

Committee Report

REGULAR CALENDAR

May 26, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Municipal and County Government to which was referred SB 102,

AN ACT adopting omnibus legislation on property taxation. Having considered the same, report the same with the recommendation that the bill OUGHT TO PASS.

Rep. Marjorie Porter

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee:	Municipal and County Government
Bill Number:	SB 102
Title:	adopting omnibus legislation on property taxation.
Date:	May 26, 2021
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill is enabling legislation consisting of two parts. Part I allows municipalities to establish residential property revitalization zones under the provisions of RSA 79 E. The property tax relief under this provision is for a limited time and incentivizes the repair and rehabilitation of unused or underused residential units, with the goal of increasing available housing. The increased value of the revitalized property will result in increased revenues to the municipality after the relief period lapses. Part II allows municipalities to adopt a property tax exemption for some renewable generation and energy storage systems, protecting the savings these systems produce.

Vote 15-4.

Rep. Marjorie Porter
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

SB 102, adopting omnibus legislation on property taxation. **MAJORITY: OUGHT TO PASS. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Marjorie Porter for the **Majority** of Municipal and County Government. This bill is enabling legislation consisting of two parts. Part I allows municipalities to establish residential property revitalization zones under the provisions of RSA 79 E. The property tax relief under this provision is for a limited time and incentivizes the repair and rehabilitation of unused or underused residential units, with the goal of increasing available housing. The increased value of the revitalized property will result in increased revenues to the municipality after the relief period lapses. Part II allows municipalities to adopt a property tax exemption for some renewable generation and energy storage systems, protecting the savings these systems produce. **Vote 15-4.**

Original: House Clerk

Cc: Committee Bill File

REGULAR CALENDAR

May 26, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Municipal and County Government to which was referred SB 102,

AN ACT adopting omnibus legislation on property taxation. 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. Tony Piemonte

FOR THE MINORITY OF THE COMMITTEE

**MINORITY
COMMITTEE REPORT**

Committee:	Municipal and County Government
Bill Number:	SB 102
Title:	adopting omnibus legislation on property taxation.
Date:	May 26, 2021
Consent Calendar:	REGULAR
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill allows for property tax relief for revitalization zones. The minority does not disagree with the content of the bill. However, the minority on the committee felt that this type of property tax relief should be studied and considered all at once rather than piece meal.

Rep. Tony Piemonte
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

SB 102, adopting omnibus legislation on property taxation. **INEXPEDIENT TO LEGISLATE.**
Rep. Tony Piemonte for the **Minority** of Municipal and County Government. This bill allows for property tax relief for revitalization zones. The minority does not disagree with the content of the bill. However, the minority on the committee felt that this type of property tax relief should be studied and considered all at once rather than piece meal.

Original: House Clerk
Cc: Committee Bill File

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on SB 102

BILL TITLE: adopting omnibus legislation on property taxation.

DATE: May 17, 2021

LOB ROOM: Hybrid

MOTIONS: OUGHT TO PASS

Moved by Rep. Porter

Seconded by Rep. McBride

Vote: 15-4

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep John MacDonald, Clerk



2021 SESSION

Municipal and County Government

Bill #: JB102 Motion: OTP AM #: _____ Exec Session Date: 5/17/21

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

Public Hearing

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON SB 102

BILL TITLE: adopting omnibus legislation on property taxation.

DATE: May 17, 2021

LOB ROOM: Hybrid **Time Public Hearing Called to Order:** 10:55 a.m.

Time Adjourned: 11:35 a.m.

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

Bill Sponsors:
Sen. Perkins Kwoka

TESTIMONY

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

***Clifton Below** - Testifies Part II, Assistant Mayor. Submitted written testimony via email.

Senator Perkins-Kwoka - Brought on behalf of the City of Portsmouth. Part I. Senator Sue Prentiss is also available to answer questions.

Rep. Mangipudi: When does re-evaluation take place in Portsmouth? ANS: Depends on the value of the property.

Senator Prentiss, Dist. 5 - Clifton Below - has been at the request of Lebanon. Endorsed the Paris Climant Accord. We didn't want to tax our low income. This creates the rate settings. Local option already in place and extend it to 3rd parties.

Rep. Mangipudi: This will enable 3rd party distribution? ANS: Exemption for 3rd parties to have the same tax exemption. Allows local selectboard to decide a tax exemption for the property. This has people move towards renewable energy.

Cordell Johnston, NH Municipal Association - Enabling legislation in Part I and II. Part I has a slight expansion of the tax relief program. We support that. Allow municipalities the opportunity to expand and increase the amount of local housing within the state.

Rep. Mangipudi: How does this relate to RSA 53? How many years is the exemption? ANS: Different form of property tax relief. The Governing body can do up to five years. Four years affordable housing. So it could be up to nine years with affordable housing.

