

Bill as Introduced

HB 1335 - AS INTRODUCED

2010 SESSION

10-2092
10/03

HOUSE BILL **1335**

AN ACT establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

SPONSORS: Rep. Vaillancourt, Hills 15; Rep. Kepner, Rock 15; Rep. Henson, Rock 13;
Rep. T. Russell, Rock 13

COMMITTEE: Local and Regulated Revenues

ANALYSIS

This bill allows municipalities to adopt a lower interest rate chargeable by towns and cities for late tax payments and a lower interest rate for redemptions and subsequent tax payments.

Explanation: Matter added to current law appears in **bold italics**.
Matter removed from current law appears [~~in brackets and struckthrough~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

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

1 1 Property Taxes; Interest on Late Payment. Amend RSA 76:13 to read as follows:

2 76:13 Interest. Interest at 12 percent per annum, **or 6 percent if the local option is adopted**
3 **pursuant to RSA 76:13-c**, shall be charged upon all taxes except resident taxes, except as otherwise
4 provided by statute, not paid on or before December 1 after their assessment, which shall be
5 collected from that date with the taxes as incident thereto, except in the case where a tax bill sent to
6 the taxpayer on or after November 2 and before April 1 of the following year interest shall not be
7 charged until 30 days after the bills are mailed. Interest due in an amount up to \$25 may be waived
8 by the collector, with the approval and consent of the board of selectmen and the board of assessors,
9 if in the collector's judgment the administrative and collection costs involved do not warrant
10 collection of the amount due. The tax collector shall state on the tax bill the date from which interest
11 will be charged and such date shall be determined by the day the collector sends out the last tax bill
12 on the list. The collector shall notify the board of tax and land appeals in writing of the date on
13 which the last tax bill was sent.

14 2 New Section; Interest Rates; Local Option. Amend RSA 76 by inserting after section 13-b the
15 following new section:

16 76:13-c Interest Rates; Local Option.

17 I. Any town or city may adopt all of the lower interest rates provided for in RSA 76:13,
18 RSA 80:32, RSA 80:37, RSA 80:69, and RSA 80:75, III in the following manner:

19 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the
20 question shall be placed on the warrant of a special or annual town meeting, by the governing body
21 or by petition pursuant to RSA 39:3.

22 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the
23 legislative body may consider and act upon the question in accordance with its normal procedures for
24 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of
25 such municipality may vote to place the question on the official ballot for any regular municipal
26 election.

27 II. The vote shall specify the interest rates provided for in RSA 76:13, RSA 80:32, RSA 80:37,
28 RSA 80:69, and RSA 80:75, III. If a majority of those voting on the question vote "yes," the lower
29 interest rates shall take effect within the town or city, on the date set by the governing body, or in
30 the tax year beginning April 1 following its adoption, whichever shall occur first.

1 III. A municipality may rescind the local adoption of lower interest rates provided in
2 paragraph I in the manner described in this section.

3 3 Collection of Taxes; Interest Rate. Amend RSA 80:32 to read as follows:

4 80:32 Redemption. Any person with a legal interest in land so sold may redeem the same by
5 paying or tendering to the collector, or in his *or her* absence, at his *or her* usual place of abode, at
6 any time before a deed thereof is given by the collector, the amount for which the land was sold, with
7 interest at 18 percent per annum, *or 9 percent if the local option is adopted pursuant to*
8 *RSA 76:13-c*, upon the whole amount for which the land was sold from the time of sale to the time of
9 payment in full, except that in the case of partial payments in redemption made under RSA 80:33-a,
10 the interest shall be computed on the unpaid balance, together with redemption costs and costs for
11 notifying the mortgagees, if any. In case the tax collector who sold the property in question shall
12 have died, become incapacitated, been removed from office or removed from the town or city, or shall
13 have been discharged from his *or her* bond by the selectmen or assessors, then the person with the
14 legal interest in redeeming the property may tender such sums to the tax collector then in office of
15 said city or town. Upon advice from the selectmen or assessors that the amount tendered is the
16 correct amount due, the tax collector shall accept said amount for the redemption of the property.

17 4 Collection of Taxes; Interest Rate. Amend RSA 80:37 to read as follows:

18 80:37 Payment of Subsequent Tax. For purposes of this section, "subsequent tax" shall mean
19 any tax assessed upon the real estate subsequent to that for which it was sold by a municipality, a
20 county, or the state. The purchaser of real estate at any tax sale may pay to the collector any
21 subsequent tax and the collector shall, within 30 days after such payment, notify the register of
22 deeds thereof, giving the date and the amount of such payment and the name of the person so paying
23 together with the date of the tax sale, the name of the person taxed, and a description of the property
24 sold as shown in the report of sale recorded in the registry of deeds. The collector of taxes shall
25 receive \$1 for such notice to the register of deeds of the payment of subsequent tax plus \$1 to be paid
26 to the register of deeds. The purchaser, within 30 days of payment of the subsequent tax, shall
27 personally, or by certified mail, notify in writing any mortgagee who was notified of his *or her*
28 purchase at the tax sale of this payment of the subsequent tax. The purchaser paying the subsequent
29 tax shall receive the same fees prescribed for notifying the mortgagee of his *or her* purchase at the tax
30 sale to be included in his *or her* costs to be paid by the person making redemption, except that when a
31 town is a purchaser at a tax sale and the town pays a subsequent tax and the selectmen direct the
32 collector of taxes as agent for the town to give notice of payment of a subsequent tax to any mortgagee
33 who was notified of the purchase by the town at the tax sale, the collector shall be paid the sum of \$5
34 for this service. Any amounts so paid on account of subsequent taxes, together with interest thereon at
35 the rate of 18 percent per annum, *or 9 percent if the local option is adopted pursuant to RSA*
36 *76:13-c*, from the date of payment shall, in addition to the purchase price at the time of sale with
37 accrued interest and costs, be paid by the person making redemption.

1 5 Collection of Taxes; Interest Rate. Amend RSA 80:69 to read as follows:

2 80:69 Redemption. Any person with a legal interest in land subject to a real estate tax lien may
3 redeem the same by paying or tendering to the collector, at any time before a deed thereof is given by
4 the collector, the amount of the real estate lien, with interest at 18 percent per annum, *or 9 percent*
5 *if the local option is adopted pursuant to RSA 76:13-c*, upon the whole amount of the recorded
6 lien from the date of execution to the time of payment in full, except that in the case of partial
7 payments in redemption made under RSA 80:71, the interest shall be computed on the unpaid
8 balance, together with redemption costs and costs for identifying and notifying the mortgagees, if
9 any. In case the tax collector who executed the tax lien against the property in question shall have
10 died, become incapacitated, been removed from office or removed from the town or city, or shall have
11 been discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
12 interest in redeeming the property may tender such sums to the tax collector then in office of said
13 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
14 amount due, the tax collector shall accept said amount for the redemption of the property.

15 6 Collection of Taxes; Interest Rate. Amend RSA 80:75, III to read as follows:

16 III. When a municipality is the lienholder and the municipality pays a subsequent tax and
17 the selectmen direct the collector of taxes, as agent of the municipality, to give such notice of said
18 payment to any owner and to any mortgagee as provided above, the collector of taxes shall receive
19 the same fees provided for the lienholder for his *or her* service. The amount of subsequent taxes
20 paid, together with interest on such taxes at the rate of 18 percent per annum, *or 9 percent if the*
21 *local option is adopted pursuant to RSA 76:13-c*, from the date of payment shall, in addition to
22 the tax lien amount at the time of execution with interest and costs, be paid by the person making
23 redemption.

24 7 Effective Date. This act shall take effect April 1, 2010.

Amendments

Amendment to HB 1335

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT establishing a local option to authorize the governing body to set the interest rate
4 on late and delinquent property tax payments, subsequent payments, and other
5 unpaid taxes.
6

7 Amend the bill by replacing all after the enacting clause with the following:

8

9 1 New Section; Interest Rates; Local Option. Amend RSA 76 by inserting after section 13-b the
10 following new section:

11 76:13-c Interest Rates; Local Option.

12 I. Any town or city may authorize the governing body to set interest rates as provided for in
13 this section and apply such rates to all applicable statutes requiring the charging of interest on
14 unpaid property taxes, delinquent and subsequent tax payments, and other unpaid taxes, in the
15 following manner:

16 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the
17 question shall be placed on the warrant of a special or annual town meeting, by the governing body
18 or by petition pursuant to RSA 39:3.

19 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the
20 legislative body may consider and act upon the question in accordance with its normal procedures for
21 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of
22 such municipality may vote to place the question on the official ballot for any regular municipal
23 election.

24 II. The vote shall specify the authority of the governing body to set interest rates as provided
25 for in paragraph IV. If a majority of those voting on the question vote "yes," the authority for the
26 governing body to set interest rates pursuant to paragraph IV shall take effect immediately and the
27 governing body may set the rate for the town or city applicable to the tax year beginning April 1
28 following its adoption.

29 III. A municipality may rescind the authority of the governing body to set interest rates as
30 provided in paragraph II in the manner described in paragraph I.

31 IV.(a) A statutory rate of 12 percent per annum may be set by the governing body at a rate
32 within the range of 6 percent up to 12 percent.

33 (b) A statutory rate of 18 percent per annum may be set by the governing body at a rate

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1 within the range of 9 percent up to 18 percent.

2 (c) The rates set by the governing body pursuant to the authority in this section shall
3 apply for assessments of interest beginning April 1 and shall be effective for the entire tax year and
4 until further changed. Any subsequent change in the rates by the governing body pursuant to the
5 authority in this section shall apply beginning on the next April 1 for the following tax year.

6 2 Local Interest Rate; Pease Development Authority Lessees. Amend RSA 12-G:14, II(b)(1) to
7 read as follows:

8 (1) Interest shall accrue on the unpaid taxes at a rate of 18 percent per annum, *or*
9 *the rate set pursuant to RSA 76:13-c*, from the due date until such taxes are paid;

10 3 Excavation Taxes. Amend RSA 72-B:6 to read as follows:

11 72-B:6 Unpaid Taxes. The taxes which are not paid when due pursuant to RSA 72-B:4 shall
12 bear interest at the rate of 18 percent per year, *or the rate set pursuant to RSA 76:13-c*,
13 computed from the due date. Interest and penalties on the tax shall be collected by the tax collector
14 and deposited in the general fund of the municipality. In addition to the interest due, a penalty for
15 failure to pay may be assessed against the owner as provided in RSA 21-J:33.

