

Committee Report

CONSENT CALENDAR

February 18, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Municipal and County Government
to which was referred HB 383,**

**AN ACT relative to the quarterly or semi-annual
collection of taxes in certain municipalities. Having
considered the same, report the same with the
recommendation that the bill OUGHT TO PASS.**

Rep. Julie Gilman

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Municipal and County Government
Bill Number:	HB 383
Title:	relative to the quarterly or semi-annual collection of taxes in certain municipalities.
Date:	February 18, 2021
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

The Department of Revenue Administration (DRA) requested this change to RSA 76:15-a, III. It will allow municipalities, counties, and school districts to apply to DRA for quarterly tax rate setting when there is a change of adequate education grants, excess tax amounts or by a change of 15% or more in taxes to be raised from the current year compared to the previous year. Allowing for quarterly rate setting will keep property owners from large drops or increases that may affect mortgage escrow among other financial matters.

Vote 19-0.

Rep. Julie Gilman
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Municipal and County Government

HB 383, relative to the quarterly or semi-annual collection of taxes in certain municipalities.
OUGHT TO PASS.

Rep. Julie Gilman for Municipal and County Government. The Department of Revenue Administration (DRA) requested this change to RSA 76:15-a, III. It will allow municipalities, counties, and school districts to apply to DRA for quarterly tax rate setting when there is a change of adequate education grants, excess tax amounts or by a change of 15% or more in taxes to be raised from the current year compared to the previous year. Allowing for quarterly rate setting will keep property owners from large drops or increases that may affect mortgage escrow among other financial matters. **Vote 19-0.**

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 383

BILL TITLE: relative to the quarterly or semi-annual collection of taxes in certain municipalities.

DATE: February 8, 2021

LOB ROOM: Hybrid

MOTIONS: OUGHT TO PASS

Moved by Rep. Porter

Seconded by Rep. Tripp

Vote: 19-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep John MacDonald, Clerk



2021 SESSION

Municipal and County Government

Bill #: HB 383 Motion: OTR AM #: _____ Exec Session Date: 2/8/21

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Piemonte, Tony Vice Chairman	1		
Porter, Marjorie A.	2		
Klee, Patricia S.	3		
Tripp, Richard P.	4		
Guthrie, Joseph A.	5		
Lascelles, Richard W.	6		
McBride, Everett P.	7		
Melvin, Charles R.	8		
Ayer, Paul F.	9		
Pauer, Diane	10		
Gallager, Eric B.	11		
Treleaven, Susan GS	12		
Gilman, Julie D.	13		
Maggiore, Jim V.	14		
Stavis, Laurel	15		
Mangipudi, Latha D.	16		
Vann, Ivy C.	17		
MacDonald, John T. Clerk	18		
Dolan, Tom Chairman	19		
TOTAL VOTE:	19	0	

Public Hearing

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 383

BILL TITLE: relative to the quarterly or semi-annual collection of taxes in certain municipalities.

DATE: February 8, 2021

LOB ROOM: Hybrid **Time Public Hearing Called to Order:** 11:50 a.m.

Time Adjourned: 12:05 p.m.

Committee Members: Reps. Dolan, Piemonte, J. MacDonald, Tripp, Guthrie, Lascelles, McBride, Melvin, Ayer, Pauer, Porter, Treleaven, Gilman, Maggiore, Stavis, Mangipudi, Vann, Klee and Gallagher

Bill Sponsors:

Rep. Porter

Rep. Gilman

TESTIMONY

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

Rep. Porter - Prime sponsor of the bill. Book keeping bill requested by the DRA. It passed committee last year. Died due to COVID.

***Carolyn Lear, NH DR** - Caused a significant drop in Goffstown tax rate. Goffstown reached out to DRA to recalculate the tax rate. Felt the statute goal be clear for all municipalities, to trigger DRA's ability to do their recalculations.