Rep. Piemonte: Line 6- 8, similar to a bill we had before the committee? Additional dwelling units? ANS: There was House Bill 154 which was similar. The difference is that HB 154 deals specifically that 1/3 of the units be affordable housing any tax relief for 10 years. SB 102 is for renovating housing stock.

Rep. Pauer: Part I, line 25, establishment of tax significantly improves the structure and by whom is that determined? ANS: The Governing Body makes that determination.

Rep. Porter: I think the bill Rep. Piemonte covered developing new things. This bill deals with renovating existing buildings. Updating existing buildings. ANS: That is correct.

Senator Kahn - Part I is the amended bill. What is being added is 79-E, paragraph 5, page 2, line 9, describe 79-E, pa. Here is what is new: 1) Tax relief, 40 years of age, 4 units, 2) Designate the area and establish criteria, 3) Can qualify (the property) once every 20 years. Keene State College - over 30 years was used for students. Now those homes are no longer suitable for college students. This would allow for those properties to be brought back to original historic nature of a community. Passed the Senate last year.

Rep. Gilman: Why the age of 40 years? ANS: Not trying to match the historic requirement.

Rep. Guthrie: Who determines to revitalize zone? ANS: The Governing Body makes that determination. It could move from one section to another section.

Rep. Pauer: Enabling legislation adopted by a majority vote? ANS: Yes, a majority vote. This incentive is fairly small. I believe it is 7 1/2% overtime on a 35 dollar tax rate, with a 35,000 improvement, would be broken over five years. No subsidy here.

Rep. Porter: The Governing Body determines the revitalization area the tax rate would be by the Legislative Body. ANS: City of Keene would be by the Councilors.

Cordell Johnston - In a town meeting, the town would have to approve the tax relief.

Respectfully submitted,

Rep. John MacDonald
Clerk

House Remote Testify

Municipal and County Government Committee Testify List for Bill SB102 on 2021


Support: 40 Oppose: 1 Neutral: 1 Total to Testify: 4

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<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>
Below, Clifton	Lebanon, NH Clifton.Below@LebanonNH.gov	An Elected Official	City of Lebanon	Support	Yes (5m)	No
Johnston, Cordell	Concord, NH cjohnston@nhmunicipal.org	A Lobbyist	NH Municipal Association	Support	Yes (3m)	No
Perkins Kwoka, Senator Rebecca	Portsmouth, NH rebecca.perkinskwoka@leg.state.nh.us	An Elected Official	Myself (SD 21)	Support	Yes (3m)	No
Norwood, Chris	Bedford, NH Bob@nhar.com	A Member of the Public	NH Association Realtors	Support	Yes (0m)	No
Rettew, Annie	Concord, NH abrettew@gmail.com	A Member of the Public	Myself	Support	No	No
Jachim, Nancy	Newport, NH nancyjachim@gmail.com	A Member of the Public	Myself	Support	No	No
Brennan, Nancy	Weare, NH burningnan14@gmail.com	A Member of the Public	Myself	Support	No	No
See, Alvin	Loudon, NH absee@4Liberty.net	A Member of the Public	Myself	Oppose	No	No
Carter, Lilian	Deerriing, NH lcarter0914@gmail.com	A Member of the Public	Myself	Support	No	No
Eisner, Mary	Derry, NH nhdem@msn.com	A Member of the Public	Myself	Support	No	No
Chase, Wendy	Rollinsford, NH wendy.chase@leg.state.nh.us	An Elected Official	Myself	Support	No	No
Pidgeon, Dawna	Enfield, NH dawna.pidgeon@comcast.net	A Member of the Public	Myself	Support	No	No
Bushueff, Catherine	Sunapee, NH agawamdesigns@gmail.com	A Member of the Public	Myself	Support	No	No
Dontonville, Anne	Enfield, NH Adontonville@gmail.com	A Member of the Public	Myself	Support	No	No
Gordon, Laurie	Weare, NH Lmgord23@gmail.com	A Member of the Public	Myself	Support	No	No
Garland, Ann	Lebanon, NH annhgarland@gmail.com	A Member of the Public	Myself	Support	No	No
Hinebauch, Mel	Concord, NH melhinebauch@gmail.com	A Member of the Public	Myself	Support	No	No
Greenwood, Nancy	Concord, NH nancgreenwood@yahoo.com	A Member of the Public	Myself	Support	No	No
Briggs, Ron	Concord, NH Rongb1950@gmail.com	A Member of the Public	Myself	Support	No	No
Bergevin, Leslie	Loudon, NH Leslie.bergevin@gmail.com	A Member of the Public	Myself	Support	No	No
Gordon, Margaret	Weare, NH Megordon98@gmail.com	A Member of the Public	Myself	Support	No	No
Parshall, Lucius	Marlborough, NH lucius.parshall@leg.state.nh.us	An Elected Official	Myself	Support	No	No

