

LEGISLATIVE COMMITTEE MINUTES

SB483

Bill as
Introduced

SB 483 - AS INTRODUCED

2020 SESSION

20-2859

05/04

SENATE BILL **483**

AN ACT relative to the property tax exemption for educational organizations.

SPONSORS: Sen. Gray, Dist 6; Sen. Ward, Dist 8; Sen. Watters, Dist 4; Sen. Fuller Clark, Dist 21; Sen. Carson, Dist 14; Sen. Reagan, Dist 17; Sen. Giuda, Dist 2; Sen. Feltes, Dist 15; Sen. Kahn, Dist 10; Sen. Bradley, Dist 3

COMMITTEE: Election Law and Municipal Affairs

ANALYSIS

This bill requires educational organizations to file an annual statement of financial condition with the board of tax and land appeals regarding tax exemption status. The bill also directs local assessors to complete a revised inventory with annual adjustments to assessments in accordance with rules of the assessing standards board. The revised inventory is currently completed in accordance with state assessing guidelines.

The bill is a request of the assessing standards board.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the property tax exemption for educational organizations.

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

1 1 Property Taxes; Real Estate and Personal Property Tax Exemption; Statements of Financial
2 Condition. Amend RSA 72:23, VI to read as follows:

3 VI. Every charitable organization, **educational organization**, or society, except those
4 religious [~~and educational~~] organizations [~~and societies~~] whose real estate is exempt under the
5 provisions of paragraphs III [~~and IV~~], shall annually before June 1 file with the municipality in
6 which the property is located upon a form prescribed and provided by the board of tax and land
7 appeals a statement of its financial condition for the preceding fiscal year and such other
8 information as may be necessary to establish its status and eligibility for tax exemption.

9 2 Appraisal of Taxable Property; Revised Inventory; Rules of the Assessing Standards Board.
10 Amend RSA 75:8, I to read as follows:

11 I. Annually, and in accordance with [~~state assessing guidelines~~] **rules adopted by the**
12 **assessing standards board**, the assessors and selectmen shall adjust assessments to reflect
13 changes so that all assessments are reasonably proportional within that municipality. All adjusted
14 assessments shall be included in the inventory of that municipality and shall be sworn to in
15 accordance with RSA 75:7.

16 3 Effective Date. This act shall take effect 60 days after its passage.

Committee Minutes

SENATE CALENDAR NOTICE

Election Law and Municipal Affairs

Sen Melanie Levesque, Chair
Sen Tom Sherman, Vice Chair
Sen Jon Morgan, Member
Sen Regina Birdsell, Member
Sen James Gray, Member

Date: February 20, 2020

HEARINGS

Wednesday

03/04/2020

(Day)

(Date)

Election Law and Municipal Affairs

Legislative Office Building 102 9:00 a.m.

(Name of Committee)

(Place)

(Time)

9:00 a.m.	SB 483	relative to the property tax exemption for educational organizations.
9:15 a.m.	SB 484	establishing a commission to study payments in lieu of taxes.
9:30 a.m.	SB 516	relative to a property tax credit for active duty military personnel.
10:00 a.m.	SB 530	relative to property tax exemptions for renewable energy systems.

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

SB 483

Sen. Gray
Sen. Carson
Sen. Kahn

Sen. Ward
Sen. Reagan
Sen. Bradley

Sen. Watters
Sen. Giuda

Sen. Fuller Clark
Sen. Feltes

SB 484

Sen. Gray

Rep. P. Schmidt

SB 516

Sen. Dietsch
Rep. Williams

Sen. Carson

Sen. Morgan

Sen. Levesque

SB 530

Sen. Fuller Clark
Rep. McGhee

Sen. Bradley
Rep. Cali-Pitts

Rep. Backus

Rep. Moffett

Tricia Melillo 271-3077

Melanie Levesque
Chairman

Senate Election Law and Municipal Affairs Committee
Tricia Melillo 271-3077

SB 483, relative to the property tax exemption for educational organizations.

Hearing Date: March 4, 2020

Members of the Committee Present: Senators Levesque, Sherman, Morgan, Birdsell and Gray

Members of the Committee Absent : None

Bill Analysis: This bill requires educational organizations to file an annual statement of financial condition with the board of tax and land appeals regarding tax exemption status. The bill also directs local assessors to complete a revised inventory with annual adjustments to assessments in accordance with rules of the assessing standards board. The revised inventory is currently completed in accordance with state assessing guidelines.