Rep. Pauer: Only pertain to Excess Tax or Excess Revenue? ANS: Two years, No it just smooths out the amount to collect each year. Could there be a deficit to the amount of taxes collected? ANS: No.

Becky, NH Municipal Association - Supports this bill, Smooths out the annual tax bill. Please support HB 383.

Respectfully submitted,

Rep. John MacDonald
Clerk

House Remote Testify

Municipal and County Government Committee Testify List for Bill HB383 on 2021-02-08

Support: 1 Oppose: 0 Neutral: 0 Total to Testify: 1

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Signed Up</u>
Lear, Carolynn	Carolynn.J.Lear@dra.nh.gov	603.230.5020	State Agency Staff	NH Dept. of Revenue	Support	Yes (2m)	2/5/2021 3:51 PM

Testimony



Lindsey M. Stepp
Commissioner

State of New Hampshire Department of Revenue Administration

109 Pleasant Street
PO Box 457, Concord, NH 03302-0457
Telephone 603-230-5005
www.revenue.nh.gov



Carolynn J. Lear
Assistant Commissioner

February 8, 2020

Representative Tom Dolan, Chairman
Municipal & County Government Committee
New Hampshire House of Representatives
107 North Main Street
Concord, NH 03301

Re: HB 383, relative to the quarterly or semi-annual collection of taxes in certain municipalities.

Dear Representative Dolan and Members of the Committee:

The Department of Revenue Administration (DRA) appreciates Representative Porter and Representative Gilman for sponsoring HB 383.

This bill has roots in a situation you may remember where, in 2017, an audit of the Goffstown School District led to the discovery of an accumulated fund balance totaling about \$10 million. These funds were subsequently used to offset the amount of taxes to be raised for local education in 2018. This caused a significant one-time drop in property tax rate, from 2017 to 2018. However, in any tax year, the first half tax bill is computed by taking the prior year's assessed valuation *times 1/2 of the previous year's tax rate*. The Town of Goffstown's 2017 total property tax rate was \$27.42. The 2018 first half tax bill then, was supposed to be computed by using \$13.71. But this rate would not have been a good estimate to collect just 1/2 of 2018 taxes. Taking into consideration the about \$10 million being used to offset the local education tax effort, the 2017 total tax rate could have been \$21.04, rather than \$27.42. This represented a possible 23% decrease (and a 2018 first half tax rate of \$10.52).

Instead, the Town requested that we adjust the 2018 first half tax rate under RSA76:15-a to help avoid a disruptive pattern of property tax payments. We made the adjustment from \$13.71 to \$10.52, because, without granting the adjustment, the 2018 first half tax bill would have been significantly higher than 1/2 of the total tax effort required for 2018. The 2018 total tax rate ended up being just \$18.60, compared to the 2017 total tax rate of \$27.42. The second half tax bill would have reflected the entire change in one very steep reduction.

However, RSA 76:15-a does not explicitly provide that we may adjust the tax rate calculation in these circumstances. We relied instead on our general tax rate setting authority. This situation also repeated itself in 2019 because the 2018 total tax rate was dramatically lower than is typical in Goffstown. We adjusted the 2019 first half tax rate because an artificially low 2019 first half tax bill based on 2018 would have caused disruption in both the property tax payments made by taxpayers and the Town's cash flow requirements.

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

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.


This bill would clarify our authority to address any such critical tax rate situations to the benefit of taxpayers and their municipalities. It also seeks to quantify the type of circumstances where such an adjustment would be appropriate.

The DRA appreciates your consideration of HB 383 and recommends a vote of Ought to Pass.

Sincerely,



Lindsey Stepp
Commissioner

Archived: Tuesday, April 20, 2021 10:28:01 AM
From: [Lear, Carollynn](#)
Sent: Monday, February 8, 2021 12:02:48 PM
To: ~House Municipal and County Govt
Subject: DRA Testimony on HB 383
Importance: Normal
Attachments:
[Rep Dolan HB 383.pdf](#) 

Thank you for your consideration of HB 383. Attached is the written testimony by DRA.