jakubowski, dennis	Loudon, NH dendeb146@gmail.com	A Member of the Public	Myself	Support	No	No
Almy, Susan	Lebanon, NH susan.almy@comcast.net	An Elected Official	Myself	Support	No	No
Rich, Cecilia	Somersworth, NH cecilia.rich@leg.state.nh.us	An Elected Official	Myself	Support	No	No
Stevens, Representative Deb	Nashua, NH debstevens4ward7@gmail.com	An Elected Official	My 10K constituents	Support	No	No
Tucker, Kathy	Wilmot, NH katherine.s.tucker@valley.net	A Member of the Public	Myself	Support	No	No
Torpey, Jeanne	Concord, NH jtorp51@comcast.net	A Member of the Public	Myself	Support	No	No
Casino, Joanne	Concord, NH joannecasino@comcast.net	A Member of the Public	Myself	Support	No	No
Vincent, Laura	Loudon, NH lvlauravincen5@gmail.com	A Member of the Public	Myself	Support	No	No
Taylor, Gale	Concord, NH galeforcefacilitators@gmail.com	A Member of the Public	Myself	Support	No	No
Telerski, Laura	Nashua, NH Laura.Telerski@Leg.State.NH.US	An Elected Official	Hillsborough 35	Support	No	No
Oxenham, Lee	Plainfield, NH leexenham@comcast.net	An Elected Official	Sullivan Co., District 1	Support	No	No
Dontonville, Roger	Enfield, NH rdontonville@gmail.com	An Elected Official	Myself	Support	No	No
Hamblet, Joan	PORTSMOUTH, NH jhamblet4@gmail.com	An Elected Official	Myself	Support	No	No
Richman, Susan	Durham, NH susan7richman@gmail.com	A Member of the Public	Myself	Support	No	No
Bartlett, Rep Christy	Concord, NH christydbartlett@gmail.com	An Elected Official	Merrimack 19	Support	No	No
Hayes, Randy	Canterbury, NH rcompostr@gmail.com	A Member of the Public	Myself	Support	No	No
Blanchard, Sandra	Loudon, NH sandyblanchard3@gmail.com	A Member of the Public	Myself	Support	No	No
DeRosa, Tom	Bedford, NH tom@bfreshconsulting.com	A Lobbyist	NH Planners Association in support of Part III	Neutral	No	No
Hamer, Heidi	Manchester, NH heidi.hamer@leg.state.nh.us	An Elected Official	Myself	Support	No	No
Russman, Rick	Kingston, NH richardussman@gmail.com	An Elected Official	Myself	Support	No	No

Testimony

Archived: Monday, May 17, 2021 2:36:08 PM
From: [Clifton Below](#)
Sent: Monday, May 17, 2021 9:14:54 AM
To: ~House Municipal and County Govt; Rebecca Perkins Kwoka
Cc: [Suzanne Prentiss](#); [Cameron Lapine](#); cjohnston@nhmunicipal.org
Subject: SB 102 testimony for City of Lebanon
Importance: Normal
Attachments:
[SB 102 Part II City of Lebanon testimony 5-17-21.pdf](#) 

Attached please find my written testimony in favor of SB 102, Part II. Thank you!

Clifton Below ❖ Asst. Mayor, Lebanon City Council ❖ personal office: 1 COURT ST, STE 300, Lebanon, NH 03766-1358
(603) 448-5899 (O), 667-7785 (M) ❖ Clifton.Below@LebanonNH.Gov ❖ www.linkedin.com/in/clifton-below



CITY OF LEBANON

51 North Park Street

Lebanon, NH 03766

(603) 448-4220

May 17, 2021

Hon. Tom Dolan
Chair, Municipal and County Government Committee
New Hampshire House
107 North Main St.
Concord, NH 03301

RE: SB 102, adopting omnibus legislation on property taxation. Testimony on Part II.

Dear Rep. Dolan & Members of the NH House Municipal and County Government Committee,
Good morning. I'm testifying in support of SB 102, Part II on behalf of the City of Lebanon as its Assistant Mayor.

This bill enables a new local option to exempt from local property taxes (but not any state taxes) renewable generation facilities and electric energy storage systems.

Why consider exempting renewable energy and storage system? The main reason is that renewable energy and storage are typically very capital intensive compared with the capital cost of a natural gas combined cycle generator, so the same tax rate leveled against the original capital costs (depreciated over the same time period at the same rate) or the replacement costs results in renewable generation and storage having a property tax burden that is about 2 to 10 times as much per kWh produced, with fixed tilt solar potentially facing a property tax burden per kWh that is 7.5 times that of the natural gas that it typically displaces on the margin.

