

LEGISLATIVE COMMITTEE MINUTES

SB312

Bill as
Introduced

SB 312 - AS INTRODUCED

2022 SESSION

22-2907

05/08

SENATE BILL **312**

AN ACT relative to adjusted assessments of taxable property.

SPONSORS: Sen. Gray, Dist 6; Sen. Birdsell, Dist 19; Rep. Piemonte, Rock. 4; Rep. P. Schmidt,
Straf. 19

COMMITTEE: Ways and Means

ANALYSIS

This bill provides that the assessors and selectmen shall, as part of creating an annual revised inventory of taxable property, correct any errors in existing appraisals.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to adjusted assessments of taxable property.

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

1 1 Appraisal of Taxable Property; Revised Inventory. Amend RSA 75:8, I to read as follows:

2 I. Annually, and in accordance with state assessing guidelines, the assessors and selectmen
3 shall adjust assessments to reflect changes **and to correct any errors in existing appraisals** so
4 that all assessments are reasonably proportional within that municipality. All adjusted assessments
5 shall be included in the inventory of that municipality and shall be sworn to in accordance with RSA
6 75:7.

7 2 Effective Date. This act shall take effect 60 days after its passage.

April 1, 2022

CHAPTER 163
SB 312 - FINAL VERSION

2022 SESSION

22-2907
05/08

SENATE BILL

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AN ACT

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3 shall adjust assessments to reflect changes ***and to correct any errors in existing appraisals*** so that all
4 assessments are reasonably proportional within that municipality. All adjusted assessments shall be
5 included in the inventory of that municipality and shall be sworn to in accordance with RSA 75:7.

163:2 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 07, 2022
Effective Date: August 06, 2022

Committee Minutes

SENATE CALENDAR NOTICE

Ways and Means

Sen Bob Giuda, Chair
 Sen Lou D'Allesandro, Vice Chair
 Sen Gary Daniels, Member
 Sen Erin Hennessey, Member
 Sen Cindy Rosenwald, Member

Date: December 29, 2021

HEARINGS

	Wednesday	01/19/2022
	(Day)	(Date)
Ways and Means	State House 100	9:00 a.m.
(Name of Committee)	(Place)	(Time)
9:00 a.m. SB 317-LOCAL	reducing the interest rate for abatements of paid property taxes.	
9:15 a.m. SB 312	relative to adjusted assessments of taxable property.	
9:30 a.m. SB 338	enabling municipalities to adopt a municipal occupancy fee.	
9:45 a.m. SB 315-LOCAL	directing that a portion of revenue distributions from the meals and rooms municipal revenue fund be used by municipalities to reduce the local property tax rate.	

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

SB 317-LOCAL

Sen. Carson	Sen. French	Sen. Gray	Rep. Renzullo
Rep. Ulery	Rep. A. Lekas	Rep. T. Lekas	

SB 312

Sen. Gray	Sen. Birdsell	Rep. Piemonte	Rep. P. Schmidt
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SB 338

Sen. Prentiss	Sen. Perkins Kwoka	Sen. Watters	Sen. Whitley
Sen. Kahn	Rep. Almy	Rep. Cloutier	Rep. Wallner

Rep. Meuse

SB 315-LOCAL

Sen. D'Allesandro	Sen. Sherman	Sen. Perkins Kwoka	Sen. Watters
Sen. Prentiss	Rep. Wall	Rep. Wallner	Rep. Leishman

Sonja Caldwell 271-2117

Bob J. Giuda
Chairman

Senate Ways and Means Committee

Sonja Caldwell 271-2117

SB 312, relative to adjusted assessments of taxable property.

Hearing Date: January 19, 2022

Members of the Committee Present: Senators Giuda, D'Allesandro, Daniels, Hennessey and Rosenwald

Members of the Committee Absent : None

Bill Analysis: This bill provides that the assessors and selectmen shall, as part of creating an annual revised inventory of taxable property, correct any errors in existing appraisals.

