

Committee Report

REGULAR CALENDAR

May 6, 2019

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Municipal and County Government to which was referred SB 154,

AN ACT (New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Clyde Carson

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee:	Municipal and County Government
Bill Number:	SB 154
Title:	(New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.
Date:	May 6, 2019
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2019-1577h

STATEMENT OF INTENT

This bill has two purposes. First, it establishes a committee to study tax incentives for promoting development of dense workforce housing in community centers. Affordable housing is a key factor in attracting and retaining both businesses and workers in NH. This bill will look at a range of tax incentives that might be used to increase affordable housing and make recommendations for future legislation. Secondly, the Town of Milton requires authorization from the legislature for the sale of its "old fire station." The property was gifted to the town. The Milton select board currently lacks the authority to sell the property and needs it to satisfy the NH Division of Charitable Trusts.

Vote 17-3.

Rep. Clyde Carson
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

SB 154, (New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton. **MAJORITY: OUGHT TO PASS WITH AMENDMENT. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Clyde Carson for the **Majority** of Municipal and County Government. This bill has two purposes. First, it establishes a committee to study tax incentives for promoting development of dense workforce housing in community centers. Affordable housing is a key factor in attracting and retaining both businesses and workers in NH. This bill will look at a range of tax incentives that might be used to increase affordable housing and make recommendations for future legislation. Secondly, the Town of Milton requires authorization from the legislature for the sale of its "old fire station." The property was gifted to the town. The Milton select board currently lacks the authority to sell the property and needs it to satisfy the NH Division of Charitable Trusts. **Vote 17-3.**

Original: House Clerk

Cc: Committee Bill File

SB 154 allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton

Majority Report of OTP-A vote: 17-3

This bill has 2 purposes. First is to establish a committee to study tax incentives for promoting development of dense workforce housing in community centers. Affordable housing is a key factor in attracting and retaining both businesses and workers in NH. SB154 will look at a range of tax incentives that might be used to increase affordable housing and make recommendations for future legislation. Secondly, the Town of Milton requires authorization from the legislature for the sale of its "old fire station". The property was gifted to the town. The Milton select board currently lacks the authority to sell the property and needs it to satisfy the NH Division of Charitable Trusts.

COMMITTEE REPORT

COMMITTEE:

Muni + County Govt

BILL NUMBER:

SB 154

TITLE:

allowing municipalities to ~~adopt~~ ^{adopt} a credit...
and authorizing sale of property by town of Milton

DATE:

4/23/19

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.

1577

STATEMENT OF INTENT:

Submit via email

Clyde

COMMITTEE VOTE:

17-3

RESPECTFULLY SUBMITTED,

Rep.

[Signature]

For the Committee

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

Amendment to SB 154

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

2

3 AN ACT establishing a committee to study tax incentives for promoting development of dense
4 workforce housing in community centers, and authorizing the sale of certain
5 property by the town of Milton.
6

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

8

9 1 Committee Established. There is established a committee to study the use of tax incentives
10 for promoting development of dense workforce housing in community centers.

11 2 Membership and Compensation.

12 I. The members of the committee shall be as follows:

13 (a) Three members of the house of representatives, 2 of whom shall be members of the
14 house municipal and county government committee and one whom shall be a member of the house
15 ways and means committee, appointed by the speaker of the house of representatives.

16 (b) One member of the senate, appointed by the president of the senate.

17 II. Members of the committee shall receive mileage at the legislative rate when attending to
18 the duties of the committee.

19 3 Duties. The committee shall study and make recommendations for legislation to create tax
20 incentives for promoting development of dense workforce housing in community centers.

21 4 Chairperson; Quorum. The members of the study committee shall elect a chairperson from
22 among the members. The first meeting of the committee shall be called by the senate member. The
23 first meeting of the committee shall be held within 45 days of the effective date of this section.
24 Three members of the committee shall constitute a quorum.

25 5 Report. The committee shall report its findings and any recommendations for proposed
26 legislation to the speaker of the house of representatives, the president of the senate, the house
27 clerk, the senate clerk, the governor, and the state library on or before November 1, 2019.

