

Bill as  
Introduced

HB 655-FN - AS INTRODUCED

2013 SESSION

13-0199

10/03

HOUSE BILL

**655-FN**

AN ACT

relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

SPONSORS:

Rep. Daniels, Hills 40

COMMITTEE:

Municipal and County Government

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ANALYSIS

This bill requires that the amount of the tax deferral and accrued interest be paid to the municipality granting the deferral upon the sale of the property to a purchaser.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

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

1           1 New Paragraph; Property Taxation; Tax Deferral For Elderly and Disabled. Amend  
2 RSA 72:38-a by inserting after paragraph IV the following new paragraph:

3           IV-a. When the owner of a property subject to a tax deferral sells or otherwise conveys the  
4 property to a purchaser, the owner or purchaser shall pay in full the deferred taxes plus any interest  
5 due and the municipality shall provide recorded written release or satisfaction of the notice of tax  
6 deferral. If the owner or purchaser, who shall be deemed to have notice of and shall take title to the  
7 property subject to the notice of tax deferral, does not pay the accrued amount on the property within  
8 9 months of the date of sale or conveyance of the property, the municipality may commit the accrued  
9 amount of the deferral to the collector of taxes with a warrant signed by the assessing officials  
10 requiring him or her to collect it; and the collector of taxes shall have the same rights and remedies  
11 in relation thereto as provided in RSA 76:13 and RSA 80. Prior to holding a tax sale or executing a  
12 priority tax lien under RSA 80:59, the collector shall, at least 30 days prior to such tax sale or tax  
13 lien execution, send notice by certified or registered mail, to the last known post office address of the  
14 current owner, if known, or to the last known address of the taxpayer who received the deferral, and  
15 to all mortgagees from whom permission has been sought pursuant to paragraph III of this section.  
16 Any person with a legal interest in the property may redeem it, either prior to the tax sale or tax lien  
17 execution, or subsequently as set forth in RSA 80:32 or RSA 80:69.

18           2 Effective Date. This act shall take effect January 1, 2014.

LBAO  
13-0199  
01/29/13

**HB 655-FN - FISCAL NOTE**

AN ACT relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

**FISCAL IMPACT:**

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the New Hampshire Municipal Association. When completed, the fiscal note will be forwarded to the House Clerk's Office.

**HB 655 FISCAL NOTE**

AN ACT relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

**FISCAL IMPACT:**

The New Hampshire Municipal Association states this bill, **as introduced**, may increase local revenue by an indeterminable amount in FY 2014 and each year thereafter. There will be no fiscal impact on state or county revenue, or state, county, and local expenditures.

**METHODOLOGY:**

The New Hampshire Municipal Association (NHMA) states this bill requires deferred taxes for elderly and disabled property owners and accrued interest to be collected upon the property's sale or other conveyance. The NHMA states current law requires payment of deferred taxes when the owner dies, but does not require payment when the property is sold or otherwise conveyed by the owner. The NHMA states county and local revenue may be increased because this bill now provides for payment of deferred taxes when the property is transferred to another party, not just when the owner dies. However, NHMA is unable to determine the amount of increased revenue.

