

Bill as Introduced

HB 1617-FN-LOCAL - AS INTRODUCED

2010 SESSION

10-2189

10/01

HOUSE BILL ***1617-FN-LOCAL***

AN ACT exempting owners of timber cut on storm-damaged land from timber taxes.

SPONSORS: Rep. Ladd, Graf 5; Rep. Chandler, Carr 1

COMMITTEE: Local and Regulated Revenues

ANALYSIS

This bill adds an exception from the timber tax requirements for persons who salvage or harvest blowdown timber on storm damaged land of 10 or more acres.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 exempting owners of timber cut on storm-damaged land from timber taxes.

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

1 1 New Subparagraph; Forest Conservation and Taxation; Exception From Timber Tax; Storm
2 Damaged Land. Amend RSA 79:1, II by inserting after subparagraph (b) the following new
3 subparagraph:

4 (c) An owner who initiates the salvage or harvest of blowdown timber on storm damaged
5 land of 10 or more acres resulting from a severe storm or natural disaster, within 180 days of such
6 storm or natural disaster, as determined by the assessing official prior to commencement of salvage
7 or harvest, shall be required to file a notice of intent to cut pursuant to RSA 79:10, but shall not be
8 subject to the yield tax under RSA 79:3, the collection of tax and lien requirements under RSA 79:8,
9 and the bond requirements under RSA 79:3-a and RSA 79:10-a.

10 2 Effective Date. This act shall take effect April 1, 2010.

LBAO
10-2189
12/11/09

HB 1617-FN-LOCAL - FISCAL NOTE

AN ACT exempting owners of timber cut on storm-damaged land from timber taxes.

FISCAL IMPACT:

The Department of Revenue Administration and New Hampshire Municipal Association state this bill would decrease local revenue by an indeterminable amount in FY 2010 and each year thereafter. This bill would have no fiscal impact on state, county, and local expenditures, or state and county revenue.

METHODOLOGY:

The Department of Revenue Administration states this bill would add an exception from the timber tax requirements for persons who salvage or harvest blowdown timber on storm damaged land of 10 or more acres. The Department states there would be no impact on state revenue, and the impact to local jurisdictions would depend on the scope and frequency of severe storms or natural disasters. The Department states local jurisdictions possess significant flexibility in the application of the timber tax, and must consider the full and true value or market value of the timber at severance. When the timber harvest is the result of a disaster, natural or otherwise, the assessors must consider the impact on the value of the timber. For those towns that currently consider these factors, there may be no impact.

The New Hampshire Municipal Association states this bill would decrease local revenue, but is unable to determine the exact fiscal impact at this time.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

PUBLIC HEARING ON HB 1617-FN-LOCAL

BILL TITLE: exempting owners of timber cut on storm-damaged land from timber taxes.

DATE: January 7, 2010

LOB ROOM: 303 **Time Public Hearing Called to Order:** 1:45 pm

Time Adjourned: 3:05 pm

(please circle if present)

Committee Members: Reps. ~~Walz, Taylor, Hamm, Theberge, Mulholland, Cutterworth, D. Howard, Lyons, Merry, Stetson, C. Webber, Stahl, Kidder, Hess, P. Katsakiores, Vaillancourt, A. Peterson, M. Allen and Hinkle, Blankenkemper~~

Bill Sponsors: Rep. Ladd, Graf 5; Rep. Chandler, Carr 1

TESTIMONY

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

***Rep. Ladd** – Ice Storm of '98, 2007, 2008 tornado, 38, these do impact harvesters of timber. Harvesters are not asking to be recompensed for losses, but costs are more extreme. How to find what land damaged? 2008-.1% of timber area, but value of that 6K acres, 400 foresters in state. Lucky if you get pulp and chips. Damage to forests – upsets plans, new roads, new bridges, equipment. Long term loss. This won't affect many towns. Damage should be assessed by a licensed forester.

Chairman Walz – is 180 days enough? A. When ground frozen okay.