28 6 Town of Milton; Authorization to Sell Property. Notwithstanding RSA 41:14-a, II(c), the town
29 of Milton is hereby authorized to sell property located at 460 White Mountain Highway, known as
30 "the old fire station," which has been listed for sale with a real estate broker in order to satisfy the
31 requirements of the division of charitable trusts, department of justice.

32 7 Effective Date. This act shall take effect upon its passage.

2019-1577h

AMENDED ANALYSIS

This bill establishes a committee to study tax incentives for development of dense workforce housing in community centers. This bill also authorizes the town of Milton to sell certain property through a real estate broker.

REGULAR CALENDAR

May 6, 2019

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Municipal and County Government to which was referred SB 154,

AN ACT (New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton. 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. Mona Perreault

FOR THE MINORITY OF THE COMMITTEE

**MINORITY
COMMITTEE REPORT**

Committee:	Municipal and County Government
Bill Number:	SB 154
Title:	(New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.
Date:	May 6, 2019
Consent Calendar:	REGULAR
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

A number of questions were raised at the hearing on this bill about the long term desirability and wisdom of addressing workforce housing issues through greater "density." The minority feels that the sponsors should examine a broader range of housing solutions. Both the majority and minority of the committee are in agreement on the language granting authorization to sell the property in Milton. It is unfortunate that section was amended into this bill, and we recommend that it find a new vehicle so that it can be passed without excessive delay."

Rep. Mona Perreault
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

SB 154, (New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.
INEXPEDIENT TO LEGISLATE.

Rep. Mona Perreault for the **Minority** of Municipal and County Government. A number of questions were raised at the hearing on this bill about the long term desirability and wisdom of addressing workforce housing issues through greater "density." The minority feels that the sponsors should examine a broader range of housing solutions. Both the majority and minority of the committee are in agreement on the language granting authorization to sell the property in Milton. It is unfortunate that section was amended into this bill, and we recommend that it find a new vehicle so that it can be passed without excessive delay."

Original: House Clerk

Cc: Committee Bill File

Heather Ebbs

From: Clyde Carson <clyde.carson@gmail.com>
Sent: Wednesday, April 24, 2019 10:31 AM
To: Heather Ebbs
Cc: Perreault, Mona
Subject: Fwd: SB 154 Allowing Municipals to adopt a credit - Minority Report

Hi Heather,

Rep Perreault's minority report is good to go.

Thank you,

Clyde

----- Forwarded message -----

From: <rperre4474@aol.com>
Date: Tue, Apr 23, 2019 at 8:05 PM
Subject: SB 154 Allowing Municipals to adopt a credit
To: <clyde.carson@leg.state.nh.us>, <clyde.carson@gmail.com>

Municipal and County Government Committee

SB 154

Allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.

042319

Consent Calendar (NO)

Re: OTPA [Amendment No. 1577h]

Representative Mona Perreault for the Minority.



SB 154 has two significant issues.

The first issue is that the hearing raised such a large number of questions from committee members that the Minority believes that it would be best served by returning it to the original sponsors as they already have a base of understanding on the particulars of the subject of workforce housing and what their intent was in submitting the bill.

The second issue is the "Authorization to Sell Property" in Milton. The committee is in agreement on the authorization to sell the property and does not wish to delay it.

The Minority believes that the benefit of the expertise of the original sponsors could address both issues without excessive delay.

Committee Vote: 17 to 3

Respectfully Submitted,
Mona Perreault

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on SB 154

BILL TITLE: (New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.

DATE: April 23, 2019

LOB ROOM: 301

MOTION: (Please check one box)

[X] OTP [] ITL [] Retain (1st year) [X] Adoption of Amendment # 1577h (if offered)
Moved by Rep. Carism Secoded by Rep. Porter Vote: 19-1

MOTION: (Please check one box)

[] OTP [X] OTP/A [] ITL [] Retain (1st year) [] Adoption of Amendment # (if offered)
Moved by Rep. Carism Secoded by Rep. Porter Vote: 17-3

MOTION: (Please check one box)

[] OTP [] OTP/A [] ITL [] Retain (1st year) [] Adoption of Amendment # (if offered)
Moved by Rep. Secoded by Rep. Vote:

MOTION: (Please check one box)

[] OTP [] OTP/A [] ITL [] Retain (1st year) [] Adoption of Amendment # (if offered)
Moved by Rep. Secoded by Rep. Vote:

CONSENT CALENDAR: YES NO [X]

Minority Report? [X] Yes No If yes, author, Rep: Perrault Motion

Respectfully submitted: [Signature] Rep Timothy Josephson, Clerk



2019 SESSION

Municipal and County Government

Bill #: SB 154 Motion: Amend AM #: 1577 Exec Session Date: 4/23

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Carson, Clyde J. Chairman	19		
Tatro, Bruce L. Vice Chairman	1		
Porter, Marjorie A.	2		
Treleaven, Susan GS	3		
Gilman, Julie D.	4		
Josephson, Timothy Clerk	5		
Meador, David R.	6		
Dargie, Paul P.	7		
Maggiore, Jim V.	8		
Mombourquette, Donna M.	9		
Stavis, Laurel	10		
Belanger, James P.	11		
Migliore, Vincent Paul	12		
Abramson, Max	13		
Dolan, Tom	14		
Kittredge, Derek MacMillen	15		
MacDonald, John T.	16		
Perreault, Mona	1	1	
Piemonte, Tony	17		
Pratt, Kevin M.	18		
TOTAL VOTE:	19 - 1		



2019 SESSION

Municipal and County Government

Bill # SB154 Motion: OTG/A AM #: 1577 Exec Session Date: _____

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Carson, Clyde J. Chairman	17		
Tatro, Bruce L. Vice Chairman	1		
Porter, Marjorie A.	2		
Treleaven, Susan GS	3		
Gilman, Julie D.	4		
Josephson, Timothy Clerk	5		
Meador, David R.	6		
Dargie, Paul P.	7		
Maggiore, Jim V.	8		
Mombourquette, Donna M.	9		
Stavis, Laurel	10		
Belanger, James P.	11		
Migliore, Vincent Paul	12		
Abramson, Max	13		
Dolan, Tom	14		
Kittredge, Derek MacMillen	15		
MacDonald, John T.	16		
Perreault, Mona		1	
Piemonte, Tony		2	
Pratt, Kevin M.		3	
TOTAL VOTE:	<u>17 - 3</u>		

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2019-1577h

AMENDED ANALYSIS

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Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON SB 154

BILL TITLE: (New Title) allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.

DATE: April 16, 2019

LOB ROOM: 301 **Time Public Hearing Called to Order:** 2:00 p.m.

Time Adjourned: 2:45 p.m.

Committee Members: Reps. Carson, Tatro, Josephson, Porter, Gilman, Meader, Dargie, Mombourquette, Stavis, Maggiore, Belanger, Abramson, Dolan, Kittredge, MacDonald, Perreault, Piemonte and Pratt

Bill Sponsors:

Sen. Bradley
Sen. Giuda
Rep. Major

Sen. Cavanaugh
Sen. Hennessey
Rep. Abrami

Sen. Fuller Clark
Sen. Watters

TESTIMONY

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

1. **Senator Jeb Bradley** (Senate 3) - prime sponsor - supports bill

- a. A strategy of allowing a community -- it's enabling -- to offer a tax abatement, should the voters choose to do so, for workforce housing
- b. I thought the bill would be retained in the Senate, so some work may still need to be done on this to make it workable
- c. Subsequent to the opportunity to file legislation, the town of Milton in my district came to me and they need the authority of the legislature to be able to sell this (The "old fire house")
- d. This is important to the town of Milton to be able to sell this
- e. Any work, please do on the first three
- f. Q: Porter: the abatement would go to the developer or the new homeowners? (Anybody who owns 4 units per acre, so the owner -- so rental properties, yes. This provides a town a tool to incentivize multi-family housing in towns)
- g. Q: Belanger: This appears on the surface to have a mechanism to have a developer built housing and still charge the same rent as if they paid the full taxes. Would that happen? (I guess that's a possibility, but the bill is for allowing those people who are owners of multi-family housing to be able to retain those units, enjoy a tax credit and provide more affordable housing stock. Any ways to make the bill better, yes)
- h. Q: Porter: this 10% over a period of time? (The way it's structured now is if it's adopted by the community it would continue as long as the provision is adopted)