# Amendments

Amendment to HB 655-FN

1 Amend RSA 72:38-a, IV-a as inserted by section 1 of the bill by replacing it with the following:

2

3 IV-a. When the owner of a property subject to a tax deferral sells or otherwise conveys the  
4 property, the owner or grantee shall pay in full the deferred taxes plus any interest due and the  
5 municipality shall provide recorded written release or satisfaction of the notice of tax deferral. If the  
6 owner or grantee, who shall be deemed to have notice of and shall take title to the property subject  
7 to the notice of tax deferral, does not pay the accrued amount on the property within 9 months of the  
8 date of sale or conveyance of the property, the municipality may commit the accrued amount of the  
9 deferral to the collector of taxes with a warrant signed by the assessing officials requiring him or her  
10 to collect it; and the collector of taxes shall have the same rights and remedies in relation thereto as  
11 provided in RSA 76:13 and RSA 80. Prior to holding a tax sale or executing a priority tax lien under  
12 RSA 80:59, the collector shall, at least 30 days prior to such tax sale or tax lien execution, send  
13 notice by certified or registered mail, to the last known post office address of the current owner, if  
14 known, or to the last known address of the taxpayer who received the deferral, and to all mortgagees  
15 from whom permission has been sought pursuant to paragraph III of this section. Any person with a  
16 legal interest in the property may redeem it, either prior to the tax sale or tax lien execution, or  
17 subsequently as set forth in RSA 80:32 or RSA 80:69.

# Speakers





# Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB655-FN

**BILL TITLE:** relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

**DATE:** February 19, 2013

**LOB ROOM:** 301      **Time Public Hearing Called to Order:** 1:00 pm

**Time Adjourned:** 1:28 pm

(please circle if present)

**Committee Members:** Reps. Porter, Tatro, Hooper, Roberts, Malloy, Carson, Lavender, Enman, S. White, Verschueren, Vail, Stroud, Shackett, Danielson, Coffey, J. Belanger, Lockwood, Bickford, Copeland and Bishop.

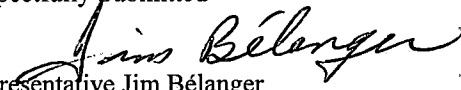
**Bill Sponsors:** Rep. Daniels, Hills 40

TESTIMONY

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

1. **Rep Gary Daniels, Sponsor, Hills 40, support:** I introduce this bill on behalf of my finance director to fill a hole in the law and would like to refer testimony to the finance director.
2. \* **Jack Sheehy, Milford finance director, support.** Some times an elderly person has their taxes deferred, then goes into a rest home, and may pass away and the property goes up for sale. The buyer needs to pay those taxes that were deferred. Some times the property is passed on to a child with no financial transaction. Now there is a new owner and unpaid property taxes. Currently, deferred taxes don't carry the same priority as unpaid taxes which take priority. Deferred taxes accrue interest obligations at 5%. The current statutes have "no teeth" in them as far as collecting deferred taxes from a new owner.
3. **Cordell Johnston, NHMA, Support:** There is a hole in the existing law and this bill should fix it. There is currently no mechanism to end a tax deferral even after the property ownership is transferred. A person obtaining ownership of property may not be a "purchaser" and this could cause confusion. The bill might be better if it said "the owner or the transferee" instead of owner or purchaser. This would include someone getting the property as a gift. Other suggestions: current owner, grantor or grantee, owner or subsequent owner.

Respectfully Submitted

  
Representative Jim Belanger  
Committee Clerk

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB655-FN

**BILL TITLE:** relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

**DATE:** 19 FEB 2013

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

**Time Adjourned:** 1:28 PM

(please circle if present)

**Committee Members:** Reps. Porter, Tatro, Hooper, Roberts, Malloy, Carson, Lavender, Enman, S. White, Verschueren, Vail, Stroud, Shackett, Danielson, Coffey, J. Belanger, Lockwood, Bickford, Copeland and Bishop.

**Bill Sponsors:** Rep. Daniels, Hills 40

TESTIMONY

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

House Committee on Municipal & County Government  
Public Hearing on HB 655-FN

Relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

Porter, Marjorie	X	Tatro, Bruce	X	Bélanger, Jim	X
Bickford, David	X	Bishop, Franklin	X	Carson, Clyde	X
Coffey, James	X	Copeland, Timothy	X	Danielson, David	X
Enman, Larry	X	Hooper, Dorothea	X	Lavender, Tom	X
Lockwood, Priscilla	X	Malloy, Dennis	X	Roberts, Kris	X
Shackett, Jeff		Stroud, Kathleen	X	Vail, Suzanne	X
Verschueren, James	X	White, Syndi			

LOB Room 301

Date: 19 February 2013

Hearing called to order: 1 PM

Hearing Adjourned: 1:28 PM

**Testimony**

\* indicates written testimony or amendment submitted.

