

# Committee Report

**CONSENT CALENDAR**

**February 21, 2017**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on Education to which was referred HB  
341,**

**AN ACT repealing the provisions for tax exemption for  
certain chartered public school facilities. Having  
considered the same, report the same with the following  
resolution: RESOLVED, that it is INEXPEDIENT TO  
LEGISLATE.**

**Rep. Robert Elliott**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	Education
Bill Number:	HB 341
Title:	repealing the provisions for tax exemption for certain chartered public school facilities.
Date:	February 21, 2017
Consent Calendar:	CONSENT
Recommendation:	INEXPEDIENT TO LEGISLATE

### STATEMENT OF INTENT

This bill would repeal the local option to reduce the taxes attributable to a chartered public school facility renting or leasing its building or facilities from a property owner which is not exempt from property taxes. If passed, this bill would result in possible increased operating costs for already financially strapped charter schools. Therefore, the bill hampers a much needed educational choice for students and parents by creating a financial hindrance that would impede the progress of charter schools.

Vote 17-0.

Rep. Robert Elliott  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## CONSENT CALENDAR

### Education

**HB 341**, repealing the provisions for tax exemption for certain chartered public school facilities.  
**INEXPEDIENT TO LEGISLATE.**

Rep. Robert Elliott for Education. This bill would repeal the local option to reduce the taxes attributable to a chartered public school facility renting or leasing its building or facilities from a property owner which is not exempt from property taxes. If passed, this bill would result in possible increased operating costs for already financially strapped charter schools. Therefore, the bill hampers a much needed educational choice for students and parents by creating a financial hindrance that would impede the progress of charter schools. **Vote 17-0.**

COMMITTEE REPORT

*Elliot*

COMMITTEE: Education

BILL NUMBER: HB 341

*see reverse side*

TITLE: Repealing the provisions for tax exemption for certain chartered school facilities *public*

DATE: 2-21-2017 CONSENT CALENDAR: YES  NO

OUGHT TO PASS

OUGHT TO PASS W/ AMENDMENT

Amendment No. \_\_\_\_\_

INEXPEDIENT TO LEGISLATE

INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

STATEMENT OF INTENT:

*shinily*

*This bill is another thinly disguised attempt to hinder the progress of all Charter Schools in New Hampshire. It is unfair and undemocratic. It hampers another well needed choice for parents and children.*

*see reverse*

COMMITTEE VOTE: 17-0

RESPECTFULLY SUBMITTED,

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

Rep. Robert Elliott  
For the Committee

This bill would repeal the local option to reduce the taxes attributed to a charter public school facility renting or leasing its building or facilities from a property owner which is not exempt from property taxes. If passed, this bill would result in possible increased operating costs for already strapped charter schools. <sup>Further, the</sup> ~~This~~ bill hampers another well needed educational choice for students and parents. HB 341 is a financial hindrance that would impede the progress of charter schools.

# Voting Sheets

HOUSE COMMITTEE ON EDUCATION

EXECUTIVE SESSION on HB 341

**BILL TITLE:** repealing the provisions for tax exemption for certain chartered public school facilities.

**DATE:** February 21, 2017

**LOB ROOM:** 207

**MOTIONS:** INEXPEDIENT TO LEGISLATE

Moved by Rep. Elliott

Seconded by Rep. T. Wolf

Vote: 17-0

**CONSENT CALENDAR: YES**

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

Respectfully submitted,



Rep Barbara Shaw, Clerk



HOUSE COMMITTEE ON EDUCATION

EXECUTIVE SESSION on HB 341

BILL TITLE: repealing the provisions for tax exemption for certain chartered public school facilities.

DATE: 2-21-2017

LOB ROOM: 207

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. Elliot Secoded by Rep. T Wolf Vote: 17-0

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_ Secoded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_ Secoded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1<sup>st</sup> year)
- Adoption of Amendment # \_\_\_\_\_ (if offered)
- Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_ Secoded by Rep. \_\_\_\_\_ Vote: \_\_\_\_\_

CONSENT CALENDAR:  YES  NO

Minority Report? \_\_\_\_\_ Yes \_\_\_\_\_ No If yes, author, Rep: \_\_\_\_\_ Motion: \_\_\_\_\_

Respectfully submitted: Rep. Barbara Shaw, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2017 9:30:55 AM  
Roll Call Committee Registers  
Report