Rep. Hamm; Is tax on standing timber or yield?

A. Tax may be different depending on town. Some towns look at mill statements.

Q. Analogy to shops being closed down to buyers?

A. Labor to get out is much more.

Rep. Webber: Still have 16 foot lengths. Still have good timber. Ice storm different.

A. This is why you need forester.

Rep. Allen: Needs an amendment.

Rep. Stetson: Will forester certify value of timber?

A. Yes.

Rep. Kidder: Are you taxed on board feet? How is the tax assessed?

A. I don't know.

Rep. Mullholland: Yield tax 10% of proceeds actually received. Salvage value less. Also, reductions for other costs.

Rep. Peterson: I see some value in this. Yield tax is no 10% of what you get. You pay an assessed value, not received. Would you be willing to accept ½ tax on storm damaged portion?

A. We considered this. Huge difference in the way towns consider this?

Rep. Taylor: Is there a service to the community because don't leave fuel on ground.

A. Mush or fire hazard.

Rep. Butterworth: Towns have different ways of assessing? Do we need to limit what they do?

Rep. Vaillancourt: Is this going to Ways and Means? I'm looking for value?

Chairman Walz: I'd be willing to study financial aspect.

Kathy Temcheck: Concord Assessor – Not in support. Timber statutes already require to assess at Stumpage value, but not only value but also cost of harvesting. They should be considered when setting tax. Only had one appeal in 21 years. Current value – cost of harvesting = yield. The concept is already in the bill.

Rep. Vaillancourt: How much for Concord? \$20-\$50 k a year.

Rep. Stohl: We are talking big bucks in my neck of the woods.

Steve Hamilton: DRA Property Appraisal – timber tax is property tax, exempted until you cut it. Each cut reports amounts and types of wood cut. Select-board makes final decision. We sent assessors out to each town to educate select-boards after tornado. If owner has to pay to get cleaned up, there is no tax. Select-boards already have this authority, but of course always some variety of approach.

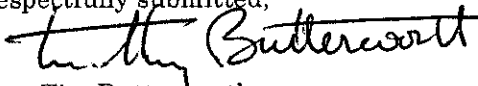
Rep. Taylor: Would it help if only designated natural Disasters.

Judy Silva, NHMA – Statute now says: RSA 79:1:iii. Language in bill may need definitions.

Rep. Hamm: Testimony indicates towns will get a lesser amount in any case.

Subcommittee: Taylor, Butterworth, Kidder, Stohl

Respectfully submitted,



Rep. Tim Butterworth
Clerk

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

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Bill Sponsors: Rep. Ladd, Graf 5; Rep. Chandler, Carr 1

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LOCAL AND REGULATED REVENUES
HEARINGS
THURSDAY, 1/7/2010

1:45 AM HB1617 exempting owners of timber cut on storm-damaged land from timber taxes.

Sponsors:

Reps. Ladd, Chandler

Rep. Ladd * - Ice storm of '98, 2007, 2008 tornado, 38, these do impact harvesters of timber. Harvesters are not asking to be recompensed for losses, but costs are more extreme. How to find what land damaged? 2008 - .1% of timber area, but value of that 6K acres. 400 foresters in state. Lucky if you get pulp and chips. Damage to forests – upsets plans, new roads, new bridges, equipment. Long term loss. This won't affect many towns. Damage should be assessed by a licensed forester.

Rep. Walz – is 180 days enough? A. When ground frozen okay.

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A. Tax may be different depending on town. Some towns look at mill statements.

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Rep. Peterson: I see some value in this. Yield tax is no 10% of what you get. You pay an assessed value, not received. Would you be willing to accept ½ tax on storm damaged portion?

A: We considered this. Huge difference in the way towns consider this?

Rep. Taylor: Is there a service to the community because don't leave fuel on ground. A. Mush or fire hazard.

Butterworth: Towns have different ways of assessing? Do we need to limit what they do?

Rep. Vaillancourt: Is this going to Ways and Means? I'm looking for value?

