

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 struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand 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.

CHAPTER 15
HB 383 - FINAL VERSION

2021 SESSION

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

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

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

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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.

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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.

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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.

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CHAPTER 15
HB 383 - FINAL VERSION
- Page 2 -

Approved: April 23, 2021
Effective Date: April 01, 2022

Committee Minutes

SENATE CALENDAR NOTICE

Election Law and Municipal Affairs

Sen James Gray, Chair
Sen Regina Birdsell, Vice Chair
Sen Ruth Ward, Member
Sen Donna Soucy, Member
Sen Rebecca Perkins Kwoka, Member

Date: March 9, 2021

HEARINGS

Monday

03/15/2021

Election Law and Municipal Affairs	REMOTE	9:00 a.m.
(Name of Committee)	(Place)	(Time)
9:00 a.m.	EXECUTIVE SESSION ON PENDING LEGISLATION	
9:15 a.m.	HB 380 , relative to the election of Grafton county commissioners.	
9:30 a.m.	HB 383 relative to the quarterly or semi-annual collection of taxes in certain municipalities.	

Committee members will receive secure Zoom invitations via email.
Members of the public may attend using the following links:

1. Link to Zoom Webinar: <https://www.zoom.us/j/96289324017>
2. To listen via telephone: Dial(for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833
3. Or iPhone one-tap: US: 13017158592, 96289324017# or 13126266799, 96289324017#
4. Webinar ID: 962 8932 4017
5. To view/listen to this hearing on YouTube, use this link:
<https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA>
6. To sign in to speak, register your position on a bill and/or submit testimony, use this link:
<http://gencourt.state.nh.us/remotecommittee/senate.aspx>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-6931).

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

HB 380

Rep. Gordon

Rep. Suzanne Smith

HB 383

Rep. Porter

Rep. Almy

Sen. Hennessey

Rep. Gilman

Rep. Ladd

Rep. Sykes

Tricia Melillo 271-3077

James P. Gray
Chairman

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

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

Hearing Date: March 15, 2021

Members of the Committee Present: Senators Gray, Birdsell, Ward, Soucy and Perkins Kwoka

Members of the Committee Absent : None

Bill 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.

Sponsors:

Rep. Porter

Rep. Gilman

Who supports the bill: Representative Marjorie Porter, NH Department of Revenue Administration, NH Municipal Association, Bruce Smith

Who opposes the bill: None

Summary of testimony presented in support:

Representative Marjorie Porter

- This bill was passed through the house unanimously last year and was lost due to COVID.
- It is a housekeeping bill that was requested by the Department of Revenue Administration.
- It will help to prevent taxpayers from being surprised with a big change to their tax bill

Carollynn Lear – Assistant Commissioner, NH Department of Revenue Administration

- This Bill has its roots in a situation that happened in Goffstown.
- The school district had discovered an accumulated fund balance of about ten million dollars.

- The town decided to use that to offset the tax rate in the 2018 tax year.
- This caused a one-time significant drop in the property tax rate for the town of Goffstown.
- If the town had done nothing, they would have significantly over collected property taxes for the first billing of the year.
- Goffstown town officials realized that would happen and reached out to the DRA requesting an adjusted tax rate to account for the extra revenue.
- The Department thought that was a good thing to do, but the statute is unclear on whether they have the authority.
- This bill makes clear that in instances where there is a 15% or greater fluctuation in the amount of property taxes that need to be collected, the DRA does have the authority to recalculate the rate based on a municipal request.
- Some municipalities probably never thought of making this request because it is not clear in the statute.
- If this bill passes, more towns might use this option in cases where there is such a great fluctuation.
- Senator Perkins Kwoka asked if there has been any conversation with the Municipal Association about this bill.
 - Ms. Lear replied that there has been, and she believes they testified in favor of this bill through the House process.

Cordell Johnston – NH Municipal Association

- The Municipal Association does support this bill
- Becky Benvenuti is sending a letter of support to the Committee voicing that support.
- Senator Perkins Kwoka asked if this restricts municipalities to set their budget and raise their tax revenue.
 - Mr. Johnston replied that he has not studied the bill that closely but is sure that it does not affect the municipalities ability to appropriate funds. He will have Ms. Benvenuti address that in the letter she sends to the Committee.
 - Ms. Lear replied that typically towns and cities will set their budgets in the spring and the first tax bill will go out in June or July, but the Department will not set the tax rate until October. This bill allows the town to ask for an early tax rate to effectuate the change in revenue for the June billing. This will not impact the budget process in the town at all, simply the tax rate setting process.

