

# Bill as Introduced

---

HB 622 - AS INTRODUCED

2011 SESSION

11-0568  
10/04

HOUSE BILL           **622**

AN ACT               relative to adjustments to the semi-annual collection of property taxes in towns and cities.

SPONSORS:           Rep. B. Patten, Carr 4; Rep. Knox, Carr 4; Rep. Ahlgren, Carr 4; Rep. S. Schmidt, Carr 4

COMMITTEE:          Municipal and County Government

---

ANALYSIS

This bill allows for adjustments in the method of calculating the partial payment of taxes related to an increase or decrease in local education taxes resulting from a change to the town's or city's adequate education grant.

---

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Eleven*

AN ACT relative to adjustments to the semi-annual collection of property taxes in towns and cities.

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

1       1 New Paragraph; Semi-annual Rate Adjustments for Adequate Education Grants. Amend RSA  
2 76:16-a by inserting after paragraph II the following new paragraph:

3           III.(a) Notwithstanding the provisions of paragraphs I and II, and with approval of the  
4 commissioner of the department of revenue administration, any municipality affected by a change in  
5 adequate education grants distributed by the department of education under RSA 198:41 may:

6                   (1) Adjust the 1/2 previous year's tax rate determined in paragraph I by an amount  
7 sufficient to collect 1/2 of the increase or decrease in the local school tax resulting from the change; or

8                   (2) Adjust the rate using an alternative method provided that the method selected  
9 has been deemed necessary by the municipality to avoid a disproportionate semi-annual collection of  
10 taxes.

11           (b) The department of education shall certify, no later than November 15, to the  
12 commissioner of the department of revenue administration the difference in the amount of the  
13 adequate education grants between the current fiscal year and the forthcoming fiscal year for every  
14 municipality.

15       2 Rate Adjustments for Fiscal Year 2011. On the effective date of this act, the department of  
16 education shall certify to the commissioner of the department of revenue administration the  
17 difference in the amount of the adequate education grants between the 2011 fiscal year and the 2012  
18 fiscal year for every municipality. The department of revenue administration shall expedite  
19 approvals required in RSA 76:16-a, III.

20       3 Effective Date. This act shall take effect upon its passage.

# Amendments

Amendment to HB 622

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

2

3 AN ACT relative to adjustments to the semi-annual and quarterly collection of property  
4 taxes in towns and cities.

5

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

7

8 1 New Paragraph; Semi-annual Rate Adjustments for Adequate Education Grants or Excess Tax  
9 Amounts. Amend RSA 76:15-a by inserting after paragraph II the following new paragraph:

10 III.(a) Notwithstanding the provisions of paragraphs I and II, any municipality affected by a  
11 change in adequate education grants or excess tax amounts, determined pursuant to RSA 198:41,  
12 may apply to the commissioner of revenue administration on forms prescribed by the commissioner  
13 to adjust the 1/2 of the previous year's tax rate by an amount sufficient to collect 1/2 of the estimated  
14 increase or decrease in the local school tax resulting from the change.

15 (b) The department of education shall certify, no later than November 15, to the  
16 commissioner of the department of revenue administration the difference in the amount of the  
17 adequate education grants and excess tax amounts between the current fiscal year and the  
18 forthcoming fiscal year for every municipality.

19 (c) Any municipality requesting an adjusted rate for the semi-annual bill shall submit  
20 such request to the commissioner of the department of revenue administration by April 1 prior to the  
21 issuance of the semi-annual bill.

22 2 New Paragraph; Quarterly Rate Adjustments for Adequate Education Grants or Excess Tax  
23 Amounts. Amend RSA 76:15-aa by inserting after paragraph IV the following new paragraph:

24 V.(a) Notwithstanding the provisions of paragraphs II and III, any municipality with  
25 quarterly billing affected by a change in adequate education grants or excess tax amounts,  
26 determined pursuant to RSA 198:41, may apply to the commissioner of revenue administration on  
27 forms prescribed by the commissioner to adjust the 1/4 of the previous year's tax rate by an amount  
28 sufficient to collect 1/4 of the estimated increase or decrease in the July and October quarterly bills  
29 in local school tax resulting from the change.

30 (b) The department of education shall certify, no later than November 15, to the  
31 commissioner of the department of revenue administration the difference in the amount of the  
32 adequate education grants and excess tax amounts between the current fiscal year and the

**Amendment to HB 622**

**- Page 2 -**

1 forthcoming fiscal year for every municipality.