In New England natural gas is the marginal fuel most of the time (meaning if load goes up or down, it is typically a natural gas power plant that ramps up and down with the demand) and it sets the ISO-NE wholesale market cost most of the time. New Hampshire does not levy a tax on the natural gas or operating costs used to generate such power and such costs a large portion of the cost of generation. In contrast renewable generation and storage typically has little to no fuel cost and low operating costs, but is much more capital intensive than the natural gas it competes with. In addition, most of the generation that local renewable generation or storage displaces is located out-of-state, so neither New Hampshire, nor local municipalities, enjoy tax revenue from such generation.

As seen in the table below, at an illustrative municipal tax rate (including schools and county) of \$25/\$1,000 of value natural gas generation would pay about 6/10 of 1 cent/kWh for a new facility. A new fixed tilt solar system could pay local property taxes on the order of 4¢ to 5¢/kWh, or 7-8 times as much, likely making it not economically feasible.

Comparison of Property Tax Applied to Different Types of Generation & STORAGE

The last column shows an approximation of the relative local Property Tax burden assuming valuation based on original capital cost, which is 70% of the method to be used for the utility property tax per HB 700. The other 30% weight would go to net book value, which would yield similar results assuming comparable depreciation periods and start dates. Even if this was weighted 50% based on income- based valuation and assuming comparable value per kWh, that would only reduce the disparity by 50% (last column).

Type of Generation	Capital Cost/MW	Assumed		Ave. Cap. Factor	8760		Cost/kWh Compared w/nat. gas CC
		Tax Rate /\$1,000	Tax/MW		Ave. MWh/yr.	Tax/MWh	
Nat. Gas Combined Cycle (CC)	1,091,000	\$ 25.00	\$ 27,275	53%	4,643	\$ 5.87	1
Conventional Hydropower	1,904,000	\$ 25.00	\$ 47,600	40%	3,504	\$ 13.58	2.3
Wind	2,510,000	\$ 25.00	\$ 62,750	35%	3,066	\$ 20.47	3.5
Solar -- tracking 1 axis	2,471,000	\$ 25.00	\$ 61,775	18%	1,577	\$ 39.18	6.7
Solar -- fixed tilt	2,316,000	\$ 25.00	\$ 57,900	15%	1,314	\$ 44.06	7.5
Battery Storage	2,201,000	\$ 25.00	\$ 55,025	11%	964	\$ 57.10	9.7
Capital Cost is from EIA for New England region: https://www.eia.gov/outlooks/aeo/assumptions/pdf/table_8.2.pdf							
Average Capacity Factor is from ISO-NE 5 year averages from NERC (for New England) and educated guesstimates (because NERC doesn't separately estimate for solar, battery, and wind). The battery estimated 11% capacity factor is for one round trip per day with a Tesla battery discharged at the daily rate proposed in Liberty's battery pilot. https://www.eia.gov/outlooks/aeo/assumptions/pdf/table_8.2.pdf							

Most municipalities are not going to lose tax revenue from the exemption if they adopt it, because much of the solar and other renewable and storage development that such local exemptions options might apply to, simply won't happen if they are taxed like regular real property. NH is already lagging behind all other New England states in distributed renewable and storage development.

While RSAs 72:62, 66, 70, and 85 allow for similar technology-specific local option property tax exemptions for certain renewable and storage systems, they have been deemed by a number of attorneys and municipalities to only be available to the owner of the underlying real estate, that is the property owner. This is because of the language in each that states the exemption is available "for persons owning real property which is equipped with [such a renewable system]." If, for instance, a PV array is owned by a 3rd party other than the owner of the land or building it is located on, they are not eligible for such an exemption. This is often the case with non-profit entities and low and moderate income (LMI) solar projects.

The City of Lebanon, for instance, doesn't want to tax the 3rd party owned PV array serving the low-moderate income Mascoma Meadows Cooperative, a resident-owned community of manufactured homes served by a PPA. Doing so could negate most, if not all, of the savings being realized by residents, even after a \$168,000 subsidy by the PUC. With a replacement value of about \$300,000 and a City tax rate of about \$30/K the local property taxes could be \$9,000/yr. – roughly the projected savings to be realized by the homeowners that group net meter from the system. Here are some stories about that project:

<https://www.vermontlaw.edu/news-and-events/newsroom/press-release/energy-clinic-helps-new-hampshire-resident-owned-community>

<https://www.vnews.com/Lebanon-Church-Shows-What-It-Means-To-Be-a-Good-Neighbor-16526628>

To enable a local option to resolve this problem a similar bill was proposed last year, but never left the Senate before the pandemic shut things down. As originally proposed SB 530 (2020) would have amended the existing exemption options, but at the request of the NH Municipal Association and the Assessors association, the language as presented here today was developed so it would not change the existing locally adopted exemptions. A new vote under the provisions of Part II of SB 102 would be needed to extend such exemptions to 3rd party systems selling under a PPA.