2017 SESSION

*Repealing the provision for tax exemption  
for certain chartered public school  
facilities.*

EDUCATION

Bill #: HB 341

Title: \_\_\_\_\_

PH Date: 01 / 18 / 2017

Exec Session Date: 2 / 21 / 2017

Motion: ITL

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

MEMBER

YEAS

NAYS

Ladd, Rick M. Chariman	✓	
Wolf, Terry M. Vice Chairman	✓	
Cordelli, Glenn	✓	
Grenier, James L.	✓	
Pitre, Joseph A.	✓	
Elliott, Robert J.	✓	
Moore, Josh	✓	
Sullivan, Victoria L.	✓	
Halstead, Carolyn	✓	
Moffett, Michael	✓	
Wolf, Dan	✓	
Shaw, Barbara E. Clerk	✓	
Myler, Mel	✓	
Heath, Mary	✓	
Burton, Wayne M.		
Cornell, Patricia	✓	
Doherty, David	✓	
Tanner, Linda L.		
Le, Tamara	✓	
<b>TOTAL VOTE:</b>		

17

0

# Hearing Minutes

HOUSE COMMITTEE ON EDUCATION

PUBLIC HEARING ON HB 341

**BILL TITLE:** repealing the provisions for tax exemption for certain chartered public school facilities.

**DATE:** January 18, 2017

**LOB ROOM:** 207

**Time Public Hearing Called to Order:** 1:00 p.m.

**Time Adjourned:** 1:15 p.m.

**Committee Members:** Reps. Ladd, T. Wolf, Grenier, J. Moore, V. Sullivan, Halstead, M. Moffett, D. Wolf, Myler, Heath, Burton, Cornell, Doherty, Tanner, T. Le and Shaw

**Bill Sponsors:**  
Rep. Horrigan

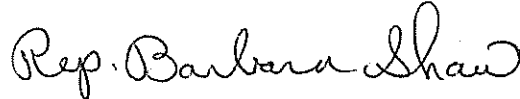
TESTIMONY

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

(1.) \*Rep. Horrigan

\*Written testimony.

Respectfully submitted,



Rep. Barbara Shaw, Clerk

HOUSE COMMITTEE ON EDUCATION

PUBLIC HEARING ON HB 341

BILL TITLE: repealing the provisions for tax exemption for certain chartered public school facilities.

DATE: 1-18-2017

ROOM: 207

Time Public Hearing Called to Order: 1:00 PM

Time Adjourned: 1:15 PM

(please circle if present)

Committee Members: Reps. Ladd, T. Wolf, Cordelli, Grenier, ~~Pitre~~, Elliott, J. Moore, V. Sullivan, Halstead, M. Moffett, D. Wolf, Myler, Heath, Burton, Cornell, Doherty, Tanner, T. Le and Shaw

Bill Sponsors:  
Rep. Horrigan

TESTIMONY

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

① Rep. Horrigan  
\* written testimony

Respectfully submitted  
Rep Barbara Shaw



# Testimony

1

## Testimony in Favor of HB 341

### **“AN ACT repealing the provisions for tax exemption for certain chartered public school facilities”**

Rep. Timothy Horrigan (Strafford 6); January 18, 2017  
House Education Committee

This bill would undo a bill which was passed and signed into law back in 2015: i.e., HB 662 (2015), also known as Chaptered Law 2015:0266, which created RSA 79-H “Taxation of Certain Chartered Public School Facilities.” . RSA 79-H establishes a procedure, which as far as I know has never been used, whereby cities or towns can optionally give property tax breaks to chartered public schools which lease taxable real estate, as well as to their landlords. This tax break is not available to conventional public schools; nor is it available to other public educational facilities, nor to private schools, nor to other nonprofits, nor to government agencies. All these entities currently pay property tax when they lease real estate from a for-profit landlord, although they (usually) don't pay it when the landlord is a nonprofit corporation or a government agency. I see no reason why chartered public schools deserve special treatment not given to other schools: RSA 79-H arbitrarily diverts tax funds to chartered public schools which should be used for other priorities.

In 2016, I introduced HB 1559 which would have extended the optional tax break to all public educational facilities which leased taxable property. That bill didn't go far, thanks in part to my own town government: UNH leases a significant amount of taxable real estate from private landlords, and also pays some taxes on properties it owns. This bill takes the opposite approach to correcting the unfairness of RSA 79-H: HB 341 simply repeals the statute altogether.