2 (c) Any municipality requesting an adjusted rate for the quarterly bills shall submit such  
3 request to the commissioner of the department of revenue administration by April 1 prior to the  
4 issuance of the July and October quarterly bills.

5 (d) The department of revenue administration shall expedite certified adjusted rate  
6 applications.

7 3 Rate Adjustments for Fiscal Year 2011. On the effective date of this act, the department of  
8 education shall certify to the commissioner of the department of revenue administration the  
9 difference in the amount of the adequate education grants between the 2011 fiscal year and the 2012  
10 fiscal year for every municipality. The department of revenue administration shall expedite certified  
11 adjusted rate applications in accordance with RSA 76:15-a, III and RSA 76:15-aa, V.

12 4 Effective Date. This act shall take effect upon its passage.

**Amendment to HB 622**  
**- Page 3 -**

2011-0487h

**AMENDED ANALYSIS**

This bill allows for the adjustment in the method of calculating the partial payment of taxes related to an increase or decrease in local education taxes resulting from a change to the town's or city's adequate education grant or excess tax amount. The changes applies to both semi-annual and quarterly collection of taxes.

# Hearing Minutes



HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 622

**BILL TITLE:** relative to adjustments to the semi-annual collection of property taxes in towns and cities.

**DATE:** February 22, 2011

**LOB ROOM:** 301      **Time Public Hearing Called to Order:** 1:30 pm

**Time Adjourned:** 1:55 pm

(please circle if present)

**Committee Members:** Reps. Ferrante, Sterling, B. Patten, Lockwood, Accornero, Belanger, Burt, Coffey, Copeland, Moore, Munck, Shackett, Stroud, DeStefano, Roberts, Hooper and Patro.

**Bill Sponsors:** Rep. B. Patten, Carr 4; Rep. Knox, Carr 4; Rep. Ahlgren, Carr 4; Rep. S. Schmidt, Carr 4

TESTIMONY


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

**Rep. Betsey Patten** – sponsor – Worked with DRA and the Coalition Communities. If the education plan goes back to donor towns, this bill would allow towns to adjust their June tax bills. Need a couple of changes – line 2, 5, 8, 9, 10, 13. Also adjust for quarterly payments. Will bring an amendment.

**\*Pat Remick** – Coalition Communities – Supports the bill – Donor towns will not be the only ones affected if the present law goes into effect.

**Michael Williams** – NHMA supports the bill and concepts of the amendments. This is not a new idea. But this will go into law so it can occur anytime it is needed.

Respectfully submitted,

  
Rep. Priscilla Lockwood  
Acting clerk

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 622

BILL TITLE: relative to adjustments to the semi-annual collection of property taxes in towns and cities.

DATE: 2/22/11

LOB ROOM: 301

Time Public Hearing Called to Order: 1:30

Time Adjourned:

(please circle if present)

Committee Members: Reps. Ferrante, Sterling, B. Patten, Lockwood, Accornero, Belanger, Burt, Coffey, Copeland, Moore, Munck, Shackett, Stroud, DeStefano, Roberts, Hooper and Tatro

Bill Sponsors: Rep. B. Patten, Carr 4; Rep. Knox, Carr 4; Rep. Ahlgren, Carr 4; Rep. S. Schmidt, Carr 4

TESTIMONY

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

Rep. Patten

Worked with URA and The coalition communities. If the education plan goes back to donor towns, this bill would allow towns to adjust their June tax bills.

Need a couple of changes - line 2, 5, 8, 9, 10, 13

Also adjust for quarterly payments. Will bring an amendment.

Pat Remick - Coalition Communities

Supports the bill. Donor towns will not be the only ones affected if the present law goes into effect.

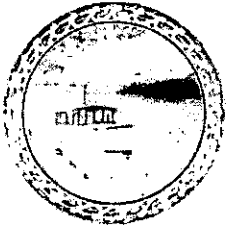
~~Rep. Duvette~~

Michael Williams NHMA

Supports the bill and the concepts (only) of the amendments. This is not a new

idea. But, this will go into law so it can  
occur anytime it is needed.