Again SB 102, Part II is simply a local option and RSA 72:27-a allows each municipality to “specify the provisions of the property tax exemption or credit, the amount of such exemption or credit, and the manner of its determination”. For your convenient reference I’ve attached other relevant statutes. If you have any questions please do not hesitate to call. Thank you for your consideration.

Yours truly,



Clifton Below
Assistant Mayor, Lebanon City Council
Clifton.Below@LebanonNH.gov

72:27-a Procedure for Adoption, Modification, or Rescission. –

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:28-b, RSA 72:29-a, RSA 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 72:76, RSA 72:82, or RSA 72:85 in the following manner:

(a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3.

(b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

II. The vote shall specify the provisions of the property tax exemption or credit, the amount of such exemption or credit, and the manner of its determination, as listed in paragraph I. If a majority of those voting on the question vote "yes," the exemption or credit shall take effect within the town or city, on the date set by the governing body, or in the tax year beginning April 1 following its adoption, whichever shall occur first.

III. A municipality may modify, if applicable, or rescind the exemption or credits provided in paragraph I in the manner described in this section.

IV. An amendment to a statutory provision listed in paragraph I related to an exemption or credit amount or to the eligibility or application of an exemption or credit, shall apply in a municipality which previously adopted the provision only after the municipality complies with the procedure in this section, unless otherwise expressly required by law.

Source. 2003, 299:1; 299:23. 2004, 170:3. 2008, 224:3, eff. July 1, 2008. 2016, 217:2, eff. Aug. 8, 2016. 2017, 179:1, eff. Aug. 28, 2017. 2019, 327:3, eff. Oct. 15, 2019.

Solar Energy Systems Exemption

72:61 Definition of Solar Energy Systems. –

I. For purposes of an exemption under RSA 72:62 adopted before January 1, 2020, in this subdivision "solar energy system" means a system which utilizes solar energy to heat or cool the interior of a building or to heat water for use in a building and which includes one or more collectors and a storage container. "Solar energy system" also means a system which provides electricity for a building by the use of photovoltaic panels.

II. In a municipality that adopts or re-adopts the exemption under RSA 72:62 on or after January 1, 2020, "solar energy system" means, in addition to the definition in paragraph I, a system which utilizes solar energy to produce electricity for a building and includes all photovoltaics, inverters, and storage. Systems may be off grid or connected to the grid in a net metered or group net metered arrangement pursuant to RSA 362-A:9 or in a direct retail sale arrangement pursuant to RSA 362-A:2-a.

Source. 1975, 391:1. 1993, 93:1, eff. April 1, 1993. 2019, 327:1, eff. Oct. 15, 2019.

72:62 Exemption for Solar Energy Systems. – Each city and town may adopt under RSA 72:27-a an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a solar energy system as defined in RSA 72:61.

Source. 1975, 391:1. 1991, 70:26. 1993, 93:2. 2003, 299:17, eff. April 1, 2003.

72:63 Repealed by 2003, 299:29, VI, eff. April 1, 2003. –

72:64 Application for Exemption. – Applications for exemptions under RSA 72:62 shall be governed by the provisions of RSA 72:33, 72:34, and 72:34-a.

Source. 1975, 391:1. 1977, 502:4. 1983, 155:10. 1995, 265:8, eff. Jan. 1, 1996.

Wind-Powered Energy Systems Exemption

72:65 Definition of Wind-Powered Energy System. –

I. For purposes of an exemption under RSA 72:66 adopted before January 1, 2020, in this subdivision "wind-powered energy system" means any wind-powered devices which supplement or replace electrical power supplied to households or businesses at the immediate site.

II. In a municipality that adopts or re-adopts the exemption under RSA 72:66 on or after January 1, 2020, "wind-powered energy system" means a system that utilizes wind power to produce electricity for a building and includes all wind-powered devices, inverters, and storage. Systems may be off grid or connected to the grid in a net metered or group net metered arrangement pursuant to RSA 362-A:9 or in a direct retail sale arrangement pursuant to RSA 362-A:2-a.

Source. 1977, 185:1, eff. Aug. 13, 1977. 2019, 327:2, eff. Oct. 15, 2019.

72:66 Exemption for Wind-Powered Energy Systems. – Each city and town may adopt under RSA 72:27-a an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a wind-powered energy system.

Source. 1977, 185:1. 1991, 70:28. 2003, 299:18, eff. April 1, 2003.