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stumpage value, but not only value but also cost of harvesting. They should be considered when setting tax. Only had one appeal in 21 years. Current value – cost of harvesting = yield. The concept is already in the bill.

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Rep. Peterson: This can be a nightmare. May become value in half-tax, or 180 day limit. Is there a value in looking at these parts of the bill.

A: Scope is difficult unless you define storm-damaged land, blow-down. There are towns where timber tax is greater than residential property tax. I'd be happy to help if you have a session.

Rep. Taylor: Would it help if only designated natural disasters.

Judy Silva, NHMA – Statute now says: RSA 79:1:iii . Language in bill may need definitions.

Rep. Hamm: Testimony indicates towns will get a lesser amount in any case.

Closed 3:05

Subcommittee: Taylor, Butterworth, Kidder, Stohl

Sub-Committee Actions

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

SUBCOMMITTEE WORK SESSION ON HB 1617-FN-LOCAL

BILL TITLE: exempting owners of timber cut on storm-damaged land from timber taxes.

DATE: January 26, 2010

Subcommittee Members: Reps. Stohl, Butterworth, Taylor, Mulholland

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. Taylor

Seconded by Rep. Butterworth

Vote: 4-0

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

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Butterworth
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

SUBCOMMITTEE WORK SESSION ON HB 1617-FN-LOCAL

BILL TITLE: exempting owners of timber cut on storm-damaged land from timber taxes.

DATE: 1/26/10

Subcommittee Members: Reps. Stahl, Butterworth + Taylor + Mulholland

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. Taylor

Seconded by Rep. Butterworth

Vote: 3 Aye Stahl + Mulholland

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

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep.
Subcommittee Chairman/Clerk

Tim Butterworth

Voting Sheets

HOUSE COMMITTEE ON LOCAL AND REGULATED REVENUES

EXECUTIVE SESSION on HB 1617-FN-LOCAL

BILL TITLE: exempting owners of timber cut on storm-damaged land from timber taxes.

DATE: January 28, 2010

LOB ROOM: 303

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

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

Moved by Rep. Stohl

Seconded by Rep. Stetson

Vote: 13-0 (Please attach record of roll call vote.)

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

Moved by Rep.

Seconded by Rep.

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

CONSENT CALENDAR VOTE: 13-0

(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 1617-FN-LOCAL

BILL TITLE: exempting owners of timber cut on storm-damaged land from timber taxes.

DATE: 1/28/10

LOB ROOM: 303

Amendments:

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

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

Moved by Rep. *Stall*
Seconded by Rep. *Stetson*

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

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

Moved by Rep.
Seconded by Rep.
Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

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

Statement of Intent: Refer to Committee Report

Respectfully submitted,
Rep. Dianne E. Schuett, Clerk



LOCAL AND REGULATED REVENUES

Bill #: 1617 Title: _____

PH Date: 1 / 26 / 2010 Exec Session Date: 1 / 28 / 2010

Motion: ITL Amendment #: _____

MEMBER	YEAS	NAYS
Walz, Mary Beth, Chairman	✓	
Taylor, Kathleen N, V Chairman <i>ab</i>		
Hamm, Christine C <i>abs</i>		
Theberge, Robert L <i>ab</i>		
Mulholland, Catherine <i>ab</i>		
Butterworth, Timothy, Clerk	✓	
Howard, Doreen	✓	
Lyons, Melissa L.B. <i>ab</i>		
Merry, Liz H	✓	
Stetson, William A	✓	
Webber, Carolyn B	✓	
Stohl, Eric G	✓	
Kidder, David H	✓	
Hess, David W	✓	
Katsakiores, Phyllis M <i>ab</i>		
Vaillancourt, Steve <i>ab</i>		
Peterson, Andrew R	✓	
Allen, Mary M	✓	
Hinkle, Peyton B	✓	
Blankenbeker, Lynne Ferrari	✓	
	13	0
	<i>Unanimous</i>	