2. **Ben Frost - NH Housing Authority**

- a. Discusses proposed amendment (see file)
- b. Over the past few weeks we have made this amendment and come up with a series of options we ran by the NHMA to get their input as well as the input of DRA and NH Assoc of Assessing Officials
- c. As Sen Bradley said, it is enabling legislation

- d. Workforce housing is densely built and in "downtown" areas
- e. 20% tax exemption for 5 years, community can tweak that to higher and longer
- f. The downtown area is a matter of choice for municipalities
- g. There is an existing database, lines 6-11 page 1, to identify community centers
- h. This was built with Regional Planning Commissions to figure out what each community felt was their "downtown" -- and uploaded to UNH's GRANIT program (<http://www.granit.unh.edu/>)
- i. Term "property or group of properties" could have property with multi-family housing or multiple lots in a subdivision
- j. These are intended for long-term habitation
- k. This would have to be defined by the town
- l. Workforce housing refers to existing legislation
- m. All of these would be available to a community to redevelop their downtown area
- n. This could be used for mixed-use but tax exemption would only be for the residential portion
- o. Also allows flexibility when the tax rate can go into effect
- p. If the owner takes it, and then turns around and changes it and doesn't want to do workforce housing, the planning board can undo their approval as it is tied to the development of "workforce" housing
- q. Only applicable to local property and local school taxes
- r. Inserts itself into RSA 21:J and a clearer reference to distinguish this from RSA 71:E
- s. Q: Stavis: I understand it's the responsibility of the planning board to approve this. What's the long term enforcement of this -- after family 1 moves out -- that the rent doesn't shoot up? (The tax exemption is granted by the local governing body, but the long-term affordability restrictions are imposed by the planning board for long-term enforcement of abiding by the rules)
- t. Q: Tatro: once this housing is built, and the owner gets the tax exemptions, does this follow if you sell the property, or can the next owner do whatever? (differentiating between the long-term affordability and the exemptions, both of these follow the property regardless of who the owner is. In all cases they follow the property. This exemption is only for a 5 year period)
- u. Q: Porter: As I understand this is only for new construction. In our town we have mill buildings that could be rehabbed. This would not cover that? (in reference to the need to distinguish RSA 79:E which is about rehabilitation, we also recognized that it probably makes sense to allow it to be applied to demolition and new construction or rehabilitation of existing buildings. Limit it to workforce housing projects)
- v. Q: Maggiore: Reading through quickly, dwelling unit isn't used in the amendment at all, so I have a concern about "intended" for anyone who want to go short-term rental. Can "dwelling unit" be absorbed by "qualifying property"? There are very strict rules about what a "qualifying property" is -- will that lock it in? (Look on Page 1 line 13, reference to "dwelling unit", because they are used in different parts of the exemption enabling language, they needed a separate definition here. Concerned about the possibility of intended long-term housing being used for short-term, there are other bills working on that)
- w. Q: Dolan: Looking at the amendment, page 1 line 21. At least 20% -- that means 20 to 100% -- and a minimum of 5 years, that could be 100 years. Is that really the intent? (we did intend to say minimum of 5 years and 20%. If towns wanted to have higher % or longer, that's the town's choice. You're right, it could be 100% and 100 years, but it is hard to imagine a town voting for that) When I think of the need for these exemptions, it's usually because cash flow of the developer is compromised in the early stages of the development. Until the buildings fill up, there's a break-even point. I'm thinking of money that's permanently lost and never paid to the

community, would you consider an option to the local community to be a tax deferral scheme to push off the taxes in later years so the town is net-neutral for no loss of taxes but the developer has the cash incentive to develop early on? (that's a clever solution to identify the cash flow problem. The initial cash flow is the biggest problem early on in development. That could work as an option, but I have not studied it specifically)