16 4 Property Taxes; Interest on Late Payment. Amend RSA 76:13 to read as follows:

17 76:13 Interest. Interest at 12 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
18 shall be charged upon all taxes except resident taxes, except as otherwise provided by statute, not
19 paid on or before December 1 after their assessment, which shall be collected from that date with the
20 taxes as incident thereto, except in the case where a tax bill sent to the taxpayer on or after
21 November 2 and before April 1 of the following year interest shall not be charged until 30 days after
22 the bills are mailed. Interest due in an amount up to \$25 may be waived by the collector, with the
23 approval and consent of the board of selectmen and the board of assessors, if in the collector's
24 judgment the administrative and collection costs involved do not warrant collection of the amount
25 due. The tax collector shall state on the tax bill the date from which interest will be charged and
26 such date shall be determined by the day the collector sends out the last tax bill on the list. The
27 collector shall notify the board of tax and land appeals in writing of the date on which the last tax
28 bill was sent.

29 5 Property Taxes; Quarterly Billing. Amend RSA 76:15-aa, IV to read as follows:

30 IV. Interest at the rate of 12 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
31 shall be charged on all taxes not paid on or before their due dates or 30 days after mailing,
32 whichever is later.

33 6 Current Use; Land Use Change Tax. Amend RSA 79-A:7, II(d) to read as follows:

34 (d) Payment of the land use change tax, together with the recording fees due the register
35 of deeds, shall be due not later than 30 days after mailing of the tax bills for such tax, and interest at
36 the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due thereafter
37 on any taxes not paid within the 30-day period.

1 7 Discretionary Easements. Amend RSA 79-C:9, II(d) to read as follows:

2 (d) Payment of the consideration shall be due not later than 30 days after the mailing of
3 the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
4 shall be due thereafter on any consideration not paid within the 30-day period.

5 8 Discretionary Preservation Easements. Amend RSA 79-D:9, II(d) to read as follows:

6 (d) Payment of the consideration shall be due not later than 30 days after the mailing of
7 the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
8 shall be due thereafter on any consideration not paid within the 30-day period.

9 9 Community Revitalization Tax Relief Incentive. Amend RSA 79-E:9, II(d) to read as follows:

10 (d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at
11 the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due
12 thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum, *or*
13 *the rate set pursuant to RSA 76:13-c*, shall be charged upon all taxes that would have been due
14 and payable on or before December 1 of each tax year as if no tax relief had been granted.

15 10 Collection of Taxes; Tax Sales; Redemption; Interest Rate. Amend RSA 80:32 to read as
16 follows:

17 80:32 Redemption. Any person with a legal interest in land so sold may redeem the same by
18 paying or tendering to the collector, or in his *or her* absence, at his *or her* usual place of abode, at
19 any time before a deed thereof is given by the collector, the amount for which the land was sold, with
20 interest at 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, upon the whole
21 amount for which the land was sold from the time of sale to the time of payment in full, except that
22 in the case of partial payments in redemption made under RSA 80:33-a, the interest shall be
23 computed on the unpaid balance, together with redemption costs and costs for notifying the
24 mortgagees, if any. In case the tax collector who sold the property in question shall have died,
25 become incapacitated, been removed from office or removed from the town or city, or shall have been
26 discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
27 interest in redeeming the property may tender such sums to the tax collector then in office of said
28 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
29 amount due, the tax collector shall accept said amount for the redemption of the property.

30 11 Collection of Taxes; Tax Sales; Subsequent Tax; Interest Rate. Amend RSA 80:37 to read as
31 follows:

32 80:37 Payment of Subsequent Tax. For purposes of this section, "subsequent tax" shall mean
33 any tax assessed upon the real estate subsequent to that for which it was sold by a municipality, a
34 county, or the state. The purchaser of real estate at any tax sale may pay to the collector any
35 subsequent tax and the collector shall, within 30 days after such payment, notify the register of
36 deeds thereof, giving the date and the amount of such payment and the name of the person so paying
37 together with the date of the tax sale, the name of the person taxed, and a description of the property



1 sold as shown in the report of sale recorded in the registry of deeds. The collector of taxes shall
2 receive \$1 for such notice to the register of deeds of the payment of subsequent tax plus \$1 to be paid
3 to the register of deeds. The purchaser, within 30 days of payment of the subsequent tax, shall
4 personally, or by certified mail, notify in writing any mortgagee who was notified of his *or her*
5 purchase at the tax sale of this payment of the subsequent tax. The purchaser paying the
6 subsequent tax shall receive the same fees prescribed for notifying the mortgagee of his *or her*
7 purchase at the tax sale to be included in his *or her* costs to be paid by the person making
8 redemption, except that when a town is a purchaser at a tax sale and the town pays a subsequent
9 tax and the selectmen direct the collector of taxes as agent for the town to give notice of payment of a
10 subsequent tax to any mortgagee who was notified of the purchase by the town at the tax sale, the
11 collector shall be paid the sum of \$5 for this service. Any amounts so paid on account of subsequent
12 taxes, together with interest thereon at the rate of 18 percent per annum, *or the rate set pursuant*
13 *to RSA 76:13-c*, from the date of payment shall, in addition to the purchase price at the time of sale
14 with accrued interest and costs, be paid by the person making redemption.

15 12 Collection of Taxes; Tax Liens; Redemption; Interest Rate. Amend RSA 80:69 to read as
16 follows:

17 80:69 Redemption. Any person with a legal interest in land subject to a real estate tax lien may
18 redeem the same by paying or tendering to the collector, at any time before a deed thereof is given by
19 the collector, the amount of the real estate lien, with interest at 18 percent per annum, *or the rate*
20 *set pursuant to RSA 76:13-c*, upon the whole amount of the recorded lien from the date of
21 execution to the time of payment in full, except that in the case of partial payments in redemption
22 made under RSA 80:71, the interest shall be computed on the unpaid balance, together with
23 redemption costs and costs for identifying and notifying the mortgagees, if any. In case the tax
24 collector who executed the tax lien against the property in question shall have died, become
25 incapacitated, been removed from office or removed from the town or city, or shall have been
26 discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
27 interest in redeeming the property may tender such sums to the tax collector then in office of said
28 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
29 amount due, the tax collector shall accept said amount for the redemption of the property.

30 13 Collection of Taxes; Tax Liens; Interest Rate. Amend RSA 80:75, III to read as follows:

31 III. When a municipality is the lienholder and the municipality pays a subsequent tax and
32 the selectmen direct the collector of taxes, as agent of the municipality, to give such notice of said
33 payment to any owner and to any mortgagee as provided above, the collector of taxes shall receive
34 the same fees provided for the lienholder for his *or her* service. The amount of subsequent taxes
35 paid, together with interest on such taxes at the rate of 18 percent per annum, *or the rate set*
36 *pursuant to RSA 76:13-c*, from the date of payment shall, in addition to the tax lien amount at the
37 time of execution with interest and costs, be paid by the person making redemption.

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1 14 Effective Date. This act shall take effect upon its passage.



2010-0562h

AMENDED ANALYSIS

This bill allows municipalities to authorize the governing body of the town or city to set the interest rate on late and delinquent property tax payments, subsequent payments, and other unpaid taxes enforced through the lien procedure.

Rep. Merry, Belk. 2
Rep. Hamm, Merr. 4
February 11, 2010
2010-0662h
10/04

Amendment to HB 1335

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT establishing a local option to authorize the governing body to set the interest rate
4 on late and delinquent property tax payments, subsequent payments, and other
5 unpaid taxes.
6

7 Amend the bill by replacing all after the enacting clause with the following:

8

9 1 New Section; Interest Rates; Local Option. Amend RSA 76 by inserting after section 13-b the
10 following new section:

11 76:13-c Interest Rates; Local Option.

12 I. Any town or city may authorize the governing body to set interest rates as provided for in
13 this section and apply such rates to all applicable statutes requiring the charging of interest on
14 unpaid property taxes, delinquent and subsequent tax payments, and other unpaid taxes, in the
15 following manner:

16 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the
17 question shall be placed on the warrant of a special or annual town meeting, by the governing body
18 or by petition pursuant to RSA 39:3.

19 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the
20 legislative body may consider and act upon the question in accordance with its normal procedures for
21 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of
22 such town or city may vote to place the question on the official ballot for any regular municipal
23 election.

24 II. The vote shall specify the authority of the governing body to set interest rates as provided
25 for in paragraph IV. If a majority of those voting on the question vote "yes," the authority for the
26 governing body to set interest rates pursuant to paragraph IV shall take effect immediately and the
27 governing body may set the rate for the town or city applicable to the tax year beginning April 1
28 following its adoption.

29 III. A town or city that has adopted the provisions of this section may rescind the authority
30 of the governing body to set interest rates in the manner described in paragraph I. The question to
31 be voted shall specify that the authority of the governing body to set interest rates shall be
32 rescinded. If a majority of those voting on the question vote "yes," the authority for the governing

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1 body to set interest rates shall be rescinded and beginning on the April 1 following rescission, the
2 statutory interest rates shall apply.

3 IV.(a) In lieu of the statutory rate of 12 percent per annum, the governing body may set a
4 rate within the range of 6 percent up to 12 percent.

5 (b) In lieu of the statutory rate of 18 percent per annum, the governing body may set a
6 rate within the range of 9 percent up to 18 percent.

7 (c) The rates set by the governing body pursuant to the authority in this section shall
8 apply for assessments of interest beginning April 1 and shall be effective for the entire tax year and
9 until further changed. Any subsequent change in the rates by the governing body pursuant to the
10 authority in this section shall apply beginning on the April 1 for the following tax year.

11 2 Local Interest Rate; Pease Development Authority Lessees. Amend RSA 12-G:14, II(b)(1) to
12 read as follows:

13 (1) Interest shall accrue on the unpaid taxes at a rate of 18 percent per annum, **or**
14 **the rate set pursuant to RSA 76:13-c**, from the due date until such taxes are paid;

15 3 Excavation Taxes. Amend RSA 72-B:6 to read as follows:

16 72-B:6 Unpaid Taxes. The taxes which are not paid when due pursuant to RSA 72-B:4 shall
17 bear interest at the rate of 18 percent per year, **or the rate set pursuant to RSA 76:13-c**,
18 computed from the due date. Interest and penalties on the tax shall be collected by the tax collector
19 and deposited in the general fund of the municipality. In addition to the interest due, a penalty for
20 failure to pay may be assessed against the owner as provided in RSA 21-J:33.

21 4 Property Taxes; Interest on Late Payment. Amend RSA 76:13 to read as follows:

22 76:13 Interest. Interest at 12 percent per annum, **or the rate set pursuant to RSA 76:13-c**,
23 shall be charged upon all taxes except resident taxes, except as otherwise provided by statute, not
24 paid on or before December 1 after their assessment, which shall be collected from that date with the
25 taxes as incident thereto, except in the case where a tax bill sent to the taxpayer on or after
26 November 2 and before April 1 of the following year interest shall not be charged until 30 days after
27 the bills are mailed. Interest due in an amount up to \$25 may be waived by the collector, with the
28 approval and consent of the board of selectmen and the board of assessors, if in the collector's
29 judgment the administrative and collection costs involved do not warrant collection of the amount
30 due. The tax collector shall state on the tax bill the date from which interest will be charged and
31 such date shall be determined by the day the collector sends out the last tax bill on the list. The
32 collector shall notify the board of tax and land appeals in writing of the date on which the last tax
33 bill was sent.