72:68 Application for Exemption. – Applications for exemptions under RSA 72:66 shall be governed by the provisions of RSA 72:33, 72:34, and 72:34-a.

Source. 1977, 185:1; 502:6. 1983, 155:10. 1995, 265:9, eff. Jan. 1, 1996.

Woodheating Energy Systems Exemptions

72:69 Definition of Woodheating Energy System. – In this subdivision "woodheating energy system" means a wood burning appliance designed to operate as a central heating system to heat the interior of a building. The appliance may burn wood solely or burn wood in combination with another fuel. A central heating system shall include a central appliance to distribute heat by a series of pipes, ducts or similar distribution system throughout a single building or group of buildings. A wood burning appliance shall not include a fireplace, meaning a hearth, fire chamber or similarly prepared place with a chimney intended to be usable in an open configuration whether or not it may also be closed and operated closed; or a wood stove meaning a wood burning appliance designed for space heating purposes which does not operate as a central heating system or as a sole source of heat.

Source. 1979, 280:1, eff. Aug. 20, 1979.

72:70 Exemption for Woodheating Energy Systems. – Each city and town may adopt under RSA 72:27-a an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a woodheating energy system.

Source. 1979, 280:1. 1991, 70:30. 2003, 299:19, eff. April 1, 2003.

72:72 Application for Exemption. – Applications for exemptions under RSA 72:70 shall be governed by the provisions of RSA 72:33, 72:34, and 72:34-a.

Source. 1979, 280:1. 1983, 155:10. 1995, 265:10, eff. Jan. 1, 1996.

Electric Energy Storage Systems Exemption

72:84 Electric Energy Storage System; Definition. – In this subdivision "electric energy storage system" means a facility located behind a retail meter that stores electrical energy that is otherwise produced by an electricity generator or uses electricity to concentrate and store thermal energy, by electrical, chemical, mechanical, or thermal means, for discharge or use at a later time, whether in the form of thermal energy to meet space or process heating or cooling loads or electricity, which can be used to reduce peak loads, compensate for variability in renewable energy production, or provide other grid services, and which does not participate in any wholesale energy markets administered by ISO New England as a registered asset or otherwise. An electric energy storage system shall not include conventional electric resistance or gas domestic hot water heaters.

72:85 Exemption for Electric Energy Storage Systems. – A city or town may adopt an exemption under RSA 72:27-a from the assessed value for property tax purposes, for persons owning real property which is equipped with an electrical energy storage system.

72:86 Application for Exemption. – Applications for exemptions under RSA 72:85 shall be governed by the provisions of RSA 72:33, RSA 72:34, and RSA 72:34-a.

Source. 2019, 327:4, eff. Oct. 15, 2019.

Bill as
Introduced

SB 102 - VERSION ADOPTED BY BOTH BODIES

03/25/2021 0846s
06/24/2021 2070EBA

2021 SESSION

21-0970
10/

SENATE BILL **102**

AN ACT adopting omnibus legislation on property taxation.

SPONSORS: Sen. Perkins Kwoka, Dist 21

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill adopts legislation relative to:

I. A property tax relief program for qualifying residential property in a designated residential property revitalization zone.

II. Allowing towns and cities to adopt a property tax exemption for certain renewable generation and energy storage systems.

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.

SB 102 - VERSION ADOPTED BY BOTH BODIES

03/25/2021 0846s
06/24/2021 2070EBA

21-0970
10/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT adopting omnibus legislation on property taxation.

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

1 1 Sponsorship. This act consists of the following proposed legislation:

2 Part I. LSR 21-0865, relative to a property tax relief program for qualifying residential
3 property in a designated residential property revitalization zone, sponsored by Sen. Kahn,
4 Prime/Dist 10; Sen. Watters, Dist 4; Rep. Lynn, Rock. 7; Rep. Porter, Hills. 1.

5 Part II. LSR 21-1031, allowing towns and cities to adopt a property tax exemption for
6 certain renewable generation and energy storage systems, sponsored by Sen. Prentiss, Prime/Dist 5;
7 Sen. Watters, Dist 4; Rep. Oxenham, Sull. 1; Rep. McGhee, Hills. 27; Rep. McWilliams, Merr. 27.

8 2 Legislation Enacted. The general court hereby enacts the following legislation:

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PART I

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Relative to a property tax relief program for qualifying residential property
12 in a designated residential property revitalization zone.