- x. Q: Mombourquette: I was looking at RSA 674:58 definition of "workforce housing" -- spells out specific details of workforce housing, 2 bedroom minimum? (the definition relies in part on HUD data. The definition you read is what the legislature adopted in 2008. Workforce housing is housing that's "affordable" if for purchase, a family of 4 making the median income for the area OR a renter family of 3 making 60% of median income for area. HUD Fair Market Rental Areas. We get the HUD income data and NH Housing rewrites our recommendation for NH Housing Law based on this. HUD just supplies data, does not have an active role in this. The amount you pay should be 30% of your income -- for owners it's principal, interest, insurance and taxes. For the 2 bedroom requirements, the RSA was supposed to be family-friendly in order to get designated as "workforce housing")
- y. Q: Carson: So "tiny houses" would not qualify? (yes, but there is a study committee)
- z. Q: Porter: Given that we have an affordable housing crisis, would we make an allowance for one-bedrooms for workforce? (Right now, they can do up to 49.9% one-bedrooms)
- aa. Q: Treleaven: I just heard you say "studio" -- is that a possibility as well, as long as 50.1% are two bedrooms? (yes)
- bb. Q: Dargie: 20% flat discount, did you discuss having larger discounts in earlier years and dropping over time? (no, we didn't but that's an interesting idea. I think, even as drafted the municipality could do that.)
- cc. Q: Mombourquette: In this housing exemption, applying to developments outside of the town or village center? (yes, as drafted it's intended to be downtown or village center development as defined by the community. If the municipality wants to do something more, it's in their power to do that. It's intended to be where there's already development and existing infrastructure. Looking at the 13 year history of RSA 79:E it was intended for rehabbing downtown buildings, but has been expanded to historical buildings anywhere in town. There is some limited possibility to extend it to other properties, but not town-wide)
- dd. Q: Carson, should the committee decide to form a subcommittee, would you be in favor? (yes)

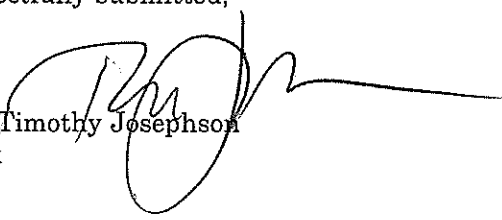
3. **Cordell Johnston: NHMA** - neither supports nor opposes

- a. We had issues with the bill as it's come out of the Senate
- b. We are comfortable with the proposed amendment
- c. We do support the section for the town of Milton
 - i. Because of a technicality in the statute, the selectboard does not have the authority to approve the sale and needs legislative approval
- d. Q: Dolan: What would be the NHMA's position for a tax deferral as I proposed earlier? (I like that idea, I don't know as much about property development as the previous speaker, but the idea makes sense)
- e. Q: Porter: Please help me in the definitions between abatement, deferral, exemption? (abatement is something you apply for after the fact -- something happened to the property or you can't pay. That is case by case basis. Exemption is a certain amount of the value of the property is exempted from taxation. Deferral is sort of like an exemption but you do have to ultimately pay the money back at some point in the future)

- f. Q: Belanger: Town of Milton can't sell, why? (I believe it's because it was acquired by a gift so under RSA 41:14a so they can't just simply sell with town approval)

Respectfully submitted,

Rep. Timothy Josephson
Clerk

A handwritten signature in black ink, appearing to read 'Timothy Josephson', with a long horizontal flourish extending to the right.

SB 154 -- allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton

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 - a. A strategy of allowing a community -- it's enabling -- to offer a tax abatement, should the voters choose to do so, for workforce housing
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- t. Q: Tatro: once this housing is built, and the owner gets the tax exemptions, does this follow if you sell the property, or can the next owner do whatever? (differentiating between the long-term affordability and the exemptions, both of these follow the property regardless of who the owner is. In all cases they follow the property. This exemption is only for a 5 year period)
- u. Q: Porter: As I understand this is only for new construction. In our town we have mill buildings that could be rehabbed. This would not cover that? (in reference to the need to distinguish RSA 79:E which is about rehabilitation, we also recognized that it probably makes sense to allow it to be applied to demolition and new construction or rehabilitation of existing buildings. Limit it to workforce housing projects)
- v. Q: Maggiore: Reading through quickly, dwelling unit isn't used in the amendment at all, so I have a concern about "intended" for anyone who want to go short-term rental. Can "dwelling unit" be absorbed by "qualifying property"? There are very strict rules about what a "qualifying property" is -- will that lock it in? (Look on Page 1 line 13, reference to "dwelling unit", because they are used in different parts of the exemption enabling language, they needed a separate definition here. Concerned about the possibility of intended long-term housing being used for short-term, there are other bills working on that)
- w. Q: Dolan: Looking at the amendment, page 1 line 21. At least 20% -- that means 20 to 100% -- and a minimum of 5 years, that could be 100 years. Is that really the intent? (we did intend to say minimum of 5 years and 20%. If towns wanted to have higher % or longer, that's the town's choice. You're right, it could be 100% and 100 years, but it is hard to imagine a town voting for that) When I think of the need for these exemptions, it's usually because cash flow of the developer is compromised in the early stages of the development. Until the buildings fill up, there's a break-even point. I'm thinking of money that's permanently lost and never paid to the community, would you consider an option to the local community to be a tax deferral scheme to push off the taxes in later years so the town is net-neutral for no loss of taxes but the developer has the cash incentive