Committee Report

CONSENT CALENDAR

February 2, 2010

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on LOCAL AND REGULATED

REVENUES to which was referred HB1617-FN-L,

AN ACT exempting owners of timber cut on storm-damaged land from timber taxes. Having considered the same, report the same with the following

Resolution: RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

Rep. Eric G Stohl

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	LOCAL AND REGULATED REVENUES
Bill Number:	HB1617-FN-L
Title:	exempting owners of timber cut on storm-damaged land from timber taxes.
Date:	February 2, 2010
Consent Calendar:	YES
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill seeks to exempt landowners of the timber tax, also known as the yield tax, that may be placed upon the timber that is salvaged as a result of storm damage. The committee heard testimony that there are areas within the state that do not take into consideration the cost of salvaging storm-damaged timber. A subcommittee was established to look into this situation further. During the subcommittee's work, it was learned that there already is a process for achieving the desired results that this legislation seeks. RSA 79 deals with the administration of the yield tax including the landowners intent to cut, the report of cut, and the report by the selectmen/assessors to the Department of Revenue of the tax that was imposed. RSA 76:16 allows the selectmen/assessors the ability to abate any tax assessed by them for good cause. The subcommittee asked the Department of Revenue to review with all municipalities the concerns that were raised by this bill and remind them of the process. A representative of the Timberland Owners Association is also going to advise their members of the process. The committee feels this will address the issue properly so the bill is not necessary.

Vote 13-0.

Rep. Eric G Stohl
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

LOCAL AND REGULATED REVENUES

HB1617-FN-L, exempting owners of timber cut on storm-damaged land from timber taxes.
INEXPEDIENT TO LEGISLATE.

Rep. Eric G Stohl for LOCAL AND REGULATED REVENUES. This bill seeks to exempt landowners of the timber tax, also known as the yield tax, that may be placed upon the timber that is salvaged as a result of storm damage. The committee heard testimony that there are areas within the state that do not take into consideration the cost of salvaging storm-damaged timber. A subcommittee was established to look into this situation further. During the subcommittee's work, it was learned that there already is a process for achieving the desired results that this legislation seeks. RSA 79 deals with the administration of the yield tax including the landowners intent to cut, the report of cut, and the report by the selectmen/assessors to the Department of Revenue of the tax that was imposed. RSA 76:16 allows the selectmen/assessors the ability to abate any tax assessed by them for good cause. The subcommittee asked the Department of Revenue to review with all municipalities the concerns that were raised by this bill and remind them of the process. A representative of the Timberland Owners Association is also going to advise their members of the process. The committee feels this will address the issue properly so the bill is not necessary. **Vote 13-0.**

Original: House Clerk
Cc: Committee Bill File

HB 1617-FN-LOCAL

HB 1617-FN-LOCAL, exempting owners of timber cut on storm-damaged land from timber taxes. **INEXPEDIENT TO LEGISLATE.**

Rep. Eric G. Stohl for Local and Regulated Revenues: This bill seeks to exempt landowners of the timber tax, also known as the yield tax, that may be placed upon the timber that is salvaged as a result of storm damage. The committee heard testimony that there are areas within the state that do not take into consideration the cost of salvaging storm-damaged timber. A subcommittee was established to look into this situation further. During the subcommittee's work, it was learned that there already is a process for achieving the desired results that this legislation seeks. RSA 79 deals with the administration of the yield tax ^{in actuality} starting with the landowner's intent to cut, ~~through the report of cut~~ ^{and} the report by the selectmen/assessors to the Department of Revenue of the tax that was imposed. RSA 76:16 allows the selectmen/assessors the ability to abate any tax assessed by them for good cause. The subcommittee asked the Department of Revenue to review with all municipalities the concerns that were raised by this bill and remind them of the process. A representative of the Timberland Owners Association is also going to advise their members of the process. The committee feels this will address the issue properly so the bill is not necessary. **Vote 13-0**

Jan. 28, 2010
Eric Stohl

Mary Beth Wade