HOUSE BILL 1154

AN ACT enabling municipalities to exclude principal of retirement and pension accounts from assets used for eligibility for property tax exemptions.


COMMITTEE: Municipal and County Government

ANALYSIS

This bill enables municipalities to exclude the principle of retirement savings accounts and pension plans from the calculation of net assets when determining eligibility for certain means tested property tax exemptions.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
ENACTED by the Senate and House of Representatives in General Court convened:

1 Persons and Property Liable to Taxation; Exemption for the Disabled; Net Assets; Exclusion of Retirement and Pension Accounts. Amend RSA 72:37-b, III(b) to read as follows:

   (b) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. The city or town may, pursuant to the adoption procedure in RSA 72:27-a, elect to exclude retirement savings held in individual retirement accounts or other qualified pension plans from the determination of net assets, provided that all income derived from such savings or plan shall be included as income for the applicant.

"Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

2 Persons and Property Liable to Taxation; Exemption for Deaf or Severely Hearing Impaired Persons; Net Assets; Exclusion of Retirement and Pension Accounts. Amend RSA 72:38-b, III(c) to ready as follows:

   (c) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. The city or town may, pursuant to the adoption procedure in RSA 72:27-a, elect to exclude retirement savings held in individual retirement accounts or other qualified pension plans from the determination of net assets, provided that all income derived from such savings or plan shall be included as income for the applicant.
"Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

3 Persons and Property Liable to Taxation; Conditions for Elderly Exemption; Net Assets; Exclusion of Retirement and Pension Accounts. Amend RSA 72:39-a, I(c) to read as follows:

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. The city or town may, pursuant to the adoption procedure in RSA 72:27-a, elect to exclude retirement savings held in individual retirement accounts or other qualified pension plans from the determination of net assets, provided that all income derived from such savings or plan shall be included as income for the applicant. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

4 Effective Date. This act shall take effect April 1, 2021.