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1 1 Commissioner of Revenue Administration; Equalization; Reference Added. Amend RSA 21-
14 J:3, XIII to read as follows:

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XIII. Equalize annually by May 1 the valuation of the property as assessed in the several
towns, cities, and unincorporated places in the state including the value of property exempt
pursuant to RSA 72:37, 72:37-b, 72:39-a, 72:62, 72:66, and 72:70, property which is subject to tax
relief under RSA 79-E:4, and property which is subject to tax relief under RSA 79-E:4-a **or RSA 79-
E:4-b**, by adding to or deducting from the aggregate valuation of the property in towns, cities, and
unincorporated places such sums as will bring such valuations to the true and market value of the
property, and by making such adjustments in the value of other property from which the towns,
cities, and unincorporated places receive taxes or payments in lieu of taxes, including renewable
generation facility property subject to a payment in lieu of taxes agreement under RSA 72:74 and
combined heat and power agricultural facility property subject to a payment in lieu of taxes
agreement under RSA 72:74-a, as may be equitable and just, so that any public taxes that may be
apportioned among them shall be equal and just. In carrying out the duty to equalize the valuation
of property, the commissioner shall follow the procedures set forth in RSA 21-J:9-a.

2 2 Definition; Qualifying Structure. Amend RSA 79-E:2, II to read as follows:

II.(a) "Qualifying structure" means a building located in a district officially designated in a
municipality's master plan, or by zoning ordinance, as a downtown, town center, central business

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1 district, or village center, or, where no such designation has been made, in a geographic area which,
2 as a result of its compact development patterns and uses, is identified by the governing body as the
3 downtown, town center, or village center for purposes of this chapter.

4 **(b)** Qualifying structure shall also mean:

5 **(1)** Historic structures in a municipality whose preservation and reuse would
6 conserve the embodied energy in existing building stock.

7 **(2)** *A one or 2-family home or an attached multi-family home with not more*
8 *than 4 units located in a residential property revitalization zone designated under RSA 79-*
9 *E:4-b and which is at least 40 years old.*

10 **(c)** Cities or towns may further limit "qualifying structure" according to the procedure in
11 RSA 79-E:3 as meaning only a structure located within such districts that meet certain age,
12 occupancy, condition, size, or other similar criteria consistent with local economic conditions,
13 community character, and local planning and development goals.

14 **(d)** Cities or towns may further modify "qualifying structure" to include buildings that
15 have been destroyed by fire or act of nature, including where such destruction occurred within 15
16 years prior to the adoption of the provisions of this chapter by the city or town.

17 **(e)** In a city or town that has adopted the provisions of RSA 79-E:4-a, "qualifying
18 structure" also means potentially impacted structures identified by the municipality within the
19 coastal resilience incentive zone established under RSA 79-E:4-a.

20 3 New Section; Community Revitalization Tax Relief Incentive; Residential Property
21 Revitalization Zones. Amend RSA 79-E by inserting after section 4-a the following new section:

22 79-E:4-b Residential Property Revitalization Zones.

23 I. A city or town may adopt the provisions of this section by vote of its legislative body,
24 according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a one or
25 2-family home or an attached multi-family home with not more than 4 units and which is at least 40
26 years old, who significantly improves the quality, condition, and/or use of an existing residential
27 structure in a designated residential property revitalization zone.

28 II. The governing body of a municipality shall designate the area of a residential property
29 revitalization zone in which the tax relief for qualifying structures shall apply. Municipalities may
30 further establish criteria for the public benefits, goals, and measures that will determine the
31 eligibility of qualifying structures for tax relief located within a designated residential property
32 revitalization zone.

33 III. Municipalities may grant tax relief to the qualifying structure and property as described
34 in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, provided that no property may be
35 granted tax relief under this chapter more than once in a 20 year period.

36 4 Definition; Qualifying Structure. Amend RSA 79-E:2, II to read as follows:

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1 II.(a) "Qualifying structure" means a building located in a district officially designated in a
2 municipality's master plan, or by zoning ordinance, as a downtown, town center, central business
3 district, or village center, or, where no such designation has been made, in a geographic area which,
4 as a result of its compact development patterns and uses, is identified by the governing body as the
5 downtown, town center, or village center for purposes of this chapter.

6 (b) Qualifying structure shall also mean:

7 (1) Historic structures in a municipality whose preservation and reuse would
8 conserve the embodied energy in existing building stock.

9 (2) A one or 2-family home or an attached multi-family home with not more than 4
10 units located in a residential property revitalization zone designated under RSA 79-E:4-b and which
11 is at least 40 years old.

12 (c) Cities or towns may further limit "qualifying structure" according to the procedure in
13 RSA 79-E:3 as meaning only a structure located within such districts that meet certain age,
14 occupancy, condition, size, or other similar criteria consistent with local economic conditions,
15 community character, and local planning and development goals.

16 (d) Cities or towns may further modify "qualifying structure" to include buildings that
17 have been destroyed by fire or act of nature, including where such destruction occurred within 15
18 years prior to the adoption of the provisions of this chapter by the city or town.

