AN ACT enabling municipalities to adopt a property tax exemption for qualifying accessory dwelling units.


COMMITTEE: Municipal and County Government

ANALYSIS

This bill establishes a property tax exemption for accessory dwelling units leased to non-family members.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
HB 1510-LOCAL - AS INTRODUCED

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

AN ACT enabling municipalities to adopt a property tax exemption for qualifying accessory dwelling units.

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

1 New Section; Property Taxation; Property Tax Exemption for Accessory Dwelling Units.

Amend RSA 72 by inserting after section 28-c the following new section:

72:28-d Property Tax Exemption for Accessory Dwelling Units.

I. A town or city may adopt or rescind an optional tax exemption for accessory dwelling units pursuant to the procedure provided in RSA 72:27-a.

II. The owner of residential real estate with a legally constructed accessory dwelling unit, as defined in RSA 674:71, shall be granted an exemption from assessed value, for property tax purposes, equal to the amount by which the assessed value of the property with the accessory dwelling unit exceeds the assessed value of the property without the accessory dwelling unit. To be eligible for the exemption:

   (a) The accessory dwelling unit shall comply with any municipal ordinances or regulations adopted pursuant to RSA 674:72; and

   (b) The accessory dwelling unit shall be registered with the municipality as a long-term rental, leased to a non-family member, as evidenced by a copy of the lease or rental agreement submitted to the municipality.

III. The exemption from assessed value established in this section shall only apply to property with an accessory dwelling unit constructed on or after the effective date of this section or for which the certificate of occupancy was issued on or after the effective date of this section.

IV. The application for the tax exemption shall be filed annually with a copy of the lease or rental agreement for the accessory dwelling unit and such additional information as may be required by the assessor's office to verify the individual's eligibility for the exemption. Applicants shall be granted a 30-day extension or grace period in which to submit a qualifying lease or rental agreement in the event of a change in occupancy; provided, however, that if the applicant is determined to no longer be ineligible for the exemption in one tax year, the applicant shall not be eligible for the exemption in subsequent years.

2 Property Tax Exemption for Accessory Dwelling Units; Adoption Procedure; Reference Added.

Amend the introductory paragraph of RSA 72:27-a, I to read as follows:

3 Definitions; Reference Added. Amend RSA 72:29, VI to read as follows:

VI. For purposes of RSA 72:28, 28-b, 28-c, 28-d, 29-a, 30, 31, 32, 33, 35, 36-a, 37, 37-a, 37-b, 38-a, 39-a, 39-c, 62, 66, and 70, the ownership of real estate, as expressed by such words as "owner," "owned" or "own," shall include those who have placed their property in a grantor/revocable trust or who have equitable title or the beneficial interest for life in the subject property.

4 Property Taxation; Application Procedure; Reference Added. Amend the introductory paragraph of RSA 72:33, I to read as follows:

I. No person shall be entitled to the exemptions or tax credits provided by RSA 72:28, 28-b, 28-c, 28-d, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-b, 39-b, 39-c, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by April 15 preceding the setting of the tax rate, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

5 Appeals; Reference Added. Amend RSA 72:34-a to read as follows:

72:34-a Appeal From Refusal to Grant Exemption, Deferral, or Tax Credit. Whenever the selectmen or assessors refuse to grant an applicant an exemption, deferral, or tax credit to which the applicant may be entitled under the provisions of RSA 72:23, 23-d, 23-e, 23-f, 23-g, 23-h, 23-i, 23-j, 23-k, 28, 28-b, 28-c, 28-d, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-a, 38-b, 39-a, 39-b, 39-c, 41, 42, 62, 66, or 70 the applicant may appeal in writing, on or before September 1 following the date of notice of tax under RSA 72:1-d, to the board of tax and land appeals or the superior court, which may order an exemption, deferral, or tax credit, or an abatement if a tax has been assessed.

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