# Testimony



**Office of Selectmen**  
Town of Moultonborough  
6 Holland Street - PO Box 139  
Moultonborough, NH 03254  
(603) 476-2347 \* Fax (603) 476-5835

February 21, 2011

The Honorable Beverly Ferrante, Chairman  
Committee on Municipal and County Government  
Legislative Office Building - Room 301  
33 North State Street  
Concord, NH 03301

Re: HB 622

Dear Chairman Ferrante & Members of the Committee:

I write on behalf of the Town of Moultonborough to support the passage of HB622. My apologies that I cannot testify in person due to a long planned family commitment.

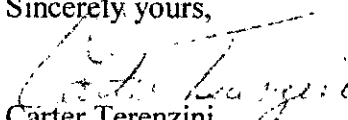
This statute would permanently codify a onetime provision of the 1999 legislation creating the Statewide Education Property Tax. At that time municipalities were allowed to make an adjustment to their June estimated tax bills to "smooth-out" tax bills that would otherwise "spike" when the SWEPT hit the December actual tax bill in its entirety.

While the SWEPT continued in effect this provision to "smooth-out" the implementation impact did not. We now face a very real possibility of such a "spiking" re-occurring whenever there is a substantial increase in the amount to be raised locally as the result the SWEPT formula. At present, the Moultonborough taxpayers face a \$3.9 million dollar spike in local property taxes that – without HB 622 – will all have to hit our December actual bill.

This legislation will allow us "smooth out" this spike making tax payments more manageable and avoiding tax escrow reset problems based upon an inflated December tax bill. Similarly, communities which will see their local taxes go down with any increase in the SWEPT formula can pass these savings along to their taxpayers earlier rather than later should they so choose.

Notwithstanding the many pending pieces of legislation on the SWEPT and education funding, we do believe the time has come to put this 1999 implementation feature on the original law back into effect on a permanent basis and urge you to report out favorably the legislation sponsored by Representative Patten and our entire local delegation.

Sincerely yours,

  
Carter Terenzini  
Town Administrator

CC: BoS; P. Remick; B. Patten

# Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 622

**BILL TITLE:** relative to adjustments to the semi-annual collection of property taxes in towns and cities.

**DATE:** March 3, 2011

**LOB ROOM:** 301

**Amendments:**

Sponsor: Rep. Patten	OLS Document #:	2011	0487h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

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

Moved by Rep. Patten

Seconded by Rep. Burt

Vote: 16-0 (Please attach record of roll call vote.)

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

Moved by Rep. Patten

Seconded by Rep. Ferrante

Vote: 16-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: YES NO (Please circle)

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

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

Respectfully submitted,

Rep. Philip Munck, Clerk



HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 622

**BILL TITLE:** relative to adjustments to the semi-annual collection of property taxes in towns and cities.

**DATE:** 3-3-11

**LOB ROOM:** 301

**Amendments:**

Sponsor: Rep. Patten OLS Document #: 2011-0487h  
Sponsor: Rep. OLS Document #:  
Sponsor: Rep. OLS Document #:

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

Moved by Rep. Patten

Seconded by Rep. Bart

Vote: (Please attach record of roll call vote.) 16-0

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

Moved by Rep. Patten

Seconded by Rep. Ferrante

Vote: (Please attach record of roll call vote.) 16-0

**CONSENT CALENDAR VOTE:** YES NO (Please circle)

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

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

Respectfully submitted,

Rep. Philip Munck, Clerk



MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB 622 Title: adjustments to semi-annual collection

PH Date:    /   /   

Exec Session Date: 3 / 3 / 11

Motion: OTP

Amendment #: 2011-0487h

MEMBER	YEAS	NAYS
Ferrante, Beverly A, Chairman	✓	
Sterling, Franklin W, V Chairman	✓	
Patten, Betsey L	✓	
Lockwood, Priscilla P	✓	
Accornero, Harry	✓	
Belanger, James P	✓	
Burt, John A	✓	
Coffey, James E	✓	
Copeland, Timothy D		
Moore, Robert W	✓	
Munck, Philip L	✓	
Shackett, Jeffrey S	✓	
Stroud, Kathleen M	✓	
DeStefano, Stephen T	✓	
Roberts, Kris E	✓	
Hooper, Dorothea D	✓	
Tatro, Bruce L	✓	
TOTAL VOTE:	10	0