34 5 Property Taxes; Quarterly Billing. Amend RSA 76:15-aa, IV to read as follows:

35 IV. Interest at the rate of 12 percent per annum, **or the rate set pursuant to RSA 76:13-c**,
36 shall be charged on all taxes not paid on or before their due dates or 30 days after mailing,
37 whichever is later.

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1 6 Current Use; Land Use Change Tax. Amend RSA 79-A:7, II(d) to read as follows:

2 (d) Payment of the land use change tax, together with the recording fees due the register
3 of deeds, shall be due not later than 30 days after mailing of the tax bills for such tax, and interest at
4 the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due thereafter
5 on any taxes not paid within the 30-day period.

6 7 Discretionary Easements. Amend RSA 79-C:9, II(d) to read as follows:

7 (d) Payment of the consideration shall be due not later than 30 days after the mailing of
8 the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
9 shall be due thereafter on any consideration not paid within the 30-day period.

10 8 Discretionary Preservation Easements. Amend RSA 79-D:9, II(d) to read as follows:

11 (d) Payment of the consideration shall be due not later than 30 days after the mailing of
12 the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
13 shall be due thereafter on any consideration not paid within the 30-day period.

14 9 Community Revitalization Tax Relief Incentive. Amend RSA 79-E:9, II(d) to read as follows:

15 (d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at
16 the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due
17 thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum, *or*
18 *the rate set pursuant to RSA 76:13-c*, shall be charged upon all taxes that would have been due
19 and payable on or before December 1 of each tax year as if no tax relief had been granted.

20 10 Collection of Taxes; Tax Sales; Redemption; Interest Rate. Amend RSA 80:32 to read as
21 follows:

22 80:32 Redemption. Any person with a legal interest in land so sold may redeem the same by
23 paying or tendering to the collector, or in his *or her* absence, at his *or her* usual place of abode, at
24 any time before a deed thereof is given by the collector, the amount for which the land was sold, with
25 interest at 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, upon the whole
26 amount for which the land was sold from the time of sale to the time of payment in full, except that
27 in the case of partial payments in redemption made under RSA 80:33-a, the interest shall be
28 computed on the unpaid balance, together with redemption costs and costs for notifying the
29 mortgagees, if any. In case the tax collector who sold the property in question shall have died,
30 become incapacitated, been removed from office or removed from the town or city, or shall have been
31 discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
32 interest in redeeming the property may tender such sums to the tax collector then in office of said
33 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
34 amount due, the tax collector shall accept said amount for the redemption of the property.

35 11 Collection of Taxes; Tax Sales; Subsequent Tax; Interest Rate. Amend RSA 80:37 to read as
36 follows:

37 80:37 Payment of Subsequent Tax. For purposes of this section, "subsequent tax" shall mean

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1 any tax assessed upon the real estate subsequent to that for which it was sold by a municipality, a
2 county, or the state. The purchaser of real estate at any tax sale may pay to the collector any
3 subsequent tax and the collector shall, within 30 days after such payment, notify the register of
4 deeds thereof, giving the date and the amount of such payment and the name of the person so paying
5 together with the date of the tax sale, the name of the person taxed, and a description of the property
6 sold as shown in the report of sale recorded in the registry of deeds. The collector of taxes shall
7 receive \$1 for such notice to the register of deeds of the payment of subsequent tax plus \$1 to be paid
8 to the register of deeds. The purchaser, within 30 days of payment of the subsequent tax, shall
9 personally, or by certified mail, notify in writing any mortgagee who was notified of his *or her*
10 purchase at the tax sale of this payment of the subsequent tax. The purchaser paying the
11 subsequent tax shall receive the same fees prescribed for notifying the mortgagee of his *or her*
12 purchase at the tax sale to be included in his *or her* costs to be paid by the person making
13 redemption, except that when a town is a purchaser at a tax sale and the town pays a subsequent
14 tax and the selectmen direct the collector of taxes as agent for the town to give notice of payment of a
15 subsequent tax to any mortgagee who was notified of the purchase by the town at the tax sale, the
16 collector shall be paid the sum of \$5 for this service. Any amounts so paid on account of subsequent
17 taxes, together with interest thereon at the rate of 18 percent per annum, *or the rate set pursuant*
18 *to RSA 76:13-c*, from the date of payment shall, in addition to the purchase price at the time of sale
19 with accrued interest and costs, be paid by the person making redemption.

20 12 Collection of Taxes; Tax Liens; Redemption; Interest Rate. Amend RSA 80:69 to read as
21 follows:

22 80:69 Redemption. Any person with a legal interest in land subject to a real estate tax lien may
23 redeem the same by paying or tendering to the collector, at any time before a deed thereof is given by
24 the collector, the amount of the real estate lien, with interest at 18 percent per annum, *or the rate*
25 *set pursuant to RSA 76:13-c*, upon the whole amount of the recorded lien from the date of
26 execution to the time of payment in full, except that in the case of partial payments in redemption
27 made under RSA 80:71, the interest shall be computed on the unpaid balance, together with
28 redemption costs and costs for identifying and notifying the mortgagees, if any. In case the tax
29 collector who executed the tax lien against the property in question shall have died, become
30 incapacitated, been removed from office or removed from the town or city, or shall have been
31 discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
32 interest in redeeming the property may tender such sums to the tax collector then in office of said
33 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
34 amount due, the tax collector shall accept said amount for the redemption of the property.

35 13 Collection of Taxes; Tax Liens; Interest Rate. Amend RSA 80:75, III to read as follows:

36 III. When a municipality is the lienholder and the municipality pays a subsequent tax and
37 the selectmen direct the collector of taxes, as agent of the municipality, to give such notice of said

Amendment to HB 1335

- Page 5 -

1 payment to any owner and to any mortgagee as provided above, the collector of taxes shall receive
2 the same fees provided for the lienholder for his *or her* service. The amount of subsequent taxes
3 paid, together with interest on such taxes at the rate of 18 percent per annum, *or the rate set*
4 *pursuant to RSA 76:13-c*, from the date of payment shall, in addition to the tax lien amount at the
5 time of execution with interest and costs, be paid by the person making redemption.

6 14 Effective Date. This act shall take effect upon its passage.

Amendment to HB 1335
- Page 6 -

2010-0662h

AMENDED ANALYSIS

This bill allows municipalities to authorize the governing body of the town or city to set the interest rate on late and delinquent property tax payments, subsequent payments, and other unpaid taxes enforced through the lien procedure.

Rep. Merry, Belk. 2
Rep. Hamm, Merr. 4
February 11, 2010
2010-0662h
10/04

Amendment to HB 1335

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT establishing a local option to authorize the governing body to set the interest rate
4 on late and delinquent property tax payments, subsequent payments, and other
5 unpaid taxes.
6

7 Amend the bill by replacing all after the enacting clause with the following:

8

9 1 New Section; Interest Rates; Local Option. Amend RSA 76 by inserting after section 13-b the
10 following new section:

11 76:13-c Interest Rates; Local Option.

12 I. Any town or city may authorize the governing body to set interest rates as provided for in
13 this section and apply such rates to all applicable statutes requiring the charging of interest on
14 unpaid property taxes, delinquent and subsequent tax payments, and other unpaid taxes, in the
15 following manner:

16 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the
17 question shall be placed on the warrant of a special or annual town meeting, by the governing body
18 or by petition pursuant to RSA 39:3.

19 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the
20 legislative body may consider and act upon the question in accordance with its normal procedures for
21 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of
22 such town or city may vote to place the question on the official ballot for any regular municipal
23 election.

24 II. The vote shall specify the authority of the governing body to set interest rates as provided
25 for in paragraph IV. If a majority of those voting on the question vote "yes," the authority for the
26 governing body to set interest rates pursuant to paragraph IV shall take effect immediately and the
27 governing body may set the rate for the town or city applicable to the tax year beginning April 1
28 following its adoption.

29 III. A town or city that has adopted the provisions of this section may rescind the authority
30 of the governing body to set interest rates in the manner described in paragraph I. The question to
31 be voted shall specify that the authority of the governing body to set interest rates shall be
32 rescinded. If a majority of those voting on the question vote "yes," the authority for the governing

Amendment to HB 1335

- Page 2 -



1 body to set interest rates shall be rescinded and beginning on the April 1 following rescission, the
2 statutory interest rates shall apply.

3 IV.(a) In lieu of the statutory rate of 12 percent per annum, the governing body may set a
4 rate within the range of 6 percent up to 12 percent.

5 (b) In lieu of the statutory rate of 18 percent per annum, the governing body may set a
6 rate within the range of 9 percent up to 18 percent.

7 (c) The rates set by the governing body pursuant to the authority in this section shall
8 apply for assessments of interest beginning April 1 and shall be effective for the entire tax year and
9 until further changed. Any subsequent change in the rates by the governing body pursuant to the
10 authority in this section shall apply beginning on the April 1 for the following tax year.

11 2 Local Interest Rate; Pease Development Authority Lessees. Amend RSA 12-G:14, II(b)(1) to
12 read as follows:

13 (1) Interest shall accrue on the unpaid taxes at a rate of 18 percent per annum, *or*
14 *the rate set pursuant to RSA 76:13-c*, from the due date until such taxes are paid;

15 3 Excavation Taxes. Amend RSA 72-B:6 to read as follows:

16 72-B:6 Unpaid Taxes. The taxes which are not paid when due pursuant to RSA 72-B:4 shall
17 bear interest at the rate of 18 percent per year, *or the rate set pursuant to RSA 76:13-c*,
18 computed from the due date. Interest and penalties on the tax shall be collected by the tax collector
19 and deposited in the general fund of the municipality. In addition to the interest due, a penalty for
20 failure to pay may be assessed against the owner as provided in RSA 21-J:33.

21 4 Property Taxes; Interest on Late Payment. Amend RSA 76:13 to read as follows:

22 76:13 Interest. Interest at 12 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
23 shall be charged upon all taxes except resident taxes, except as otherwise provided by statute, not
24 paid on or before December 1 after their assessment, which shall be collected from that date with the
25 taxes as incident thereto, except in the case where a tax bill sent to the taxpayer on or after
26 November 2 and before April 1 of the following year interest shall not be charged until 30 days after
27 the bills are mailed. Interest due in an amount up to \$25 may be waived by the collector, with the
28 approval and consent of the board of selectmen and the board of assessors, if in the collector's
29 judgment the administrative and collection costs involved do not warrant collection of the amount
30 due. The tax collector shall state on the tax bill the date from which interest will be charged and
31 such date shall be determined by the day the collector sends out the last tax bill on the list. The
32 collector shall notify the board of tax and land appeals in writing of the date on which the last tax
33 bill was sent.