to develop early on? (that's a clever solution to identify the cash flow problem. The initial cash flow is the biggest problem early on in development. That could work as an option, but I have not studied it specifically)

- x. Q: Mombourquette: I was looking at RSA 674:58 definition of "workforce housing" -- spells out specific details of workforce housing, 2 bedroom minimum? (the definition relies in part on HUD data. The definition you read is what the legislature adopted in 2008. Workforce housing is housing that's "affordable" if for purchase, a family of 4 making the median income for the area OR a renter family of 3 making 60% of median income for area. HUD Fair Market Rental Areas. We get the HUD income data and NH Housing rewrites our recommendation for NH Housing Law based on this. HUD just supplies data, does not have an active role in this. The amount you pay should be 30% of your income -- for owners it's principal, interest, insurance and taxes. For the 2 bedroom requirements, the RSA was supposed to be family-friendly in order to get designated as "workforce housing")
 - y. Q: Carson: So "tiny houses" would not qualify? (yes, but there is a study committee)
 - z. Q: Porter: Given that we have an affordable housing crisis, would we make an allowance for one-bedrooms for workforce? (Right now, they can do up to 49.9% one-bedrooms)
 - aa. Q: Treleven: I just heard you say "studio" -- is that a possibility as well, as long as 50.1% are two bedrooms? (yes)
 - bb. Q: Dargie: 20% flat discount, did you discuss having larger discounts in earlier years and dropping over time? (no, we didn't but that's an interesting idea. I think, even as drafted the municipality could do that.)
 - cc. Q: Mombourquette: In this housing exemption, applying to developments outside of the town or village center? (yes, as drafted it's intended to be downtown or village center development as defined by the community. If the municipality wants to do something more, it's in their power to do that. It's intended to be where there's already development and existing infrastructure. Looking at the 13 year history of RSA 79:E it was intended for rehabbing downtown buildings, but has been expanded to historical buildings anywhere in town. There is some limited possibility to extend it to other properties, but not town-wide)
 - dd. Q: Carson, should the committee decide to form a subcommittee, would you be in favor? (yes)
3. Cordell Johnston: NHMA - neither supports nor opposes
- a. We had issues with the bill as it's come out of the Senate
 - b. We are comfortable with the proposed amendment
 - c. We do support the section for the town of Milton
 - i. Because of a technicality in the statute, the selectboard does not have the authority to approve the sale and needs legislative approval
 - d. Q: Dolan: What would be the NHMA's position for a tax deferral as I proposed earlier? (I like that idea, I don't know as much about property development as the previous speaker, but the idea makes sense)

- e. Q: Porter: Please help me in the definitions between abatement, deferral, exemption? (abatement is something you apply for after the fact -- something happened to the property or you can't pay. That is case by case basis. Exemption is a certain amount of the value of the property is exempted from taxation. Deferral is sort of like an exemption but you do have to ultimately pay the money back at some point in the future)
- f. Q: Belanger: Town of Milton can't sell, why? (I believe it's because it was acquired by a gift so under RSA 41:14a so they can't just simply sell with town approval)

Hearing closed at 2:45pm

Testimony

Proposed Amendment to SB 154
Dense Workforce Housing Exemption

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

1 1 New Subdivision; Dense Workforce Housing Exemption. Amend RSA 72 by inserting after
2 section 83 the following new subdivision:

3 Dense Workforce Housing Exemption

4 72:84 Exemption for Dense Workforce Housing

5 I. In this subdivision:

6 (a) "Community center area" means an area within a city or town designated as a
7 community center area by Granite State Future's Planning Metrics Gateway, maintained in the
8 archives of the geographically referenced analysis and information transfer system (GRANIT) at
9 the complex systems research center of the university of New Hampshire; or in a geographic area
10 which, as a result of its compact development patterns and uses, is identified by the governing
11 body as the downtown, town center, or village center for purposes of this subdivision.