1. **Rep Gary Daniels, Sponsor, Hills 40, support:** I introduce this bill on behalf of my finance director to fill a hole in the law and would like to refer testimony to the finance director.
2. \* **Jack Sheehy, Milford finance director, support.** Some times an elderly person has their taxes deferred, then goes into a rest home, and may pass away and the property goes up for sale. The buyer needs to pay those taxes that were deferred. Some times the property is passed on to a child with no financial transaction. Now there is a new owner and unpaid property taxes. Currently, deferred taxes don't carry the same priority as unpaid taxes which take priority. Deferred taxes accrue interest obligations at 5%. The current statutes have "no teeth" in them as far as collecting deferred taxes from a new owner.
3. **Cordell Johnston, NHMA, Support:** There is a hole in the existing law and this bill should fix it. There is currently no mechanism to end a tax deferral even after the property ownership is transferred. A person obtaining ownership of property may not be a "purchaser" and this could cause confusion. The bill might be better if it said "the owner or the transferee" instead of owner or purchaser. This would include someone getting the property as a gift. Other suggestions: current owner, grantor or grantee, owner or subsequent owner.

Respectfully Submitted

Representative Jim Bélanger  
Committee Clerk

# Testimony



# Town of Milford

## FINANCE

February 19, 2013

Municipal and County Government Committee  
New Hampshire House of Representatives

Town Hall  
1 Union Square  
Milford, NH 03055  
(603) 249-0640  
Fax (603) 673-2273  
[www.milford.nh.gov](http://www.milford.nh.gov)

TDD Access:  
Relay NH 1-800-735-2964

Dear Committee Members:

I am in favor of HB-655.

This new paragraph added to RSA 72:38-a would allow for procedures to force collection of a Tax Deferral Lien in the case of the sale or transfer of a property against which a Tax Deferral Lien has been recorded. Currently if the property owner who received the deferral is still alive, the property is sold or transferred, and the lien is not redeemed, the tax collector has no recourse to collect the lien. This addition to the RSA would give the tax collector the same rights to collect as if the previous owner was deceased (RSA 72:38-a IV).

Thank you for your time and consideration.

Sincerely,

Jack Sheehy  
Director of Financial Operations  
E-mail: [jsheehy@milford.nh.gov](mailto:jsheehy@milford.nh.gov)



# Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB655-FN

**BILL TITLE:** relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

**DATE:** March 5, 2013

**LOB ROOM:** 301

**Amendments:**

Sponsor: Rep. OLS Document #: 2013 0488h

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

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

Moved by Rep. Belanger

Seconded by Rep. Lavender

Vote: 20-0 (Please attach record of roll call vote.)

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

Moved by Rep. Bickford

Seconded by Rep. Lavender

Vote: 20-0 (Please attach record of roll call vote.)

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

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

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

Respectfully submitted,

Rep. James P. Belanger, Clerk

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB655-FN

**BILL TITLE:** relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.

**DATE:** 5 MARCH 2013

**LOB ROOM:** 301

Amendments:

Sponsor: Rep. DANIELS

OLS Document #: 2013-0488h

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

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

Moved by Rep. BELANGER

Seconded by Rep. LAVENDER

amendment  
20-0

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

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

Moved by Rep. ~~BISHOP~~ BICKFORD

Seconded by Rep. LAVENDER

20-0

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

CONSENT CALENDAR VOTE:  YES  NO (Please circle one)

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

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. James P. Belanger, Clerk



2013 SESSION

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB 655 Title: COLLECTION OF DEFERRED PROP TAX