Summary of testimony presented in opposition:

Speakers

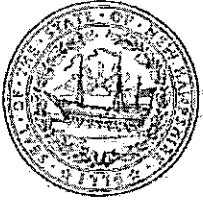
Senate Remote Testify

Election Law and Municipal Affairs Committee Testify List for Bill HB383 on 2021

Support: 3 Oppose: 0 Neutral: 0 Total to Testify: 2

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>S</u>
Porter, Marjorie	Not Given	Not Given	An Elected Official	Hillsborough District 1	Support	Yes	3
Lear, Carollynn	carollynn.j.lear@dra.nh.gov	603-230-5020	State Agency Staff	NH Dept. of Revenue	Support	Yes	3
Smith, Bruce	surrsmith1953@gmail.com	16033524572	A Member of the Public	Myself	Support	No.	3

Testimony



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



Lindsey M. Stepp
Commissioner

Carolynn J. Lear
Assistant Commissioner

March 15, 2021

Senator James Gray, Chairman
Election Law & Municipal Affairs Committee
New Hampshire Senate
State House, Room 302
107 North Main Street
Concord, NH 03301

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

Dear Senator Gray 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

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

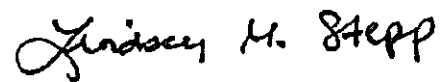
Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

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.

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

A handwritten signature in black ink that reads "Lindsey M. Stepp". The signature is written in a cursive style with a large initial 'L'.

Lindsey Stepp
Commissioner

Voting Sheets

0

**Senate Election Law
& Municipal Affairs Committee
EXECUTIVE SESSION RECORD
2021 Session**

Bill HB 383 Omnibus

Hearing date: 3-15-2021

Executive Session date: 3/15/21

Motion of: OTP Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: Consent Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Sen. Birdsell ✓

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE
FOR THE CONSENT CALENDAR

Monday, March 15, 2021

THE COMMITTEE ON Election Law and Municipal Affairs

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, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Regina Birdsell
For the Committee

The bill was a request of the Department of Revenue Administration. It will permit 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. Allowing for early rate setting will keep property owners from large drops or increases that may affect personal finances.

Tricia Melillo 271-3077

General Court of New Hampshire - Bill Status System

Docket of HB383

Docket Abbreviations

Bill Title: relative to the quarterly or semi-annual collection of taxes in certain municipalities.*Official Docket of HB383.:*

Date	Body	Description
1/10/2021	H	Introduced (in recess of) 01/06/2021 and referred to Municipal and County Government HJ 2 P. 45
1/27/2021	H	Public Hearing: 02/08/2021 11:30 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/96815613466 / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
2/2/2021	H	Executive Session: 02/09/2021 02:00 pm Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/93215390740
2/18/2021	H	Committee Report: Ought to Pass (Vote 19-0; CC) HC 12 P. 10
2/24/2021	H	Ought to Pass: MA VV 02/24/2021 HJ 3 P. 14
3/4/2021	S	Introduced 03/04/2021 and Referred to Election Law and Municipal Affairs; SJ 7
3/9/2021	S	Remote Hearing: 03/15/2021, 09:30 am; Links to join the hearing can be found in the Senate Calendar; SC 15
3/17/2021	S	Committee Report: Ought to Pass, 03/25/2021; Vote 5-0; CC; SC 16
3/25/2021	S	Ought to Pass: RC 24Y-0N, MA; OT3rdg; 03/25/2021; SJ 9
4/12/2021	S	Enrolled RC 24Y-0N, MA , (In recess of 04/08/2021); SJ 12
4/12/2021	H	Enrolled (in recess of) 04/09/2021 HJ 7 P. 99
4/26/2021	H	Signed by Governor Sununu 04/23/2021; Chapter 15; Eff: 04/01/2022

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: HB 383

Senate Committee: EIMA

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 # _____

Executive Session Sheet

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:

Committee Aide

Date

Senate Clerk's Office