  
THURSDAY, 1/14/2010

10:30 AM HB1246 Allowing the towns of Salem & Windham to adopt a certain property tax exemption.

Sponsors: R. Elliott:

Elliott: Simple enabling bill, local school issue bill: Principal residence AND paid property tax for 40 years, and have no children in school. It will reduce taxes by about 40%. Would require special town meeting. Won't effect state at all. Won't effect town meeting this year. This is a pilot program, Could be nullified after one year.

Stohl: Why did you pick 40? A: Because least amount people who would be impacted. Very few people involved.

Q – If you paid taxes for 40 years, did your children receive public education? A- Yes, I have always supported the schools. Nine children and x grandchildren in school.

Theberge: There are other exemptions in place for some of these elderly residents? A: We don't know at this point. We're not asking for a dime; just asking you to be good Americans and give us back our local control.

Stetson: How would this effect the state wide property tax? A: Hadn't thought of that.

Q: Salem is a town charter municipality: But Salem is different. A: Selectmen told us we have to get state permission first before we go to towns.

Vaillancourt: Elderly exemptions are means tested. This would not. The richest person in town could be exempted by this? A: Yes. Q: Would you like it to be means tested? We don't have the capability to know who is who. The schools will find that information. Q: DO YOU WANT IT MEANS TESTED? A: No. When I was educating my children I was earning \$100K, but now I don't

Peterson: Would you believe that I would qualify for this in 12 years? I've received over \$425,000 in educational benefits, and I would be saved \$10K every year.

Theberge: What would you say to people who can't have children? A: 40 years is enough.

Hinkle: Constitutionality? A: It would be constitutional if it spread to all state. We're not here to debate constitutionality.

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Annette Cooke: I was in house, served on committee of children, youth, etc. This is mainly to help the children of Salem, get better budgets passed. It's not about giving tax relief, but we want them to continue to support system. It's going to cost a lot of money? Town hall thought no more than 50 people. My children 2. I paid for them for 12 years, then another batch, then another. 40 years is enough. State legislature has to enable you. This bill will save the town money. If we keep elderly people in town, then will not be sold to people w/ children. Right now we pay \$900K in exemptions.



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Rep. Peterson: Those exemptions are means tested?

A: Yes, and means may be adjusted by communities as well.

Closed: 11:10

# Testimony

Wednesday January 14, 2010  
LOB room 303  
Local and Regulated Revenue

Dear Representative Walz  
& Committee Members:

I am in favor of HB 1246

These are all typical scenarios to be considered

I have paid the educational component of my tax bill for 40 years. That means that I have paid for my family and three other families for 12 years each to attend public grammar, middle and high school.

I am now being asked to pay for kindergarten, which will be a major mandatory increase, which I agree with but can't afford. I had to pay for my own children to attend kindergarten and now I am being asked to pay for someone else's child. I realize we are all in favor of the responsibility to educate all children, but perhaps some of us just can't afford it anymore.

This bill will actually save the town money. If you keep these 40-year residents in town, their homes won't be sold to people with children. These new families will definitely impact the school system at \$8000 per child. Just two children will cost \$16000 of taxpayer money whereas if you allow these long time owners to remain in their homes it will only cost \$2000 per year. That alone is a savings of \$14,000 per year times perhaps 50 families. Instead of \$450,000, it would only be \$100,000 There is no data to say how many families will be impacted by this bill but after talking with people at the town hall, they think the estimate should not be more than 50 families that would qualify. They also agree that every registered voter should have the right to vote on this.

Another example is an owner who lived on her farm her whole life. She inherited the farm and loves it and does not want to downsize or move. She has lived there and has paid taxes over 40 years and would like to hold on to it until she passes. However, she can almost no longer afford the house. It really isn't her fault that the farm appreciated so much in value and she would like an exemption from the school component of her taxes which will then allow her to pay for the oil to heat the home. This will give her the freedom to stay in her home.

We all pay quite a monthly expense for Long Term Care insurance. This insurance allows us to stay in our homes for as long as possible. It gives us peace of mind knowing we won't have to go to a nursing home or assisted living if we choose not to. This saves everyone money in the long run. What good is all this insurance if one can't afford to live in the house anyway?

We supposedly help our elderly with exemptions, but we do not. Very few people qualify for these tax reductions on their homes because of all the stipulations involved. Try having a car, social security and some money in the bank for expenses. Guess what? You make too much money to qualify. \$22,000 doesn't go very far if you have to include your car which can be worth that much alone.

We do have a veteran's exemption to help our vets, and they deserve every penny they get on reduction of their taxes. They have fought to make our country free and I appreciate that so much..

Finally, I would like to ask this committee to support this legislation. This is just an enabling bill that will have no monetary consequences on the state of NH. It will however give every voting citizen in Salem the Windham the right to vote on this question at the 2010-2011 session of town meeting. Without your help we can't get to the next step. Please enable HB 1246 and let the voters decide what is best for their town.

Thank you for listening.