Sponsors:

Sen. Gray
Rep. P. Schmidt

Sen. Birdsell

Rep. Piemonte

Who supports the bill: Sen. Birdsell, Sen. Gray, Robert Gagne (City of Manchester Board of Assessors), Jim Michaud (Hudson), Katherine Heck (NHMA), Betsey Patten (Assessing Standards Board)

Who opposes the bill: No one

Who is neutral on the bill: No one

Summary of testimony presented:

Sen. Gray

- He said that page 1, line 3, adds just a few words.
- The job of the assessor is to make sure assessments are equal but when an error is identified that would benefit the town or city, right now they are unable to make that right.
- This is a fairness issue that has been a problem for assessors.

Robert Gagne – Manchester Board of Assessors

- The impetus for this change was a recent Supreme Court order in the case of Merrimack Premium Malls vs. Merrimack.
- He was shocked that when you discover an error in an appraisal you cannot make correction. This is based on language in law.
- A previous version of RSA 75:8 allowed for the correction of errors. It did not make it to the newest version of RSA75:8.
- The statute also requires that all assessments are reasonably proportional within a municipality, but you cannot do that if you cannot correct errors.

- He gave an example of a time when he came across the sale of a triple decker and something didn't seem right. They had the building measured 20 feet short. The assessment was significantly lower than what it should have been. His reading of the Supreme Court decision would have prohibited him from fixing that.
- This is an important correction.

Katherine Heck – NH Municipal Association

- In favor.
- She referenced the Supreme Court ruling and stated that the ruling allows some property taxpayers to benefit from an error in assessment, and that leaves an additional undue tax burden on the rest of the municipality.
- This bill seeks to correct language that was previously in statute but was somehow omitted.

Sen Hennessey asked if these corrections go both ways, in that they could either increase or decrease the taxation of the property owner.

Ms. Heck stated that she is not an expert or an assessor but believes it is the selectmen's responsibility to make sure all assessments are accurate

Betsey Patten – Chairman of Assessing Standards Board

- They became aware of this issue when they read the Supreme Court decision from October 2021.
- There were language changes to the statute and the unintended consequences were that this ability to correct appraisals was dropped from RSA75:8.
- As Mr. Gagne said, if we don't add this change, an error can go through for as long as 5 years, which makes it not proportional and fair to the rest of taxpayers.

Sen. Hennessey asked her previous question about whether errors can go either way.

Ms. Patten said yes.

Sen. Rosenwald asked about the effective date and whether it is problematic or is it the right date.

Ms. Patten deferred to **Mr. Gagne**. He said it should be April 1, 2022.

Sen. Giuda noted it might not be through the process by then.

Ms. Patten suggested possibly 30 days after passage would be better.

Sen. Giuda noted that the bill says "annually" and asked if this adjustment would be made once a year or as these things are discovered.

She deferred to **Mr. Gagne** who said inventory is effective April 1. They work throughout the year, but they must take a snapshot as of April 1. He gave an example that if a new house was constructed in May, it would be considered vacant land for that whole tax year. If they find an error after April 1, they don't make that change for that tax year but if the change existed April 1, they should and must make that change. The statute already allows them to pick up new construction; what is not allowed is the correction of an error.

Speakers

Senate Remote Testify

Ways and Means Committee Testify List for Bill SB312 on 2022-01-19

Support: 1 Oppose: 0

<u>Name</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>
Birdsell, Senator Regina	An Elected Official	Senate District 19	Support

Testimony



January 19, 2022

Honorable Bob Guida, Chair
Senate Ways and Means Committee
State House, 100
Concord, New Hampshire

Re: SB 312, relative to adjusted assessments of taxable property.

Dear Senator Guida and Committee Members:

I write to express the New Hampshire Municipal Association's support for SB 312.

This bill would amend RSA 75:8 I, to allow the assessors and selectmen to correct any errors in existing appraisals "so that all appraisals are reasonably proportionate within that municipality."