34 5 Property Taxes; Quarterly Billing. Amend RSA 76:15-aa, IV to read as follows:

35 IV. Interest at the rate of 12 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
36 shall be charged on all taxes not paid on or before their due dates or 30 days after mailing,
37 whichever is later.



1 6 Current Use; Land Use Change Tax. Amend RSA 79-A:7, II(d) to read as follows:

2 (d) Payment of the land use change tax, together with the recording fees due the register
3 of deeds, shall be due not later than 30 days after mailing of the tax bills for such tax, and interest at
4 the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due thereafter
5 on any taxes not paid within the 30-day period.

6 7 Discretionary Easements. Amend RSA 79-C:9, II(d) to read as follows:

7 (d) Payment of the consideration shall be due not later than 30 days after the mailing of
8 the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
9 shall be due thereafter on any consideration not paid within the 30-day period.

10 8 Discretionary Preservation Easements. Amend RSA 79-D:9, II(d) to read as follows:

11 (d) Payment of the consideration shall be due not later than 30 days after the mailing of
12 the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
13 shall be due thereafter on any consideration not paid within the 30-day period.

14 9 Community Revitalization Tax Relief Incentive. Amend RSA 79-E:9, II(d) to read as follows:

15 (d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at
16 the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due
17 thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum, *or*
18 *the rate set pursuant to RSA 76:13-c*, shall be charged upon all taxes that would have been due
19 and payable on or before December 1 of each tax year as if no tax relief had been granted.

20 10 Collection of Taxes; Tax Sales; Redemption; Interest Rate. Amend RSA 80:32 to read as
21 follows:

22 80:32 Redemption. Any person with a legal interest in land so sold may redeem the same by
23 paying or tendering to the collector, or in his *or her* absence, at his *or her* usual place of abode, at
24 any time before a deed thereof is given by the collector, the amount for which the land was sold, with
25 interest at 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, upon the whole
26 amount for which the land was sold from the time of sale to the time of payment in full, except that
27 in the case of partial payments in redemption made under RSA 80:33-a, the interest shall be
28 computed on the unpaid balance, together with redemption costs and costs for notifying the
29 mortgagees, if any. In case the tax collector who sold the property in question shall have died,
30 become incapacitated, been removed from office or removed from the town or city, or shall have been
31 discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
32 interest in redeeming the property may tender such sums to the tax collector then in office of said
33 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
34 amount due, the tax collector shall accept said amount for the redemption of the property.

35 11 Collection of Taxes; Tax Sales; Subsequent Tax; Interest Rate. Amend RSA 80:37 to read as
36 follows:

37 80:37 Payment of Subsequent Tax. For purposes of this section, "subsequent tax" shall mean

1 any tax assessed upon the real estate subsequent to that for which it was sold by a municipality, a
2 county, or the state. The purchaser of real estate at any tax sale may pay to the collector any
3 subsequent tax and the collector shall, within 30 days after such payment, notify the register of
4 deeds thereof, giving the date and the amount of such payment and the name of the person so paying
5 together with the date of the tax sale, the name of the person taxed, and a description of the property
6 sold as shown in the report of sale recorded in the registry of deeds. The collector of taxes shall
7 receive \$1 for such notice to the register of deeds of the payment of subsequent tax plus \$1 to be paid
8 to the register of deeds. The purchaser, within 30 days of payment of the subsequent tax, shall
9 personally, or by certified mail, notify in writing any mortgagee who was notified of his *or her*
10 purchase at the tax sale of this payment of the subsequent tax. The purchaser paying the
11 subsequent tax shall receive the same fees prescribed for notifying the mortgagee of his *or her*
12 purchase at the tax sale to be included in his *or her* costs to be paid by the person making
13 redemption, except that when a town is a purchaser at a tax sale and the town pays a subsequent
14 tax and the selectmen direct the collector of taxes as agent for the town to give notice of payment of a
15 subsequent tax to any mortgagee who was notified of the purchase by the town at the tax sale, the
16 collector shall be paid the sum of \$5 for this service. Any amounts so paid on account of subsequent
17 taxes, together with interest thereon at the rate of 18 percent per annum, *or the rate set pursuant*
18 *to RSA 76:13-c*, from the date of payment shall, in addition to the purchase price at the time of sale
19 with accrued interest and costs, be paid by the person making redemption.

20 12 Collection of Taxes; Tax Liens; Redemption; Interest Rate. Amend RSA 80:69 to read as
21 follows:

22 80:69 Redemption. Any person with a legal interest in land subject to a real estate tax lien may
23 redeem the same by paying or tendering to the collector, at any time before a deed thereof is given by
24 the collector, the amount of the real estate lien, with interest at 18 percent per annum, *or the rate*
25 *set pursuant to RSA 76:13-c*, upon the whole amount of the recorded lien from the date of
26 execution to the time of payment in full, except that in the case of partial payments in redemption
27 made under RSA 80:71, the interest shall be computed on the unpaid balance, together with
28 redemption costs and costs for identifying and notifying the mortgagees, if any. In case the tax
29 collector who executed the tax lien against the property in question shall have died, become
30 incapacitated, been removed from office or removed from the town or city, or shall have been
31 discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
32 interest in redeeming the property may tender such sums to the tax collector then in office of said
33 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
34 amount due, the tax collector shall accept said amount for the redemption of the property.

35 13 Collection of Taxes; Tax Liens; Interest Rate. Amend RSA 80:75, III to read as follows:

36 III. When a municipality is the lienholder and the municipality pays a subsequent tax and
37 the selectmen direct the collector of taxes, as agent of the municipality, to give such notice of said

Amendment to HB 1335

- Page 5 -



1 payment to any owner and to any mortgagee as provided above, the collector of taxes shall receive
2 the same fees provided for the lienholder for his *or her* service. The amount of subsequent taxes
3 paid, together with interest on such taxes at the rate of 18 percent per annum, *or the rate set*
4 *pursuant to RSA 76:13-c*, from the date of payment shall, in addition to the tax lien amount at the
5 time of execution with interest and costs, be paid by the person making redemption.

6 14 Effective Date. This act shall take effect upon its passage.



2010-0662h

AMENDED ANALYSIS

This bill allows municipalities to authorize the governing body of the town or city to set the interest rate on late and delinquent property tax payments, subsequent payments, and other unpaid taxes enforced through the lien procedure.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

PUBLIC HEARING ON HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: January 20, 2010

LOB ROOM: 303 **Time Public Hearing Called to Order:** 11:00 am

Time Adjourned: 11:50 am

(please circle if present)

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

Bill Sponsors: Rep. Vaillancourt, Hills 15; Rep. Kepner, Rock 15; Rep. Henson, Rock 13; Rep. T. Russell, Rock 13

TESTIMONY

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

Rep. Vaillancourt introduces bill:

Rep. Kepner: in support -in these times, need some relief. Credit card people raising interest, people would appreciate forbearance.

Rep. Carol McGuire: I am personally in favor of this bill, but my tax collectors have issues. Interest rates are only means of enforcement for people to pay on time. Big paperwork and cost for liens, etc.

Rep. T. Russell: This is enabling legislation that would allow towns to give assistance to people who need it some much in these towns.

Rep. Theberge: Impetus for this bill come from person knowledge or neighbors? A – I have had some experience, but remember particularly 2 women from campaigning. Stories of difficult times for people and over-reliance on property taxes.

Rep. Katsiachorus: How delinquent? A – need someone else.

Rep. Vaillancourt: A – I don't do thing based on personal issues. I can pay my taxes, get loans from at 3 or 4%. I act for the general will of the public, a la Rousseau. This tax rate was set in stagflation times with great interests. I think it is terrible that people take private high-interest loans, but that is their choice. Property taxes are not a choice. City and towns are using this not as an incentive to pay, but as an enhancement to revenue. Equity. There may be people who hold on until last minute, but that makes no sense. Borrowing rates – never gets more than 4 or 5 %. Equity.

Rep. Butterworth: Credit cards? A – vary widely.

Rep. Stetson: Late fees for credit cards? A – as much as \$39 late fee. Private enterprise not the issue here. Q – Can you pay taxes in advance or on a schedule.

Rep. Hamm: What about abuse, float between credit card? A – I'd get the float.

***Jill Hadaway**, NH Tax Collectors: opposed - We are stakeholders, we work for our towns too. We are diligent in trying to get exemptions and help for those who can't pay. 3%? Most of our collections are down – assume they are low because of high rate. 90% paid. Bill does not say if retroactive, doesn't cover gravel pits, CU change tax, yield tax, etc. Those are now 18%, great incentive to not pay if reduced. 6% would make us a low-cost loan maintenance program. Credit cards cost about 16%.

Michael Jache, for City of Concord tax collectors- opposed - WE get about 98% compliance, but we also work hard with people who fall behind, and we can abate the interest if they get on a monthly payment fee. For many developers many won't pay until they sell project, even at 18%. Always best to use other people's money.

Cordell Johnston: NHMA – Opposed: Local option, but still have concerns. Better to be decided by governing body, not legislative body (the voters on a warrant article). Last year information indicated not being used as money raiser.

Rep. Stohl: Why do you think governing body, not legislative body? A – Tax collectors know best what the issues and effects will be, can explain to the select-board. A – Given the choice between 12% or 6%, many voters may choose 6% without thinking about the consequences.

Respectfully submitted,

A handwritten signature in black ink that reads "Tim Butterworth". The signature is written in a cursive style with a large, prominent initial "T".

Rep. Tim Butterworth
Clerk

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

PUBLIC HEARING ON HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE:

LOB ROOM: 303

Time Public Hearing Called to Order:

11:00 AM

Time Adjourned:

11:50

(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. Vaillancourt, Hills 15; Rep. Kepner, Rock 15; Rep. Henson, Rock 13; Rep. T. Russell, Rock 13

TESTIMONY

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

Rafeal, Linda

From: Tim [kayandtim@hughes.net]
Sent: Wednesday, January 20, 2010 1:01 PM
To: Rafeal, Linda
Subject: hb1335
Follow Up Flag: Follow up
Flag Status: Red

LOCAL AND REGULATED REVENUES

HOUSE SCHEDULING NOTICE

HEARINGS

WEDNESDAY 1/20/2010

LOCAL AND REGULATED REVENUES

LOB 303 11:00 AM

HB1335 establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

Sponsors:

HB1335 Rep. Steve Vaillancourt, Rep. Susan Kepner, Rep. John Henson, Rep. Trinka Russell

Vaillancourt introduces bill:

Rep. Kepner: In these times, need some relief. Credit card people raising interest, people would appreciate forbearance.