Annette M. Cooke  
22 Bradford Dr.,]  
Salem, NH 03079  
603 893-6653

# Voting Sheets

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

EXECUTIVE SESSION on HB 1246

**BILL TITLE:** allowing the towns of Salem and Windham to adopt a certain property tax exemption.

**DATE:** January 28, 2010

**LOB ROOM:** 303

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL Interim Study (Please circle one.)

Moved by Rep. Butterworth

Seconded by Rep. Merry

Vote: 12-0 (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:**

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. Timothy Butterworth, Clerk

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

EXECUTIVE SESSION on HB 1246

**BILL TITLE:** allowing the towns of Salem and Windham to adopt a certain property tax exemption.

**DATE:** 1/28/10

**LOB ROOM:** 303

Amendments:

Sponsor: Rep. ~~Butterworth~~ OLS Document #:  
Sponsor: Rep. OLS Document #:  
Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Butterworth

Seconded by Rep. Herry

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.) ✓

Statement of Intent: Refer to Committee Report

Respectfully submitted,  
Rep. Timothy Butterworth, Clerk

Butterworth

LOCAL AND REGULATED REVENUES

HB  
Bill #: 1246 Title: \_\_\_\_\_

PH Date: 1 / 28 / 10

Exec Session Date: 1 / 28 / 10

Motion: ITL

Amendment #: \_\_\_\_\_

MEMBER	YEAS	NAYS
Walz, Mary Beth, Chairman	✓	
Taylor, Kathleen N, V Chairman <i>ab</i>		
Hamm, Christine C <i>ab</i>		
Theberge, Robert L <i>ab</i>		
Mulholland, Catherine <i>ab</i>		
Butterworth, Timothy, Clerk	✓	
Howard, Doreen	✓	
Lyons, Melissa L.B. <i>ab</i>		
Merry, Liz H	✓	
Stetson, William A	✓	
Webber, Carolyn B	✓	
Stohl, Eric G	✓	
Kidder, David H	✓	
Hess, David W	✓	
Katsakiores, Phyllis M <i>ab</i>		
Vaillancourt, Steve	✓	
Peterson, Andrew R <i>ab</i>		
Allen, Mary M <i>ab</i>	✓	
Hinkle, Peyton B <i>ab</i>		
Blankenbeker, Lynne Ferrari	✓	
	12 <i>Unanimous</i>	0
TOTAL VOTE:		



# Committee Report

**CONSENT CALENDAR**

**February 2, 2010**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on LOCAL AND REGULATED  
REVENUES to which was referred HB1246,**

**AN ACT allowing the towns of Salem and Windham to  
adopt a certain property tax exemption. Having  
considered the same, report the same with the following  
Resolution: RESOLVED, That it is INEXPEDIENT TO  
LEGISLATE.**

**Rep. Timothy Butterworth**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	<b>LOCAL AND REGULATED REVENUES</b>
Bill Number:	<b>HB1246</b>
Title:	<b>allowing the towns of Salem and Windham to adopt a certain property tax exemption.</b>
Date:	<b>February 2, 2010</b>
Consent Calendar:	<b>YES</b>
Recommendation:	<b>INEXPEDIENT TO LEGISLATE</b>

### STATEMENT OF INTENT

Towns may offer many exemptions, mostly based on ability to pay. This enabling legislation has no means test, and it's qualifications- 40 Consecutive years, principal residence, no children in school, seemed to idiosyncratic that they would exclude many people who might deserve a tax break. It would create a small class of voters exempt from the consequences of their votes, and the committee voted unanimously against representation without out taxation.

Vote 12-0.

Rep. Timothy Butterworth  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## CONSENT CALENDAR

### LOCAL AND REGULATED REVENUES

**HB1246**, allowing the towns of Salem and Windham to adopt a certain property tax exemption.  
**INEXPEDIENT TO LEGISLATE.**

Rep. Timothy Butterworth for LOCAL AND REGULATED REVENUES. Towns may offer many exemptions, mostly based on ability to pay. This enabling legislation has no means test, and it's qualifications- 40 Consecutive years, principal residence, no children in school, seemed to idiosyncratic that they would exclude many people who might deserve a tax break. It would create a small class of voters exempt from the consequences of their votes, and the committee voted unanimously against representation without out taxation. **Vote 12-0.**

Original: House Clerk  
Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: Loc. & Reg. Revenue

BILL NUMBER: HB 1246

TITLE: Salem & Woodham property tax exemption

DATE: 1/28/10 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
  - OUGHT TO PASS W/ AMENDMENT
  - INEXPEDIENT TO LEGISLATE
  - INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)
- Amendment No.  
 \_\_\_\_\_

STATEMENT OF INTENT:

Towns may offer many exemptions, mostly based on ability to pay. This enabling legislation has no means test and its qualifications - 40 consecutive years, principal residence, no children in school - seemed so idiosyncratic that they would exclude many people who might deserve a tax break. It would create a small class of voters exempt from ~~the~~ the consequences of their votes, and the committee voted unanimously against representations without taxation.

COMMITTEE VOTE: 12-0

- Copy to Committee Bill File
- Use Another Report for Minority Report

RESPECTFULLY SUBMITTED,  
 Rep. Anthony Bellerwald  
 For the Committee

Many with Wdr