12 (b) "Dense workforce housing" means a property or a group of properties containing at
13 least 5 dwelling units; where each dwelling unit qualifies as workforce housing; and the group of
14 dwelling units has a density of at least 5 units per acre.

15 (c) "Dwelling unit" means a designated space which is intended for long-term habitation
16 by an individual household and includes provisions for sleeping, eating, cooking, and sanitation.

17 (d) "Qualifying property" means new construction of dense workforce housing which has
18 an approved application for workforce housing with restrictive covenants under RSA 674:60.

19 (e) "Workforce housing" means workforce housing as defined in RSA 674:58, IV.

20 II. Following the procedures under RSA 72:27-a, each city and town may adopt an
21 exemption of at least 20 percent from the assessed value, for property tax purposes, on qualifying
22 property. The vote shall specify the percentage of value to be exempted, the minimum density
23 requirements for qualification for the exemption, the number of years duration of the exemption,
24 and the method used for identification of community center areas. If a city or town elects to
25 identify its own community center area, the governing body must do so before any exemptions
26 under this subdivision are granted.

1 III. The exemption shall be applied to the qualifying property for a minimum of 5
2 consecutive property tax years. The exemption may only be applied once to each qualifying
3 property. The exemption shall apply only to the value attributable to the workforce housing
4 portion of mixed-use property. At the election of the owner of the qualifying property, the
5 exemption shall begin in either:

6 (a) the property tax year where the owner possesses a full unconditional certificate of
7 occupancy on April 1; or

8 (b) any property tax year where the qualifying property is under construction on April 1.

9 IV. Applications for exemptions under this subdivision shall be governed by the provisions
10 of RSA 72:33, RSA 72:34, and RSA 72:34-a.

11 2 Procedure for Adoption of Property Tax Exemption. Amend RSA 72:27-a, I, to read as
12 follows.

13 I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:28-b, RSA 72:29-a,
14 RSA 72:35, RSA 72:37, RSA 72:37-b, RSA 72:38-b, RSA 72:39-a, RSA 72:62, RSA 72:66,
15 RSA 72:70, RSA 72:76, ~~or~~ RSA 72:82, **or RSA 72:84** in the following manner:

16 3 Department of Revenue Administration; Rules; Reference Added. Amend RSA 72:36, I to
17 read as follows:

18 I. The commissioner's interpretation of RSA 72:28, 72:28-b, 72:28-c, 72:29, 72:29-a,
19 72:30, 72:31, 72:32, 72:33, 72:34, 72:34-a, 72:35, 72:36-a, 72:37, 72:37-a, 72:37-b, 72:38-a,
20 72:38-b, 72:39-a, 72:39-b, 72:41, 72:62, 72:66, ~~and~~ 72:70, **and 72:84**; and

21 4 Application for Exemption. Amend RSA 72:33, I to read as follows.

22 I. No person shall be entitled to the exemptions or tax credits provided by RSA 72:28, 28-b,
23 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-b, 39-b, 62, 66, ~~and~~ 70, **and 84** unless the person
24 has filed with the selectmen or assessors, by April 15 preceding the setting of the tax rate, a
25 permanent application therefor, signed under penalty of perjury, on a form approved and
26 provided by the commissioner of revenue administration, showing that the applicant is the true
27 and lawful owner of the property on which the exemption or tax credit is claimed and that the
28 applicant was duly qualified upon April 1 of the year in which the exemption or tax credit is first
29 claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time
30 of application. The form shall include the following and such other information deemed
31 necessary by the commissioner:

1 5 Appeal From Refusal to Grant Exemption. Amend RSA 72:34-a to read as follows.