McGuire: I am personally in favor of this bill, but my tax collectors have issues. Interest rates are only means of enforcement for people to pay on time. Big paperwork and cost for liens, etc.

Russell: This is enabling legislation that would allow towns to give assistance to people who need it so much in these towns.

Theberge: Impetus for this bill come from person knowledge or neighbors? A – I have had some experience, but remember particularly 2 women from campaigning. Stories of difficult times for people and over-reliance on property taxes.

1/21/2010

Katsiachorus: How delinquent? A – need someone else.

Vaillancourt: A – I don't do thing based on personal issues. I can pay my taxes, get loans from at 3 or 4%. I act for the general will of the public, a la Rousseau. This tax rate was set in stagflation times with great interests. I think it is terrible that people take private high-interest loans, but that is their choice. Property taxes are not a choice. City and towns are using this not as an incentive to pay, but as an enhancement to revenue. Equity. There may be people who hold on until last minute, but that makes no sense. Borrowing rates – never gets more than 4 or 5 % Equity.

Butterworth: Credit cards? A – vary widely.

Stetson: Late fees for credit cards? A – as much as \$39 late fee. Private enterprise not the issue here. Q – Can you pay taxes in advance or on a schedule.

Hamm: What about abuse, float between credit card? A – I'd get the float.

Jill Hadaway, NH Tax Collectors: We are stakeholders, we work for our towns too. We are diligent in trying to get exemptions and help for those who can't pay. 3%? Most of our collections are down – assume they are low because of high rate. 90% paid. Bill does not say if retroactive, doesn't cover gravel pits, CU change tax, yield tax, etc. Those are now 18%, great incentive to not pay if reduced. 6% would make us a low-cost loan maintenance program. Credit cards cost about 16%.

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Cordell Johnston: NHMA – Opposed: Local option, but still have concerns. Better to be decided by governing body, not legislative body (the voters on a warrant article). Last year information indicated not being used as money raiser.

Stohl: Why do you think governing body, not legislative body? A – Tax collectors know best what the issues and effects will be, can explain to the selectboard. A – Given the choice between 12% or 6%, many voters may choose 6% without thinking about the consequences.

Closed at 11:50

Sub-Committee Actions

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

SUBCOMMITTEE WORK SESSION ON HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: February 11, 2010

Subcommittee Members: Reps. Merry, Kidder, Stohl, Hamm, (Lyons absent)

Comments and Recommendations:

Amendments:

Sponsor: Rep.	OLS Document #:	2010	0591h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

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

Moved by Rep. Merry

Seconded by Rep. Hamm

Vote: 4-0

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

Moved by Rep. Merry

Seconded by Rep. Hamm

Vote: 4-0

Respectfully submitted,

Rep. Eric Stohl
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

SUBCOMMITTEE WORK SESSION ON HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: FEB. 11, 2010

Subcommittee Members: Reps. HAMM, MERRY, KIDDER, STOLL

Comments and Recommendations:

Amendments:

Sponsor: Rep. MERRY

OLS Document #: 2010-0591h

Sponsor: Rep. HAMM

OLS Document #:

Sponsor: Rep.

OLS Document #:

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

Moved by Rep. MERRY

Seconded by Rep. HAMM

Vote: 4-0 1-absent-Lyons

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

Moved by Rep. MERRY

Seconded by Rep. HAMM

Vote: 4-0 1-absent-Lyons

Respectfully submitted,

Rep. Eric Stoll

Subcommittee Chairman/Clerk

Rep. Merry, Belk. 2
Rep. Hamm, Merr. 4
February 9, 2010
2010-0591h
10/04

Amendment to HB 1335

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT establishing a local option to authorize the governing body to set the interest rate
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6

7 Amend the bill by replacing all after the enacting clause with the following:

8

9 1 New Section; Interest Rates; Local Option. Amend RSA 76 by inserting after section 13-b the
10 following new section:

11 76:13-c Interest Rates; Local Option.

12 I. Any town or city may authorize the governing body to set interest rates as provided for in
13 this section and apply such rates to all applicable statutes requiring the charging of interest on
14 unpaid property taxes, delinquent and subsequent tax payments, and other unpaid taxes, in the
15 following manner:

16 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the
17 question shall be placed on the warrant of a special or annual town meeting, by the governing body
18 or by petition pursuant to RSA 39:3.

19 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the
20 legislative body may consider and act upon the question in accordance with its normal procedures for
21 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of
22 such town or city may vote to place the question on the official ballot for any regular municipal
23 election.

24 II. The vote shall specify the authority of the governing body to set interest rates as provided
25 for in paragraph IV. If a majority of those voting on the question vote "yes," the authority for the
26 governing body to set interest rates pursuant to paragraph IV shall take effect immediately and the
27 governing body may set the rate for the town or city applicable to the tax year beginning April 1
28 following its adoption.

29 III. A town or city that has adopted the provisions of this section may consider rescinding
30 the authority of the governing body to set interest rates in the manner described in paragraph I. The
31 question to be voted shall specify that the authority of the governing body to set interest rates shall
32 be rescinded. If a majority of those voting on the question vote "yes," the authority for the governing

Amendment to HB 1335

- Page 2 -

1 body to set interest rates shall be rescinded and beginning on the next April 1 following rescission,
2 the statutory interest rates shall apply.

3 IV.(a) A statutory rate of 12 percent per annum may be set by the governing body at a rate
4 within the range of 6 percent up to 12 percent.

5 (b) A statutory rate of 18 percent per annum may be set by the governing body at a rate
6 within the range of 9 percent up to 18 percent.

7 (c) The rates set by the governing body pursuant to the authority in this section shall
8 apply for assessments of interest beginning April 1 and shall be effective for the entire tax year and
9 until further changed. Any subsequent change in the rates by the governing body pursuant to the
10 authority in this section shall apply beginning on the next April 1 for the following tax year.

11 2 Local Interest Rate; Pease Development Authority Lessees. Amend RSA 12-G:14, II(b)(1) to
12 read as follows:

13 (1) Interest shall accrue on the unpaid taxes at a rate of 18 percent per annum, *or*
14 *the rate set pursuant to RSA 76:13-c*, from the due date until such taxes are paid;

15 3 Excavation Taxes. Amend RSA 72-B:6 to read as follows:

16 72-B:6 Unpaid Taxes. The taxes which are not paid when due pursuant to RSA 72-B:4 shall
17 bear interest at the rate of 18 percent per year, *or the rate set pursuant to RSA 76:13-c*,
18 computed from the due date. Interest and penalties on the tax shall be collected by the tax collector
19 and deposited in the general fund of the municipality. In addition to the interest due, a penalty for
20 failure to pay may be assessed against the owner as provided in RSA 21-J:33.

21 4 Property Taxes; Interest on Late Payment. Amend RSA 76:13 to read as follows:

22 76:13 Interest. Interest at 12 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
23 shall be charged upon all taxes except resident taxes, except as otherwise provided by statute, not
24 paid on or before December 1 after their assessment, which shall be collected from that date with the
25 taxes as incident thereto, except in the case where a tax bill sent to the taxpayer on or after
26 November 2 and before April 1 of the following year interest shall not be charged until 30 days after
27 the bills are mailed. Interest due in an amount up to \$25 may be waived by the collector, with the
28 approval and consent of the board of selectmen and the board of assessors, if in the collector's
29 judgment the administrative and collection costs involved do not warrant collection of the amount
30 due. The tax collector shall state on the tax bill the date from which interest will be charged and
31 such date shall be determined by the day the collector sends out the last tax bill on the list. The
32 collector shall notify the board of tax and land appeals in writing of the date on which the last tax
33 bill was sent.

34 5 Property Taxes; Quarterly Billing. Amend RSA 76:15-aa, IV to read as follows:

35 IV. Interest at the rate of 12 percent per annum, *or the rate set pursuant to RSA 76:13-c*,
36 shall be charged on all taxes not paid on or before their due dates or 30 days after mailing,
37 whichever is later.

Amendment to HB 1335

- Page 3 -

6 Current Use; Land Use Change Tax. Amend RSA 79-A:7, II(d) to read as follows:

(d) Payment of the land use change tax, together with the recording fees due the register of deeds, shall be due not later than 30 days after mailing of the tax bills for such tax, and interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due thereafter on any taxes not paid within the 30-day period.

7 Discretionary Easements. Amend RSA 79-C:9, II(d) to read as follows:

(d) Payment of the consideration shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due thereafter on any consideration not paid within the 30-day period.

8 Discretionary Preservation Easements. Amend RSA 79-D:9, II(d) to read as follows:

(d) Payment of the consideration shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due thereafter on any consideration not paid within the 30-day period.

9 Community Revitalization Tax Relief Incentive. Amend RSA 79-E:9, II(d) to read as follows:

(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum, *or the rate set pursuant to RSA 76:13-c*, shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

10 Collection of Taxes; Tax Sales; Redemption; Interest Rate. Amend RSA 80:32 to read as follows:

80:32 Redemption. Any person with a legal interest in land so sold may redeem the same by paying or tendering to the collector, or in his *or her* absence, at his *or her* usual place of abode, at any time before a deed thereof is given by the collector, the amount for which the land was sold, with interest at 18 percent per annum, *or the rate set pursuant to RSA 76:13-c*, upon the whole amount for which the land was sold from the time of sale to the time of payment in full, except that in the case of partial payments in redemption made under RSA 80:33-a, the interest shall be computed on the unpaid balance, together with redemption costs and costs for notifying the mortgagees, if any. In case the tax collector who sold the property in question shall have died, become incapacitated, been removed from office or removed from the town or city, or shall have been discharged from his *or her* bond by the selectmen or assessors, then the person with the legal interest in redeeming the property may tender such sums to the tax collector then in office of said city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct amount due, the tax collector shall accept said amount for the redemption of the property.