HB 662 grew out of a longrunning controversy in Nashua. The Academy of Science and Design (ASD) leases about 60% of an industrial building at 486 Amherst Street from the Samuel A. Tamposi Sr. Trust, on a “triple-net” lease. A triple-net lease is an arrangement whereby the tenant agrees to directly pay some or all of the costs of property taxes, insurance, and maintenance. ASD currently pays about \$79,000 per year in taxes (according to New Hampshire Alliance for Public Charter Schools CEO Matt Southerton's testimony before a Nashua Board of Aldermen budget review committee meeting on November 28, 2016.) The school has been trying for several years to get a break on its taxes. A second and newer chartered public school, the Microsociety Academy, pays the City of Nashua \$22,000 per year in taxes (according to school director Amy Bottomley's testimony at the same meeting.) Microsociety leases a property, also on a triple-net lease, at 591 West Hollis Street in Nashua. That property is owned by a Palos Park, Illinois-based LLC called “Haven NNN Investments LLC” which bought the property in 2015 from a nonprofit entity, the Dartmouth-Hitchcock Medical Center. Microsociety would not be paying that \$22,000 per year if DHMC still owned the property. The Board of Alderman has thus far refused to give RSA 79-H tax breaks to either school.

Ironically enough, before the building was sold, DHMC originally hoped to lease the West Hollis Street building to a third charter school, the Gate City Charter School, which is now located on taxable property in an office park in Merrimack (even though its name still implies that the school is in Nashua.) DHMC sold the Hollis Street property only after failing to finalize a deal with the organizers of the Gate City Charter School.

I understand why those three charter schools would prefer to avoid paying property taxes but I think they should compete in the real estate market on an equal basis with other potential tenants. HB 341 repeals an unfair and ineffective law. A chartered public school can in any case avoid paying property taxes by leasing its real estate from another nonprofit, or from a school district, or from some other governmental entity. Or, schools can buy their own real estate, as at least one school has done.



Bill as  
Introduced

HB 341 - AS INTRODUCED

2017 SESSION

17-0695

10/04

HOUSE BILL

**341**

AN ACT           repealing the provisions for tax exemption for certain chartered public school facilities.

SPONSORS:       Rep. Horrigan, Straf. 6

COMMITTEE:      Education

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ANALYSIS

This bill repeals the local option to reduce the taxes attributable to a chartered public school facility renting or leasing its building or facilities from a property owner which is not exempt from property taxes.

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

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Seventeen*

AN ACT            repealing the provisions for tax exemption for certain chartered public school facilities.

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

1            1 Repeals. The following are repealed:

2            I. RSA 79-H, relative to the taxation of certain chartered public school facilities.

3            II. RSA 74:4, VIII, relative to taxpayer inventory blank information on chartered public  
4 school facilities.

5            2 Appraisal of Property; Reference Removed. Amend RSA 75:1 to read as follows:

6            75:1 How Appraised. The selectmen shall appraise open space land pursuant to RSA 79-A:5,  
7 open space land with conservation restrictions pursuant to RSA 79-B:3, land with discretionary  
8 easements pursuant to RSA 79-C:7, residences on commercial or industrial zoned land pursuant to  
9 RSA 75:11, earth and excavations pursuant to RSA 72-B, land classified as land under qualifying  
10 farm structures pursuant to RSA 79-F, buildings and land appraised under RSA 79-G as qualifying  
11 historic buildings, ~~[qualifying chartered public school property appraised under RSA 79-H,]~~  
12 residential rental property subject to a housing covenant under the low-income housing tax credit  
13 program pursuant to RSA 75:1-a, renewable generation facility property subject to a voluntary  
14 payment in lieu of taxes agreement under RSA 72:74 as determined under said agreement,  
15 telecommunications poles and conduits pursuant to RSA 72:8-c, and all other taxable property at its  
16 market value. Market value means the property's full and true value as the same would be  
17 appraised in payment of a just debt due from a solvent debtor. The selectmen shall receive and  
18 consider all evidence that may be submitted to them relative to the value of property, the value of  
19 which cannot be determined by personal examination.

20            3 Effective Date. This act shall take effect April 1, 2017.