2 Whenever the selectmen or assessors refuse to grant an applicant an exemption, deferral, or
3 tax credit to which the applicant may be entitled under the provisions of RSA 72:23, 23-d, 23-e,
4 23-f, 23-g, 23-h, 23-i, 23-j, 23-k, 28, 28-b, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-a, 38-b,
5 39-a, 39-b, 41, 42, 62, 66, [e] 70, *or 84* the applicant may appeal in writing, on or before
6 September 1 following the date of notice of tax under RSA 72:1-d, to the board of tax and land
7 appeals or the superior court, which may order an exemption, deferral, or tax credit, or an
8 abatement if a tax has been assessed.

9 6 Town of Milton; Authorization to Sell Property. Notwithstanding RSA 41:14-a, II(c), the
10 town of Milton is hereby authorized to sell property located at 460 White Mountain Highway,
11 known as "the old fire station," which has been listed for sale with a real estate broker in order to
12 satisfy the requirements of the division of charitable trusts, department of justice.

13 7 Effective Date.

14 I. Section 6 of this act shall take effect upon its passage.

15 II. The remainder of this act shall take effect April 1, 2020.

Bill as
Introduced

SB 154 - AS AMENDED BY THE SENATE

03/27/2019 1198s

2019 SESSION

19-0918
10/04

SENATE BILL **154**

AN ACT allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.

SPONSORS: Sen. Bradley, Dist 3; Sen. Cavanaugh, Dist 16; Sen. Fuller Clark, Dist 21; Sen. Giuda, Dist 2; Sen. Hennessey, Dist 5; Sen. Watters, Dist 4; Rep. Major, Rock. 14; Rep. Abrami, Rock. 19

COMMITTEE: Election Law and Municipal Affairs

AMENDED ANALYSIS

This bill enables municipalities to adopt a credit against property taxes assessed on certain workforce housing. This bill also authorizes the town of Milton to sell certain property through a real estate broker.

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 Nineteen

AN ACT allowing municipalities to adopt a credit against property taxes for certain workforce housing, and authorizing the sale of certain property by the town of Milton.

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

1 Procedure for Adoption of Property Tax Credit. Amend RSA 72:27-a, I, to read as follows.

2 I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:28-b, RSA 72:29-a, RSA
3 72:35, RSA 72:37, RSA 72:37-b, RSA 72:38-b, RSA 72:39-a, RSA 72:62, RSA 72:66, RSA 72:70, RSA
4 72:76, ~~or~~ RSA 72:82, *or RSA 72:84* in the following manner:

5 2 New Subdivision; Workforce Housing Density Credit. Amend RSA 72 by inserting after
6 section 83 the following new subdivision:

7 Workforce Housing Density Credit

8 72:84 Workforce Housing Density Credit.

9 I. Each city and town may adopt under RSA 72:27-a a credit in an amount up to 10 percent
10 of the property taxes assessed on a residential property.

11 II. The workforce housing density credit shall be subtracted each year from the property
12 tax on the qualifying residential real estate.

13 III. Only properties meeting the following requirements shall qualify for the credit under
14 this section:

15 (a) The property shall have a minimum of 4 residential units per acre; and

16 (b) The property shall meet the definition of workforce housing under RSA 674:58, IV;

17 and

18 (c) The property abuts existing residential properties, or is zoned by the town or city for
19 dense residential development.

20 IV. Applications for exemptions under this section shall be governed by the provisions of
21 RSA 72:33, RSA 72:34, and RSA 72:34-a.

22 3 Department of Revenue Administration; Rules; Reference Added. Amend RSA 72:36, I to
23 read as follows:

24 I. The commissioner's interpretation of RSA 72:28, 72:28-b, 72:28-c, 72:29, 72:29-a, 72:30,
25 72:31, 72:32, 72:33, 72:34, 72:34-a, 72:35, 72:36-a, 72:37, 72:37-a, 72:37-b, 72:38-a, 72:38-b, 72:39-a,
26 72:39-b, 72:41, 72:62, 72:66, ~~and~~ 72:70, *and 72:84*; and

27 4 Town of Milton; Authorization to Sell Property. Notwithstanding RSA 41:14-a, II(c), the town
28 of Milton is hereby authorized to sell property located at 460 White Mountain Highway, known as
29 "the old fire station," which has been listed for sale with a real estate broker in order to satisfy the

SB 154 - AS AMENDED BY THE SENATE

- Page 2 -

- 1 requirements of the division of charitable trusts, department of justice.
- 2 5 Effective Date. This act shall take effect upon its passage.