11 Collection of Taxes; Tax Sales; Subsequent Tax; Interest Rate. Amend RSA 80:37 to read as follows:

80:37 Payment of Subsequent Tax. For purposes of this section, "subsequent tax" shall mean

Amendment to HB 1335

- Page 4 -

1 any tax assessed upon the real estate subsequent to that for which it was sold by a municipality, a
2 county, or the state. The purchaser of real estate at any tax sale may pay to the collector any
3 subsequent tax and the collector shall, within 30 days after such payment, notify the register of
4 deeds thereof, giving the date and the amount of such payment and the name of the person so paying
5 together with the date of the tax sale, the name of the person taxed, and a description of the property
6 sold as shown in the report of sale recorded in the registry of deeds. The collector of taxes shall
7 receive \$1 for such notice to the register of deeds of the payment of subsequent tax plus \$1 to be paid
8 to the register of deeds. The purchaser, within 30 days of payment of the subsequent tax, shall
9 personally, or by certified mail, notify in writing any mortgagee who was notified of his *or her*
10 purchase at the tax sale of this payment of the subsequent tax. The purchaser paying the
11 subsequent tax shall receive the same fees prescribed for notifying the mortgagee of his *or her*
12 purchase at the tax sale to be included in his *or her* costs to be paid by the person making
13 redemption, except that when a town is a purchaser at a tax sale and the town pays a subsequent
14 tax and the selectmen direct the collector of taxes as agent for the town to give notice of payment of a
15 subsequent tax to any mortgagee who was notified of the purchase by the town at the tax sale, the
16 collector shall be paid the sum of \$5 for this service. Any amounts so paid on account of subsequent
17 taxes, together with interest thereon at the rate of 18 percent per annum, *or the rate set pursuant*
18 *to RSA 76:13-c*, from the date of payment shall, in addition to the purchase price at the time of sale
19 with accrued interest and costs, be paid by the person making redemption.

20 12 Collection of Taxes; Tax Liens; Redemption; Interest Rate. Amend RSA 80:69 to read as
21 follows:

22 80:69 Redemption. Any person with a legal interest in land subject to a real estate tax lien may
23 redeem the same by paying or tendering to the collector, at any time before a deed thereof is given by
24 the collector, the amount of the real estate lien, with interest at 18 percent per annum, *or the rate*
25 *set pursuant to RSA 76:13-c*, upon the whole amount of the recorded lien from the date of
26 execution to the time of payment in full, except that in the case of partial payments in redemption
27 made under RSA 80:71, the interest shall be computed on the unpaid balance, together with
28 redemption costs and costs for identifying and notifying the mortgagees, if any. In case the tax
29 collector who executed the tax lien against the property in question shall have died, become
30 incapacitated, been removed from office or removed from the town or city, or shall have been
31 discharged from his *or her* bond by the selectmen or assessors, then the person with the legal
32 interest in redeeming the property may tender such sums to the tax collector then in office of said
33 city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct
34 amount due, the tax collector shall accept said amount for the redemption of the property.

35 13 Collection of Taxes; Tax Liens; Interest Rate. Amend RSA 80:75, III to read as follows:

36 III. When a municipality is the lienholder and the municipality pays a subsequent tax and
37 the selectmen direct the collector of taxes, as agent of the municipality, to give such notice of said

Amendment to HB 1335

- Page 5 -

1 payment to any owner and to any mortgagee as provided above, the collector of taxes shall receive
2 the same fees provided for the lienholder for his *or her* service. The amount of subsequent taxes
3 paid, together with interest on such taxes at the rate of 18 percent per annum, *or the rate set*
4 *pursuant to RSA 76:13-c*, from the date of payment shall, in addition to the tax lien amount at the
5 time of execution with interest and costs, be paid by the person making redemption.

6 14 Effective Date. This act shall take effect upon its passage.

Amendment to HB 1335
- Page 6 -

2010-0591h

AMENDED ANALYSIS

This bill allows municipalities to authorize the governing body of the town or city to set the interest rate on late and delinquent property tax payments, subsequent payments, and other unpaid taxes enforced through the lien procedure.

Sub-Committee Minutes

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

SUBCOMMITTEE WORK SESSION ON HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: February 4, 2010

Subcommittee Members: Reps. Hamm, Merry, Lyons, Kidder, Stohl

Comments and Recommendations: Heard testimony from Tax Collectors Assoc. and requested State Treasurer staff appear at next sub committee meeting on Feb 9, 2010 to answer questions related to borrowing by municipalities. Next Meeting is Feb. 9, 2010 at 10:15 am.

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

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

Moved by Rep.

Seconded by Rep.

Vote:

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

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Eric Stohl
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

SUBCOMMITTEE WORK SESSION ON HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: FEB. 4, 2010

Subcommittee Members: Reps. HAMM, MERRY, LYONS, KIDDER, & STAHL

Comments and Recommendations: Heard testimony from Tax Collectors Assn. + requested State Treasurer staff appear at next sub committee meeting on Feb. 9, 2010 to answer question related to borrowing by municipalities. Next meeting is Feb. 9, 2010 at 10:15 AM

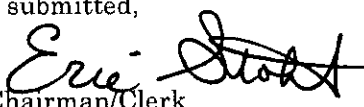
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

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

Moved by Rep.
Seconded by Rep.
Vote:

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

Moved by Rep.
Seconded by Rep.
Vote:

Respectfully submitted,
Rep. 
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

SUBCOMMITTEE WORK SESSION ON HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: February 9, 2010

Subcommittee Members: Reps. Hamm, Merry, Lyons, Kidder, Stohl

Comments and Recommendations:

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

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

Moved by Rep.

Seconded by Rep.

Vote:

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

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep.
Subcommittee Chairman/Clerk

Testimony

Walz, MB

From: Deputy Town Clerk [deptctc@jackson-nh.org]
To: Walz, MB
Cc:
Subject: House Bill 1335
Attachments:

Sent: Thu 1/14/2010 3:49 PM

As I understand the basics of this bill, the intent is to lower interest rates for home owners delinquent on paying their property tax. As proposed, the interest rates would drop from 12% on current issue to 6% and from 18% on liens to 9%. As proposed it as a local option, allowing each municipality to vote in town meetings to institute the change. I see several points that could be problematic if this bill is enacted:

1. This would create different interest rates in each town depending on who adopted the policy causing much confusion with banks, realtors, mortgage companies as well as the property owners.
2. A higher Interest rate is one of a limited number of options municipalities' have to discourage delinquency. The State has additional penalties they can charge and the Federal Government can actually prosecute. Towns can lien and eventually deed, but the current interest rate does deter people from letting their taxes be the last bill they pay.
3. There is no mention in the bill if it is meant to only go forward and not change the rates on previous liens. If we had to change the interest rates on established liens it could open the door to fraud as well as be expensive to implement the programming of several interest rates.
4. With interest on credit cards on the rise, the proposed 6% interest rate is effectively a low cost loan to the detriment of municipal services and timely tax payers.

As towns collect revenues and operate, often on a hand to mouth basis, within a fiscally prudent environment, taking away one of our few tools to encourage on time payments will definitely cause hardships to the towns. Thank you for your consideration of these points.

Jeanette Heidmann

TOWN OF JACKSON

Deputy Town Clerk/Tax Collector

PO Box 336 / 54 Main Street, Jackson, NH 03846

603-383-6248

Office Hours Mon 3-7PM, T-W-Th 8:30-12:30 - Other times by appointment

Walz, MB

From: Marj Roy [tctc@townofandover.org]
To: ~House Local and Regulated Revenues Committee
Cc:
Subject: HB1335
Attachments:

Sent: Thu 1/14/2010 6:03 PM

Dear Members of the Local and Regulated Revenues Committee,

As the Tax Collector for the Town of Andover I would like to strongly protest HB1335 for four basic reasons:

1. This would create different interest rates in each town, depending on who adopted the policy causing confusion with banks, realtor, mortgage companies and taxpayers.
2. Interest rates are municipalities only means of discouraging delinquency. The State has additional penalties they can charge and the Federal Government can actually prosecute. We can lien and eventually deed, but the interest rate does deter people from letting their taxes be the last bill they pay.
3. There is nothing in the bill regarding whether it is meant to only go forward and not change the rates on previous liens. If we had to change the interest rates on established liens it could open the door to fraud as well as be expensive to implement the programming of several interest rates.
4. With interest on credit cards rising, the proposed 6% interest rate is effectively a low cost loan to the detriment of municipal services and timely taxpayers.

I strongly urge you to support each and every municipality in the state of New Hampshire by rejecting this bill.

Very truly yours,

Marjorie M. Roy


Town Clerk/Tax Collector

Andover, NH 03216

Walz, MB

From: Elizabeth Hast [pittsfieldtc@metrocast.net] **Sent:** Fri 1/15/2010 9:47 AM
To: ~House Local and Regulated Revenues Committee
Cc:
Subject: house bill 1335 interest rates
Attachments:

Please be advised that as a tax collector I am against the change in the interest rate status. I am especially concerned about the interest rates on past liens and what would happen with those rates. Thank you for your time.....E A Hast

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Walz, MB

From: Susette Remson [taxcollector@moultonboroughnh.gov] **Sent:** Fri 1/15/2010 10:43 AM
To: ~House Local and Regulated Revenues Committee
Cc:
Subject: HB 1335
Attachments:

Dear Members of the Local and Regulated Revenues Committee:

I am writing to request that you vote ITL on HB 1335. Below you will find my concerns:

1. The local option would create different interest rates from town to town which would cause confusion for property owners (especially those who own property in more than one community), as well as banks, attorneys, realtors, and mortgage companies.
2. The bill is vague as to whether it is meant only on taxes assessed April 1, 2010, or whether it will effect previous liens already in place. Depending on its final version, the Town may have to pay to have the tax software reprogrammed to accomodate several different interest rates for liens. Also, because the bill is vague regarding interest calculations on properties that have already been liened, we could conceivably have to refund the difference to owners that have already paid interest at the rate of 18%.
3. Interest rates are a municipality's only means of discouraging delinquency. Although we can place a lien and eventually deed the property, the interest rate deters people from making their tax bill the lowest priority when paying bills. A 6% interest rate would effectively be a "low cost loan" to the detriment of municipal services and timely taxpayers.
4. The lowered interest rate would reduce the Town of Moultonborough's revenues by approximately \$45,000.

Thank you for your consideration of my concerns.

Sincerely,
Susette M. Remson
Certified Tax Collector
Moultonborough, NH

Walz, MB

From: Steve White [booboy3@myfairpoint.net] **Sent:** Wed 1/20/2010 7:53 AM
To: ~House Local and Regulated Revenues Committee
Cc:
Subject: HB-1335
Attachments:

Gentlepersons of the General Court and of this Committee:---

As a member of the public (I am also Chair of the Sunapee Board of Selectmen) I urge you **NOT** to pass this bill (HB1335) on to the floor and rate it ITL. By lowering the interest rate that can be charge on delinquent property taxes and on the lien rate there will be un-intended consequences. First, it will encourage more to forego payment of property taxes in order to pay off other, higher interest loans they might have on, for example, credit cards. This will have the result of higher numbers of delinquency of property taxes, the life blood of the Towns in question, and will then result in more liens being filed. This places an undue burden on the tax collectors and on the cost of running those offices. It will not generally benefit those who might go into default (since there is always the loss of one's property involved) and will increase the costs of running the Town. It also gets the General Court involved in deciding which interest rate is too high and which is OK. Your business there at this Court is to ensure the general good of the population at large, not to ensure the general good of any specific portion of that population. So, I urge you to vote **NAY** on moving this bill forward.