PH Date: 19 FEB 2013

Exec Session Date: 5 MAR 2013

Motion: \_\_\_\_\_

Amendment #: 2013-0488h

MEMBER	YEAS	NAYS
Porter, Marjorie A, Chairman	✓	
Tatro, Bruce L, V Chairman	✓	
Roberts, Kris E	✓	
Hooper, Dorothea D	✓	
Carson, Clyde J	✓	
Enman, Larry S	✓	
Lavender, Tom	✓	
Malloy, Dennis J	✓	
Vail, Suzanne M	✓	
Verschueren, James	✓	
White, Syndi G	✓	
Stroud, Kathleen M	✓	
Lockwood, Priscilla P	✓	
Belanger, James P, Clerk	✓	
Coffey, James E	✓	
Copeland, Timothy D	✓	
Shackett, Jeffrey S	✓	
Bishop, Franklin C	✓	
Bickford, David A	✓	
Danielson, David J	✓	
<b>TOTAL VOTE:</b>		

20

0



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/7/2013 3:58:12 PM  
Roll Call Committee Registers  
Report

2013 SESSION

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB655 Title: COLLECTION OF DEFERRED PROP TAX

PH Date: 19 FEB 2013

Exec Session Date: 5 MARI 2013

Motion: OTPA

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

MEMBER

YEAS

NAYS

Porter, Marjorie A, Chairman	✓	
Tatro, Bruce L, V Chairman	✓	
Roberts, Kris E	✓	
Hooper, Dorothea D	✓	
Carson, Clyde J	✓	
Enman, Larry S	✓	
Lavender, Tom	✓	
Malloy, Dennis J	✓	
Vail, Suzanne M	✓	
Verschueren, James	✓	
White, Syndi G	✓	
Stroud, Kathleen M	✓	
Lockwood, Priscilla P	✓	
Belanger, James P, Clerk	✓	
Coffey, James E	✓	
Copeland, Timothy D	✓	
Shackett, Jeffrey S	✓	
Bishop, Franklin C	✓	
Bickford, David A	✓	
Danielson, David J.	✓	
<b>TOTAL VOTE:</b>		

20

0

# Committee Report

**CONSENT CALENDAR**

**March 5, 2013**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on MUNICIPAL AND COUNTY**

**GOVERNMENT to which was referred HB655-FN,**

**AN ACT relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.**

**Rep. David A Bickford**

**FOR THE COMMITTEE**

Original: House Clerk

Cc: Committee Bill File

## COMMITTEE REPORT

Committee:	<b>MUNICIPAL AND COUNTY GOVERNMENT</b>
Bill Number:	<b>HB655-FN</b>
Title:	<b>relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property.</b>
Date:	<b>March 5, 2013</b>
Consent Calendar:	<b>YES</b>
Recommendation:	<b>OUGHT TO PASS WITH AMENDMENT</b>

### STATEMENT OF INTENT

This bill as amended requires towns to begin collection on deferred taxes upon the property's sale or other conveyance.

Vote 20-0.

Rep. David A Bickford  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File



**CONSENT CALENDAR**

**MUNICIPAL AND COUNTY GOVERNMENT**

**HB655-FN**, relative to the collection of the amount of the property tax deferral for the elderly or disabled upon sale of the property. **OUGHT TO PASS WITH AMENDMENT.**

Rep. David A Bickford for MUNICIPAL AND COUNTY GOVERNMENT. This bill as amended requires towns to begin collection on deferred taxes upon the property's sale or other conveyance.

**Vote 20-0.**

Original: House Clerk

Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: MS CG

BILL NUMBER: HB 655

TITLE: COLLECTION OF DEFERRED TAXES  
FROM ELDERLY OR DISABLED

DATE: 5 MAR 2013 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.  
0488h

STATEMENT OF INTENT:

This bill as amended requires towns to begin  
collection on deferred taxes  
upon the property's sale or other conveyance.

COMMITTEE VOTE: 20-0

RESPECTFULLY SUBMITTED,

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

Rep. David A. Bullard  
For the Committee  
MAP