The bill is a request of the assessing standards board.

Sponsors:

Sen. Gray

Sen. Ward

Sen. Watters

Sen. Fuller Clark

Sen. Carson

Sen. Reagan

Sen. Giuda

Sen. Feltes

Sen. Kahn

Sen. Bradley

Who supports the bill: Senator Jay Kahn, Senator Sharon Carson, Senator David Watters, Jim Michaud, Joe Lessard, Robert Gagne, Betsey Patten

Who opposes the bill: None

Summary of testimony presented in support:

Senator James Gray

- This bill is relative to the property tax exemption for educational organizations.
- It was drafted at the request of the Assessing Standards Board.
- He serves on this board as one of the Senate representatives.
- On line 3 of the bill, educational organizations are added there and on line 5, the exemptions from section 3 are still there.
- The last section is just a housekeeping issue that fixes a title.

Robert Gagne – ASB

- He was on the committee that was tasked with looking at institutional tax exemptions and one of the changes this bill makes was a suggestion from that a committee.
- RSA 72:23 IV is the exemption that has to do with educational and it states that none of the income or profits are divided among the members or stockholders or used or appropriated for any other purpose than has been established.

- The only way we can know that profits are not being shared is to have the financial information, which is why they have asked to have that requirement added through this bill.
- The last section is just cleaning up the language regarding guidelines.
- Senator Morgan asked if the intent of this legislation is to increase transparency of educational institutions.
- Mr. Gagne responded yes that is what it seeks to do.
- Senator Morgan asked what would be the potential consequence of the refusal be, without this legislation.
- Mr. Gagne stated there would be no consequence.
- Senator Levesque asked if there are any reasons why they would be denied the exemption.
- Mr. Gagne replied that if their financials showed that they have been giving out profits, they would be denied.
- Senator Levesque asked if there is a reason why it has not come up before.
- Mr. Gagne stated he is not sure why but when they were looking they saw the loophole.
- Senator Levesque asked about the loophole and were people taking advantage of it.
- Mr. Gagne stated he has not seen anyone do that.

Joe Lessard

- All this bill does is add a requirement on the financial form that the charitable organizations are already required to file.
- Senator Levesque asked if there is a reason that this has not been requested in the past.
- Mr. Lessard replied there has not been a review of the financial standards until now.
- Senator Levesque asked if there will be difficulty in completing the form.
- Mr. Lessard responded no; it is something that is filed with the IRS already.

Summary of testimony presented in opposition: None

Speakers

Testimony

The State of New Hampshire

CHARITABLE ORGANIZATION FINANCIAL STATEMENT

Pursuant to RSA 72:23, VI, every charitable organization or society must file a statement of its financial condition with the municipality in which the property is located. This statement is due annually, before June 1. In compliance with this statute, please complete and return this form with attachments, if necessary, to the municipality.

For Fiscal Year _____ to _____

1. In what municipality is this exemption claimed? _____
2. Name of Organization or Society _____
3. Name(s) and Address(es) of the Principal Officers:

4. Internal Revenue Service Identification Number: _____
5. Date of Registration or Incorporation with the N.H. Secretary of State:

6. Attach financial statement or best evidence available of the organization's source of income and expenditures in the preceding fiscal year.
7. If the organization or society files INTERNAL REVENUE SERVICE FORM 990, or other similar non-profit informational return, please enclose a copy.

(Treasurer, Signature: _____ or Principal Officer)

Send Original form and accompanying information to local assessing officials.
A duplicate copy should be retained by Property Owner.

Committee Report

General Court of New Hampshire - Bill Status System

Docket of SB483

Docket Abbreviations

Bill Title: relative to the property tax exemption for educational organizations.

Official Docket of SB483.:

Date	Body	Description
1/8/2020	S	To Be Introduced 01/08/2020 and Referred to Election Law and Municipal Affairs; SJ 1
2/20/2020	S	Hearing: 03/04/2020, Room 102, LOB, 09:00 am; SC 8
6/16/2020	S	Vacated from Committee and Laid on Table, MA, VV; 06/16/2020 SJ 8

NH House	NH Senate
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Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB 483

Senate Committee: ELMA

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

N/A Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

N/A Executive Session Sheet

N/A Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

Post Floor Action: (if applicable) {Clerk's Office}

___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

___ Enrolled Bill Amendment(s)

___ Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house

___ final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Sticia Muello
Committee Aide

8/10/20
Date

Senate Clerk's Office _____