Respectfully submitted.....

Stephen W. White

To: Rep. Mary Beth Walz, Chair
and the committee on Local and Regulated Revenues,
Re: HB 1335
Date: January 20, 2010

I apologize for the tardy submission of this document, but I was only made aware of this legislation by my town (of Pembroke) Tax Assessor on Friday, Jan. 15th and tried to speak with Dept. of Rev. Admin. this morning but found all pertinent parties 'away from their desks.' I left voice mail messages but have not been home to receive their responses.

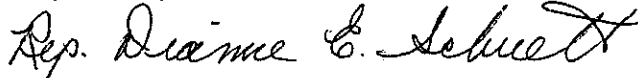
The concerns my town Tax Assessor has with this bill are as follows:

First, she feels this would create a loss of income for our town because the current interest rates do encourage residents to pay their tax bills promptly rather than put them 'on the bottom of the pile.' We all prioritize our bill paying by due dates and then which one has the highest interest penalty.

Secondly, the bill does not mention if the rate would be changed on existing delinquencies, which could dramatically change the amounts the town has projected to receive from those properties.

Lastly, she felt that since towns could accept this or not, that it could be an issue for DRA, banks, realtors and mortgage companies since they would be setting rates and collections based on different interest rates in each town.

Thank you for your consideration of these issues,



Sincerely, Rep. Dianne E. Schuett, Merr. 7
ph: 603-224-0314



City of Nashua
Office of The Treasurer
229 Main Street - Nashua, NH 03060

(603) 589-3185
Fax (603) 589-3228

To: Local and Regulated Revenues Committee

January 18, 2010

From: David G. Fredette, Treasurer and Tax Collector

Subject: House Bill 1335 Establishing a local option for lowering the interest rate on late and Delinquent Property Tax Payments and subsequent payments

Honorable Committee Members:

I am writing to express my strong concern with regard to the negative impact that this bill will have on local revenues and the creation of different interest rates for each community. The higher interest rate has served as a strong deterrent for businesses who would delay tax payments when they were unable to raise funds through institutional borrowing. Lowering the rate will reduce revenues by approximately \$300,000 a year as well as remove that deterrent. This \$300,000 loss in revenue will be borne by those who are making timely payments, in effect shifting the tax burden from the minority of delinquent accounts to all other taxpayers.

In 1981, before the rates for delinquent property taxes were increased, we had this experience, with a number of businesses using the City as a "bank." The increased in rates help reduce this problem significantly but businesses still make up a large portion of the delinquencies. In FY 2008 and 2009, over 40% of the \$1,355,000 collected in delinquent taxes was from the business community, a large number of those from developers.

We have an active payment program and work closely with delinquent taxpayers, seldom taking property for back-taxes. Over the last ten years, we have taken only one. This has allowed us to maintain a high rate of tax collections relative to other communities.

Please consider carefully the impact of this bill on other taxpayers in the community who have managed to pay their taxes on time. Shifting the burden of this interest from the business community and developers to all other taxpayers (65% of whom are residential homeowners) is not in the best interest of the city's taxpayers. Revenue from local property taxes represents 77% of our budget and communities need to reflect a strong penalty for not paying taxes on time. Local property taxes are essential to running local government.

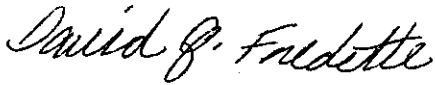
Subject: House Bill 1335

Nashua

Page - 2

As you are aware interest on credit cards are on the rise. This proposal to lower our delinquent property tax interest rates to as low as 6% could be the catalyst to allow property owners, more likely developers and businesses, to use us (local property tax payers) to fund their low interest loan. This outcome could have a negative affect on services and would be unfair to those who pay their taxes on a timely basis. If we are required to have different interests rates on delinquent taxes before and after HB 1335 this would require programming changes and could cause confusion and errors. Having different interest rates in each community could cause misunderstanding with mortgage companies, banks, and realtors. .

Sincerely,



David G. Fredette
Treasurer/Tax Collector

Cc: Mayor Donnalee Lozeau
David Alukonis, Legislative Liaison
Michael Gilbar, CFO

10-001

~~Pushed Miller~~
 52 wk Treas -
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Hillsborough County
 Investment Summary
 12/31/2009

<u>Bank</u>	<u>Description</u>	<u>Maturity</u>	<u>Interest Rate% APY</u>	<u>Account Balance</u>
Citizens Bank	Regular Account	N/A	0.05	\$ 7,957,551.86
TD Bank	Interest Checking	N/A	0.20	\$ 10,000,868.71
Citizens Bank	Collateralized Certificate	1/20/2010	0.03	\$ 4,000,000.00
TD Bank	Collateralized Certificate	2/17/2010	0.20	\$ 5,000,383.57
TD Bank	Collateralized Certificate	3/17/2010	0.20	\$ 5,000,383.57
Citizens Bank	Collateralized Certificate	4/20/2010	0.09	\$ 3,000,000.00
Citizens Bank	Collateralized Certificate	5/20/2010	0.10	\$ 3,000,000.00
Citizens Bank	Collateralized Certificate	6/21/2010	0.13	\$ 3,000,000.00
TD Bank	Collateralized Certificate	7/15/2012	2.10	\$ 6,244,183.17
TD Bank	Collateralized Certificate	9/15/2012	2.01	\$ 3,197,528.86
				\$ 50,400,899.74

Best borrowing rates
 1.5% → 6%

\$ 3.9M
 needed to avoid
 checking fees

T-Bank
 Local Banks
 Credit Unions
 TANS?



NEW HAMPSHIRE TAX COLLECTORS' ASSOCIATION

January 20, 2010

Local and Regulated Revenues Committee

Dear Madame Chairman and Members of the Committee,

My name is Jill Hadaway and I am here today representing the New Hampshire Tax Collector's Association to express our concerns about House Bill 1335. It is clear that with the current state of the economy, everyone is looking for ways to help those in need. Despite having a local option this bill creates confusion and increases expenses. The local option could establish different rates in each town which will cause a great deal of confusion with lending institutions, investors and property owners. Municipalities work diligently to assist tax payers who are struggling financially. Selectmen have the authority to forgive interest and there are hardship exemptions which may be extended to those who qualify.

HB 1335 does not specifically address Land Use Change Taxes, Yield Taxes or Gravel Taxes which State law requires an 18% interest on delinquencies. If these taxes go to lien they are rolled into the lien and then according to this bill, the interest rate would drop from the 18% to 9% when liened. In this scenario, HB 1335 creates an incentive to let these taxes go to lien.

It is also unclear if the proposed changes are meant to be applied either to future tax years and liens or to all currently outstanding amounts. Additionally, the accounting and computer program changes that would be required by the retroactive application of this legislation would increase the risks of fraud and internal processing costs.

Interest is a municipality's best means of discouraging delinquency and lower interest will mean a higher number of unpaid taxes. The system is working well as most tax collectors have actually seen delinquencies decrease this year. In the Town of Bow where I serve as Tax Collector we have already collected 96 % of the taxes warranted for 2009. The other members of the Tax Collector's Executive Board reported that they had over 90% of the tax payers paying on time. With the interest on credit cards on the rise the proposed 6% interest rate is effectively a low cost municipal loan to a small number of residents to the detriment of both municipal services and also those residents who pay on time.

We request that you vote HB 1335 Inexpedient to Legislate. Thank you.

Voting Sheets

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

EXECUTIVE SESSION on HB 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: February 11, 2010

LOB ROOM: 303

Amendments:

Sponsor: Rep. Merry, Hamm OLS Document #: 2010 0662h

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

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

Moved by Rep. Stohl

Seconded by Rep. Merry

Vote: 13-4 (Please attach record of roll call vote.)

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

Moved by Rep. Stohl

Seconded by Rep. Hamm

Vote: 9-8 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: No

(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 1335

BILL TITLE: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.

DATE: 2/11/10

LOB ROOM: 303

Amendments:

Sponsor: Rep. ~~Stahl~~ OLS Document #: ~~2010-0591 H~~
Merry, Hamm
Sponsor: Rep. Merry, Hamm OLS Document #: 0662h
Sponsor: Rep. OLS Document #:

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

Moved by Rep. ~~Stahl~~ Stahl
withdrew Merry
Seconded by Rep. Merry
Vote: 13-4 (Please attach record of roll call vote.)

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

Moved by Rep. Stahl
Seconded by Rep. Hamm
Vote: 9-8 (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
Timothy Butterworth

Committee Report
Stahl
Minority Report
Hess

LOCAL AND REGULATED REVENUES

Bill #: 1335 Title: _____

PH Date: 1/20/2010 Exec Session Date: 2/11/2010

Motion: BTP Amendment #: 0662h

MEMBER	YEAS	NAYS
Walz, Mary Beth, Chairman		
Taylor, Kathleen N, V Chairman	✓	
Hamm, Christine C	✓	
Theberge, Robert L	✓	
Mulholland, Catherine	✓	
Butterworth, Timothy, Clerk	✓	
Howard, Doreen	✓	
Lyons, Melissa L.B. <i>abs</i>		
Merry, Liz H	✓	
Stetson, William A	✓	
Webber, Carolyn B	✓	
Stohl, Eric G	✓	
Kidder, David H	✓	
Hess, David W		✓
Katsakiores, Phyllis M <i>abs</i>		
Vaillancourt, Steve	✓	
Peterson, Andrew R		✓
Allen, Mary M		✓
Hinkle, Peyton B	✓	
Blankenbeker, Lynne Ferrari		✓
	13	4
TOTAL VOTE:		
Printed: 11/23/2009		

LOCAL AND REGULATED REVENUES

Bill #: 1335 Title: _____

PH Date: 1/20/2010 Exec Session Date: 2/11/10

Motion: OTPA Amendment #: _____

MEMBER	YEAS	NAYS
Walz, Mary Beth, Chairman		
Taylor, Kathleen N, V Chairman	✓	
Hamm, Christine C	✓	
Theberge, Robert L	✓	
Mulholland, Catherine		✓
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		✓
Allen, Mary M		✓
Hinkle, Peyton B	✓	
Blankenbeker, Lynne Ferrari		✓
	9	8

TOTAL VOTE:

Committee Report

REGULAR CALENDAR

February 16, 2010

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Majority of the Committee on LOCAL AND
REGULATED REVENUES to which was referred
HB1335,**

**AN ACT establishing a local option for lowering the
interest rate on late and delinquent property tax
payments and subsequent payments. Having
considered the same, report the same with the following
amendment, and the recommendation that the bill
OUGHT TO PASS WITH AMENDMENT.**

Rep. Eric G Stohl

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee: **LOCAL AND REGULATED REVENUES**
Bill Number: **HB1335**
Title: **establishing a local option for lowering the
interest rate on late and delinquent property
tax payments and subsequent payments.**
Date: **February 16, 2010**
Consent Calendar: **NO**
Recommendation: **OUGHT TO PASS WITH AMENDMENT**

STATEMENT OF INTENT

This bill is the result of a compromise with respect to an issue that has been before this committee both years of this term. The issue is the interest rates that apply to late and/or delinquent property tax payments. As the law stands now, if a taxpayer does not pay their property taxes when the final tax bill is due, the interest rate on the amount is 12%. Within 90 days of this due date, certified mail is sent to the taxpayer 30 days prior to a lien being placed upon the property. Once the lien is placed upon the property, the interest rate is now 18% and a certified letter is sent to a property mortgagee of that fact. Last year, HB 351 was heard in our committee and was recommended to the full house of ITL on a committee vote of 15-5. The house overturned the committee recommendation and passed an amended bill. HB 351 went onto the senate where the public and municipal affairs committee recommended ITL and the senate voted that way. This bill as introduced set the local option rates at 6% and 9% respectfully. A subcommittee was established and heard testimony from representatives of the state treasurer's office and the municipal bond bank that the rate that municipalities can borrow at now is somewhere between 1.5% and 2%. The subcommittee and then the full committee worked over three different amendments before settling on the last one. This bill, HB 1335, as amended, is enabling and it allows the people to decide if they want their governing body to change these rates. If the governing body has the ability to select from 6% to 12% for the interest rate and 9% to 18% for the lien rate.