19 (e) In a city or town that has adopted the provisions of RSA 79-E:4-a, "qualifying
20 structure" also means potentially impacted structures identified by the municipality within the
21 coastal resilience incentive zone established under RSA 79-E:4-a.

22 ***(f) In a city or town that has adopted the provisions of RSA 79-E:4-c, "qualifying***
23 ***structure" also means a housing unit or units constructed in a housing opportunity zone***
24 ***established under RSA 79-E:4-c.***

25 5 New Section; Community Revitalization Tax Relief Incentives; Housing Opportunity Zone.
26 Amend RSA 79-E by inserting after section 4-b the following new section:

27 79-E:4-c Housing Opportunity Zone. A city or town may adopt the provisions of this section by
28 vote of its legislative body, in accordance with the procedures described in RSA 79-E:3, to establish a
29 housing opportunity zone. To be eligible for tax relief under this section, the qualifying structure
30 and property shall be located within the housing opportunity zone established by the municipality.
31 No less than one-third of the housing units constructed shall be designated for households with an
32 income of 80 percent or less of the area median income as measured by the United States
33 Department of Housing and Urban Development, or the housing units in a qualifying structure shall
34 be designated for households with incomes as provided in RSA 204-C:57, IV. A qualifying structure
35 under this section shall be eligible for tax assessment relief for a period of up to 10 years, beginning
36 upon issuance of the certification of occupancy.

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6 Nullification of Prior Legislation; Effective 2022. If this act becomes law, 2021, 81:1 and 81:2 shall not take effect and sections 4 and 5 of Part I of this act shall take effect April 1, 2022.

7 Effective Date.

I. Sections 4 and 5 of Part I of this act shall take effect as provided in section 6 of this act.

II. The remainder of Part I of this act shall take effect 60 days after its passage.

PART II

Allowing towns and cities to adopt a property tax exemption for
certain renewable generation and energy storage systems.

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

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:28-b, RSA 72:29-a, RSA 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 72:76, RSA 72:82, ~~or~~ RSA 72:85, **or RSA 72:87**, in the following manner:

2 Application for Exemption; Reference Added. Amend RSA 72:86 to read as follows:

72:86 Application for Exemption. Applications for exemptions under RSA 72:85 **and RSA 72:87** shall be governed by the provisions of RSA 72:33, RSA 72:34, and RSA 72:34-a.

3 New Section; Property Taxation; Exemption for Renewable Generation Facilities and Electric Energy Storage Systems. Amend RSA 72 by inserting after section 86 the following new section:

72:87 Exemption for Renewable Generation Facilities and Electric Energy Storage Systems. Each municipality may adopt under RSA 72:27-a an exemption from the assessed value, for property tax purposes, of a renewable generation facility, as defined in RSA 72:73, and of an electric energy storage system, as defined in RSA 72:84, and that (a) is located behind the retail meter of a customer-generator, as defined in RSA 362-A:1-a, II-b; or (b) is a limited producer, as defined in RSA 362-A:1-a, III, operating pursuant to RSA 362-A:2-a; or (c) is operating pursuant to RSA 374-D:2.

4 Duties of Commissioner; Reference Added. Amend RSA 21-J:3, XIII to read as follows:

XIII. Equalize annually by May 1 the valuation of the property as assessed in the several towns, cities, and unincorporated places in the state including the value of property exempt pursuant to RSA 72:37, RSA 72:37-b, RSA 72:39-a, RSA 72:62, RSA 72:66, RSA 72:70, ~~and~~ RSA 72:85, **and RSA 72:87**, property which is subject to tax relief under RSA 79-E:4, and property which is subject to tax relief under RSA 79-E:4-a, by adding to or deducting from the aggregate valuation of the property in towns, cities, and unincorporated places such sums as will bring such valuations to the true and market value of the property, and by making such adjustments in the value of other property from which the towns, cities, and unincorporated places receive taxes or payments in lieu of taxes, including renewable generation facility property subject to a payment in lieu of taxes agreement under RSA 72:74 and combined heat and power agricultural facility property subject to a payment in lieu of taxes agreement under RSA 72:74-a, as may be equitable and just, so that any

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1 public taxes that may be apportioned among them shall be equal and just. In carrying out the duty
2 to equalize the valuation of property, the commissioner shall follow the procedures set forth in RSA
3 21-J:9-a.

4 5 Rules; Reference Added. Amend RSA 72:36, I to read as follows:

5 I. The commissioner's interpretation of RSA 72:28, 72:28-b, 72:28-c, 72:29, 72:29-a, 72:30,
6 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,
7 72:39-b, 72:41, 72:62, 72:66, 72:70; ~~and~~ 72:85, **and 72:87**; and

8 6 Effective Date. Part II of this act shall take effect 60 days after its passage.