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB 622 Title: \_\_\_\_\_

PH Date: 1 / 1

Exec Session Date: 3 / 3 / 11

Motion: OTPA

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

MEMBER	YEAS	NAYS
Ferrante, Beverly A, Chairman	✓	
Sterling, Franklin W, V Chairman	✓	
Patten, Betsey L	✓	
Lockwood, Priscilla P	✓	
Accornero, Harry	✓	
Belanger, James P	✓	
Burt, John A	✓	
Coffey, James E	✓	
Copeland, Timothy D		
Moore, Robert W	✓	
Munck, Philip L	✓	
Shackett, Jeffrey S	✓	
Stroud, Kathleen M	✓	
DeStefano, Stephen T	✓	
Roberts, Kris E	✓	
Hooper, Dorothea D	✓	
Tatro, Bruce L	✓	
TOTAL VOTE:	16	0

# Committee Report

**CONSENT CALENDAR**

**March 8, 2011**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on MUNICIPAL AND COUNTY  
GOVERNMENT to which was referred HB622,**

**AN ACT relative to adjustments to the semi-annual  
collection of property taxes in towns and cities. Having  
considered the same, report the same with the following  
amendment, and the recommendation that the bill  
OUGHT TO PASS WITH AMENDMENT.**

**Rep. Betsey L Patten**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	MUNICIPAL AND COUNTY GOVERNMENT
Bill Number:	HB622
Title:	relative to adjustments to the semi-annual collection of property taxes in towns and cities.
Date:	March 8, 2011
Consent Calendar:	YES
Recommendation:	OUGHT TO PASS WITH AMENDMENT

### STATEMENT OF INTENT

When the statewide education property tax went into effect in 1999 the municipalities were allowed to make an adjustment in their June estimated tax bills to smooth out tax bills that would otherwise increase when the statewide education property tax went into effect. This legislation would again allow this possibility for adjustment and include it permanently in RSA 198:41. The effect of HB 622 would help those cities and towns deal with either an increase or decrease change in the amounts excess tax amounts or grants if the statewide property tax continues as it is calculated currently. The committee recommends Ought to Pass as Amended to help the local taxpayers plan for any increases or decreases in their tax bills.

Vote 16-0.

Rep. Betsey L Patten  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## CONSENT CALENDAR

### MUNICIPAL AND COUNTY GOVERNMENT

**HB622**, relative to adjustments to the semi-annual collection of property taxes in towns and cities.  
**OUGHT TO PASS WITH AMENDMENT.**

Rep. Betsey L Patten for MUNICIPAL AND COUNTY GOVERNMENT. When the statewide education property tax went into effect in 1999 the municipalities were allowed to make an adjustment in their June estimated tax bills to smooth out tax bills that would otherwise increase when the statewide education property tax went into effect. This legislation would again allow this possibility for adjustment and include it permanently in RSA 198:41. The effect of HB 622 would help those cities and towns deal with either an increase or decrease change in the amounts excess tax amounts or grants if the statewide property tax continues as it is calculated currently. The committee recommends Ought to Pass as Amended to help the local taxpayers plan for any increases or decreases in their tax bills. **Vote 16-0.**

Original: House Clerk  
Cc: Committee Bill File

Linda,

HB622

relative to adjustments to the semi-annual collection of property taxes in towns and cities

OTPA 16-0

Betsey Patten for the committee

When the statewide education property tax went into effect in 1999 the municipalities were allowed to make an adjustment in their June estimated tax bills to smooth out tax bills that would otherwise increase when the statewide education property tax went into effect. This legislation would again allow this possibility for adjustment and include it permanently in RSA 198:41. The effect of HB 622 would help those cities and towns deal with either an increase or decrease change in the amounts excess tax amounts or grants if the statewide property tax continues as it is calculated currently. The committee recommends Ought to Pass as Amended to help the local taxpayers plan for any increases or decreases in their tax bills.

COMMITTEE REPORT

COMMITTEE: Municipal & County Government

BILL NUMBER: HB ~~622~~ 622

TITLE: adjustment to semi-annual collection of property taxes

DATE: 3-3-11 CONSENT CALENDAR: YES  NO

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

Amendment No. <u>2011-0487h</u>
------------------------------------

STATEMENT OF INTENT:

\_\_\_\_\_

\_\_\_\_\_

See Attached

\_\_\_\_\_

\_\_\_\_\_

Betsy Patton

\_\_\_\_\_

\_\_\_\_\_

COMMITTEE VOTE: \_\_\_\_\_

- |   |
|---|
| <ul style="list-style-type: none"> <li>• Copy to Committee Bill File</li> <li>• Use Another Report for Minority Report</li> </ul> |
|---|

RESPECTFULLY SUBMITTED,

Rep. Betsy Patton

For the Committee