The recent decision by the New Hampshire Supreme Court in Merrimack Premium Outlets, et al. v. Town of Merrimack has highlighted the need to clarify the language around correcting errors in existing appraisals. In that case the New Hampshire Supreme Court stated that the role of the reassessment process in the real property tax assessing framework, which "sets forth a system of municipality-wide reappraisals at least every five years and a limited authority to adjust assessments annually to reflect changes in value," does not "allow for correction of even known errors in valuation prior to the next municipality-wide reappraisal." The ruling in this case would allow some property taxpayers to benefit from a clear error in assessment, leaving an additional and undue tax burden on the rest of the municipality.

In response to ever-changing property values, the selectmen have the authority and obligation to make appropriate annual adjustments in assessed values. This bill would make it clear that errors can be adjusted prior to the five-year reappraisal. This language remedies this issue for local municipal taxation because proportionality within the municipality requires that each taxpayer bear their fair share of the property tax burden.

Thank you very much for your consideration.

Respectfully submitted,

Katherine Heck
Government Finance Advisor
cc: Committee members

NEW HAMPSHIRE MUNICIPAL ASSOCIATION

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Voting Sheets

Senate Ways & Means Committee
EXECUTIVE SESSION RECORD
2021-2022 Session

Bill # **SB312**

Hearing date: 1-19-22

Executive Session date: 1-19-22

Motion of: OTP Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Giuda, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. D'Allesandro, VC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Daniels	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Hennessey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Rosenwald	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: Consent Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Giuda, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. D'Allesandro VC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Daniels	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Hennessey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Rosenwald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Giuda, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. D'Allesandro, VC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Daniels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Hennessey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Rosenwald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Giuda

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE
FOR THE CONSENT CALENDAR

Wednesday, January 19, 2022

THE COMMITTEE ON Ways and Means

to which was referred **SB 312**

AN ACT

relative to adjusted assessments of taxable
property.

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Bob Giuda
For the Committee

This bill gives assessors the ability to correct errors in existing appraisals. Without this change, because of a recent NH Supreme Court decision, it is possible that an assessor could be prohibited from correcting an error for up to five years, resulting in inequity for the municipality's taxpayers. Additionally, assessors are required to ensure that all assessments are reasonably proportional within that municipality, and the inability to correct errors is contradictory to that requirement.

Sonja Caldwell 271-2117

FOR THE CONSENT CALENDAR

WAYS AND MEANS

SB 312, relative to adjusted assessments of taxable property.

Ought to Pass, Vote 5-0.

Senator Bob Giuda for the committee.

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General Court of New Hampshire - Bill Status System

Docket of SB312

Docket Abbreviations

Bill Title: relative to adjusted assessments of taxable property.*Official Docket of SB312.:*

Date	Body	Description
12/14/2021	S	To Be Introduced 01/05/2022 and Referred to Ways and Means; SJ 1
12/29/2021	S	Hearing: 01/19/2022, Room 100, SH, 09:15 am; SC 1
1/26/2022	S	Committee Report: Ought to Pass, 02/03/2022; Vote 5-0; CC; SC 5
2/3/2022	S	Ought to Pass: MA, VV; OT3rdg; 02/03/2022; SJ 2
3/23/2022	H	Introduced 03/17/2022 and referred to Municipal and County Government
3/29/2022	H	Public Hearing: 04/07/2022 02:00 pm LOB 301-303
4/6/2022	H	Executive Session: 04/18/2022 10:00 am LOB 301-303
4/26/2022	H	Committee Report: Ought to Pass (Vote 19-0; CC)
5/4/2022	H	Ought to Pass: MA VV 05/04/2022 HJ 11
5/27/2022	H	Enrolled (in recess of) 05/26/2022 HJ 14
5/27/2022	S	Enrolled Adopted, VV, (In recess 05/26/2022); SJ 13
6/8/2022	S	Signed by the Governor on 06/07/2022; Chapter 0163; Effective 08/06/2022

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB 312

Senate Committee: Ways + Means

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
- 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:

SC
Committee Aide

6-3-72
Date

Senate Clerk's Office TW