Vote 9-8

Original: House Clerk
Cc: Committee Bill File

Rep. Eric G Stohl
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

LOCAL AND REGULATED REVENUES

HB1335, establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Eric G Stohl for the **Majority** of LOCAL AND REGULATED REVENUES. This bill is the result of a compromise with respect to an issue that has been before this committee both years of this term. The issue is the interest rates that apply to late and/or delinquent property tax payments. As the law stands now, if a taxpayer does not pay their property taxes when the final tax bill is due, the interest rate on the amount is 12%. Within 90 days of this due date, certified mail is sent to the taxpayer 30 days prior to a lien being placed upon the property. Once the lien is placed upon the property, the interest rate is now 18% and a certified letter is sent to a property mortgagee of that fact. Last year, HB 351 was heard in our committee and was recommended to the full house of ITL on a committee vote of 15-5. The house overturned the committee recommendation and passed an amended bill. HB 351 went onto the senate where the public and municipal affairs committee recommended ITL and the senate voted that way. This bill as introduced set the local option rates at 6% and 9% respectfully. A subcommittee was established and heard testimony from representatives of the state treasurer's office and the municipal bond bank that the rate that municipalities can borrow at now is somewhere between 1.5% and 2%. The subcommittee and then the full committee worked over three different amendments before settling on the last one. This bill, HB 1335, as amended, is enabling and it allows the people to decide if they want their governing body to change these rates. If the governing body has the ability to select from 6% to 12% for the interest rate and 9% to 18% for the lien rate. **Vote 9-8.**

Original: House Clerk

Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: LOCAL + REGULATED REVENUES

BILL NUMBER: HB1335

TITLE: establishing a local

DATE: 2/11/10 CONSENT CALENDAR: YES [] NO [X]

- OUGHT TO PASS
 - OUGHT TO PASS W/ AMENDMENT
 - INEXPEDIENT TO LEGISLATE
 - INTERIM STUDY (Available only 2nd year of biennium)
- Amendment No. _____

STATEMENT OF INTENT:

COMMITTEE VOTE: 9-8

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

RESPECTFULLY SUBMITTED,
 Rep. *Elliott*
 For the Committee

Stahl

HB 1335

HB 1335, establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments. **MAJORITY: OUGHT TO PASS WITH AMENDMENT.**

Rep. Eric G. Stohl for Local and Regulated Revenues: This bill is the result of a compromise with respect to an issue that has been before this committee both years of this term. The issue is the interest rates that apply to late and/or delinquent property tax payments. As the law stands now, if a taxpayer does not pay their property taxes when the final tax bill is due, the interest rate on the amount is 12%. Within 90 days of this due date, certified mail is sent to the taxpayer 30 days prior to a lien being placed upon the property. Once the lien is placed upon the property, the interest rate is now 18% and a certified letter is sent to a property mortgagee of that fact. Last year, HB 351 was heard in our committee and was recommended to the full House of ITL on a committee vote of 15-5. The House overturned the committee recommendation and passed an amended bill. HB 351 went onto the Senate where the Public and Municipal Affairs committee recommended ITL and the Senate voted that way. This bill as introduced set the local option rates at 6% and 9% respectfully. A subcommittee was established and heard testimony from representatives of the State Treasurer's office and the Municipal Bond Bank that the rate that municipalities can borrow at now is somewhere between 1.5% and 2%. The subcommittee and then the full committee worked over three different amendments before settling on the last one. This bill, HB 1335 as amended, is enabling and it allows the people to decide if they want their governing body to change these rates. If the legislative body of a municipality elects to adopt this procedure, then the governing body has the ability to select from 6% to 12% for the ~~first~~ ^{first} rate and 9% to 18% for the ~~last~~ ^{last} rate. **Vote 9-8**

lien

interest

Mary Beth Walker

Eric Stohl
2/16/2010

REGULAR CALENDAR

February 16, 2010

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Minority of the Committee on LOCAL AND
REGULATED REVENUES to which was referred
HB1335,**

**AN ACT establishing a local option for lowering the
interest rate on late and delinquent property tax
payments and subsequent payments. Having
considered the same, and being unable to agree with
the Majority, report with the following Resolution:
RESOLVED, That it is INEXPEDIENT TO LEGISLATE.**

Rep. David H Kidder

FOR THE MINORITY OF THE COMMITTEE

MINORITY COMMITTEE REPORT

Committee: LOCAL AND REGULATED REVENUES
Bill Number: HB1335
Title: establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments.
Date: February 16, 2010
Consent Calendar: NO
Recommendation: INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

The majority would empower, upon the authorizing vote of the people, local selectmen and city councils to set the interest rates charged on delinquent property taxes. Specifically, the bill allows a rate to be set from six through twelve percent on overdue taxes and from nine to eighteen percent on liens.

A strong, 8 member bi-partisan minority opposes this well-intentioned but ill-conceived, poorly thought out "compromise." Rather than have this general court exercise its constitutional powers and continue to set a state-wide policy on this issue, the majority would abdicate this responsibility to delegate it to our political subdivisions. This will have immediate and long term consequences. Instead of establishing a uniform and consistent interest rate across the state, it will Balkanize that process, resulting in an irrational patchwork of different rates among our small political subdivisions. One town could decide to charge one rate while a community next door charges a rate twice as high-leading to a "race to the bottom." And our local boards of selectmen and city councils will be empowered to change the rate every year! The idea behind delinquent property tax interest rates is to encourage that property tax bills will be among the first bills to be paid, not among the last, because each unpaid property tax bill means that the other conscientious taxpayers will have to dig deeper into their pockets to make up the difference. Finally, while lower penalty interest rates are being advocated as an aid to our less fortunate home owners, they already have avenues of address through their selectmen, while the large commercial and retail property owners will most likely benefit the most from low delinquent interest rates.

Original: House Clerk
Cc: Committee Bill File

Rep. David H Kidder
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

LOCAL AND REGULATED REVENUES

HB1335, establishing a local option for lowering the interest rate on late and delinquent property tax payments and subsequent payments. **INEXPEDIENT TO LEGISLATE.**

Rep. David H Kidder for the **Minority** of LOCAL AND REGULATED REVENUES. The majority would empower, upon the authorizing vote of the people, local selectmen and city councils to set the interest rates charged on delinquent property taxes. Specifically, the bill allows a rate to be set from six through twelve percent on overdue taxes and from nine to eighteen percent on liens.

A strong, 8 member bi-partisan minority opposes this well-intentioned but ill-conceived, poorly thought out "compromise." Rather than have this general court exercise its constitutional powers and continue to set a state-wide policy on this issue, the majority would abdicate this responsibility to delegate it to our political subdivisions. This will have immediate and long term consequences. Instead of establishing a uniform and consistent interest rate across the state, it will Balkanize that process, resulting in an irrational patchwork of different rates among our small political subdivisions. One town could decide to charge one rate while a community next door charges a rate twice as high-leading to a "race to the bottom." And our local boards of selectmen and city councils will be empowered to change the rate every year! The idea behind delinquent property tax interest rates is to encourage that property tax bills will be among the first bills to be paid, not among the last, because each unpaid property tax bill means that the other conscientious taxpayers will have to dig deeper into their pockets to make up the difference. Finally, while lower penalty interest rates are being advocated as an aid to our less fortunate home owners, they already have avenues of address through their selectmen, while the large commercial and retail property owners will most likely benefit the most from low delinquent interest rates.

Original: House Clerk
Cc: Committee Bill File

MINORITY REPORT

COMMITTEE: Local and Regulated Revenues

BILL NUMBER: 1335

TITLE: _____

DATE: 2/11/10 CONSENT CALENDAR: YES NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2nd year of biennium)

Amendment No.

STATEMENT OF INTENT:

COMMITTEE VOTE: _____

• Copy to Committee Bill File

RESPECTFULLY SUBMITTED,

Rep. *[Signature]*
For the Minority

Minority report for HB 1335

ITL

Reg Cal

Vote 9-8

Rep. David Kidder

The majority would empower, upon the authorizing vote of the people, local selectmen and city councils to set the interest rates charged on delinquent property taxes. Specifically, the bill allows a rate to be set from six through twelve percent on overdue taxes and from nine to eighteen percent on liens. A strong, 8 member bi-partisan minority opposes this well-intentioned but ill-conceived, poorly thought out "compromise." Rather than have this general court exercise its constitutional powers and continue to set a state-wide policy on this issue, the majority would abdicate this responsibility to delegate it to our political subdivisions. This will have immediate and long term consequences. Instead of establishing a uniform and consistent interest rate across the state, it will Balkanize that process, resulting in an irrational patchwork of different rates among our small political subdivisions. One town could decide to charge one rate while a community next door charges a rate twice as high-leading to a "race to the bottom." And our local boards of selectmen and city councils will be empowered to change the rate every year! The idea behind delinquent property tax interest rates is to encourage that property tax bills will be among the first bills to be paid, not among the last, because each unpaid property tax bill means that the other conscientious taxpayers will have to dig deeper into their pockets to make up the difference. Finally, while lower penalty interest rates are being advocated as an aid to our less fortunate home owners, they already have avenues of address through their selectmen, while the large commercial and retail property owners will most likely benefit the most from low delinquent interest rates.