All the best,

Carollynn J. Lear, Assistant Commissioner
NH Department of Revenue Administration
109 Pleasant Street, P.O. Box 457
Concord, NH 03302-0457
Tel (603) 230-5020
Carollynn.J.Lear@dra.nh.gov

Archived: Tuesday, April 20, 2021 10:28:01 AM
From: [Marjorie Porter](#)
Sent: Monday, February 8, 2021 1:47:45 PM
To: [Lear, Carollynn](#)
Cc: [~House Municipal and County Govt](#)
Subject: Re: DRA Testimony on HB 383
Importance: Normal

Thank you!

On Mon, Feb 8, 2021 at 12:02 PM Lear, Carollynn <Carollynn.J.Lear@dra.nh.gov> wrote:

Thank you for your consideration of HB 383. Attached is the written testimony by DRA.

All the best,

Carollynn J. Lear, Assistant Commissioner
NH Department of Revenue Administration
109 Pleasant Street, P.O. Box 457
Concord, NH 03302-0457
Tel (603) 230-5020
Carollynn.J.Lear@dra.nh.gov

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Marjorie Porter
Representative, Hillsborough District 1
64 School Street, Hillsborough, NH 03244
603.464.0225
maporter995@gmail.com

Bill as
Introduced

HB 383 - AS INTRODUCED

2021 SESSION

21-0491

05/11

HOUSE BILL **383**

AN ACT relative to the quarterly or semi-annual collection of taxes in certain municipalities.

SPONSORS: Rep. Porter, Hills. 1; Rep. Gilman, Rock. 18

COMMITTEE: Municipal and County Government

ANALYSIS

This bill permits municipalities with semi-annual or quarterly billing to submit an adjusted rate application to the department of revenue administration in the event of an increase of 15 percent or more in the amount of property taxes to be raised for the current year as compared to the previous year.

The bill is a request of the department of revenue administration.

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 One

AN ACT relative to the quarterly or semi-annual collection of taxes in certain municipalities.

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

1 1 Semi-Annual Collection of Taxes in Certain Towns and Cities. Amend RSA 76:15-a, III to read
2 as follows:

3 III.(a) Notwithstanding the provisions of paragraphs I and II, any municipality affected
4 **either** by a change in adequate education grants or excess tax amounts, determined pursuant to
5 RSA 198:41, **or by a change of 15 percent or more in the amount of all property taxes to be**
6 **raised for the current year as compared to the previous year**, may apply to the commissioner of
7 revenue administration on forms prescribed by the commissioner to adjust the 1/2 of the previous
8 year's tax rate by an amount sufficient to collect 1/2 of the estimated increase or decrease in the
9 ~~local school tax~~ **city or town, school, or county taxes** resulting from the change.

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

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

17 (d) **The department of revenue administration shall expedite certified adjusted**
18 **rate applications.**

19 2 Assessment; Quarterly Billing of Taxes in Certain Towns and Cities. Amend RSA 76:15-aa,
20 V(a) to read as follows:

21 V.(a) Notwithstanding the provisions of paragraphs II and III, any municipality with
22 quarterly billing affected **either** by a change in adequate education grants or excess tax amounts,
23 determined pursuant to RSA 198:41, **or by a change of 15 percent or more in the amount of all**
24 **property taxes to be raised for the current year as compared to the previous year**, may apply
25 to the commissioner of revenue administration on forms prescribed by the commissioner to adjust
26 the 1/4 of the previous year's tax rate by an amount sufficient to collect 1/4 of the estimated increase
27 or decrease in the July and October quarterly bills in ~~local school tax~~ **city or town, school, or**
28 **county taxes** resulting from the change.

29 3 Effective Date. This act shall take effect April 1, 2022.