

Chapter 14

Real Estate Taxes

Section 14.1 – Municipal Billing

The property tax year is April 1 – March 31 and all property taxes shall be assessed on the inventory taken as of April 1 of that year; RSA 76:2. As required by RSA 76:10, the assessing officials commit the taxes to the tax collector in the form of a signed warrant and a supporting list. If the municipal tax collector finds a discrepancy of 1/2 of one percent or more between the amount of the warrant as committed to the tax collector of the municipality and the total property tax commitment calculated by the commissioner of revenue administration, based on the pertinent information provided by the municipality under RSA 21-J:34, the collector shall return the warrant to the municipality's assessing officials for correction. If a correction cannot be made to generate a warrant with less than 1/2 of one percent discrepancy, the assessing officials shall submit a revised [MS-1, Summary of Inventory of Valuation Form](#), as required under RSA 21-J:34, I, for recalculation of the [tax rate](#) by the commissioner of revenue administration

Once the collector has the warrant with its accompanying list, they have 30 days in which to send out tax bills. Important dates to remember:

- March 31 is the last day to mail prior year tax bills (RSA 76:11)
- May 15 is the deadline for semi-annual warrant to be delivered to the collector (RSA 76:15-a)

Section 14.2 – Computation

The property tax rate is established for a particular budgetary period to ensure that each local government raises enough revenue to provide the services that the municipal legislative body says it wants and is willing to pay for.

In most municipalities in New Hampshire, the municipal legislative body is composed of the voters attending the annual budgetary town meeting. The governing body, the selectmen of the town or the school board in the school district, proposes and recommends a budget. However, only the voters can cause an appropriation to be made. The definition of the word “appropriation” can be found in New Hampshire Revised Statutes Annotated (RSA), RSA 32:3, I and II.

- I. “Appropriate” means to set apart from the public revenue of a municipality a certain sum for a specified purpose and to authorize the expenditure of that sum for that purpose.
- II. “Appropriation” means an amount of money appropriated for a specified purpose by the legislative body.

The laws of New Hampshire are very specific on what the municipalities may appropriate and what procedures are used to do so. For example, the municipal legislative body (the voters) may give the governing body (the selectmen or school board) the authority to borrow money for a large project. However, they may only do so by a two-thirds ballot vote or three-fifths for SB2. The legislature has also ordered the Department of Revenue (DRA) to determine that all appropriations are made in a manner consistent with procedural requirements established by statute. Any appropriations with procedures inconsistent with the law or prohibited by law must be disallowed. An example of this would be, if the vote to borrow were only a voice vote, instead of the ballot vote, the appropriation would be disallowed. At times these disallowances may not be accepted

graciously by the governing body and the legislative body. However, it ensures that all municipalities are following the same procedural requirements to adopt legal appropriations.

RSA 21-J:35 Setting of Tax Rates by Commissioner

This RSA governs the establishment of property [tax rates](#). It states:

- I. The Commissioner of revenue administration shall compute and establish the tax rate of each town, city, or unincorporated place. Any decision by the Commissioner not to certify the assessments of a municipality pursuant to RSA 21-J:11-a shall not delay or otherwise affect the setting of the tax rate for that municipality.
- II. To compute and establish the tax rates of towns, cities, and unincorporated places under paragraph I, the Commissioner shall examine the reports required under RSA 21-J:34 to ensure that:
 - a. All appropriations have been made in a manner which is consistent with procedural requirements required by statute.
 - b. No appropriations have been made which are prohibited by statute.
 - c. All revenues have been established accurately and in a timely manner which is not prohibited by statute.
 - d. All calculations are correct.
- III. If the Commissioner finds that appropriations were made in a manner which is inconsistent with statute he shall delete the appropriation or that portion in question.
- IV. If the Commissioner finds that the estimated revenues included are inaccurate or inappropriate he shall adjust the estimates in question.
- V. The Commissioner shall notify in writing the governing body of each city or town of the rate he has established. This notification shall include a detailed explanation of all changes made in the appropriations or revenue estimates submitted by the municipality or district in question.
- VI. Any town, city, or unincorporated place which is dissatisfied with the tax rate set under this section may, within 10 days of notification, request an oral hearing on this matter before the Commissioner of Revenue Administration. If such a request is made, the Commissioner shall promptly schedule and conduct a hearing pursuant to rules he shall adopt under RSA 541-A. After the hearing, the decision of the Commissioner shall be final.

The Municipal Division reviews all of the documents supplied by the municipalities, schools, village districts, and counties to verify that all appropriations and revenues were voted in accordance with statute. It is very important to send all required documents in a timely manner so that if something is wrong, there is ample time to correct the problem before the tax rate is set in the fall.

[Municipal Division - Forms](#)

FOR MUNICIPALITIES

Form #	Form Name	Due Date
MS-1	Summary Inventory of Valuation	September 1
MS-232	Report of Appropriations Actually Voted	20 days after annual meeting
MS-434	Revised Estimated Revenues	September 1
MS-535	Financial Report of the Town, City or Village District Budget	April 1 (Sept. 1 FY)
MS-636	Budget of the Town/Village District	20 days after annual meeting
MS-6C	Proposed Budget of the City	20 days after annual meeting
MS-737	Budget of the Town with a Municipal Budget Committee	20 days after annual meeting
MS-9	Report of Trust and Capital Reserve Funds	March 1 (Sept. 1 FY)
MS-10	Report of Common Trust Fund Investments	March 1 (Sept. 1 FY)
MS-123	Combined Report of Officers for Town, City and Village	After annual election
MS-60	Report of Locally Elected Auditor(s)	March 1 (Sept. 1 FY)
MS-61	Tax Collector's Report	March 1 (Sept. 1 FY)
	Signed Posted Warrant	20 days after annual meeting
	Signed Annual Meeting Minutes	20 days after annual meeting
	Annual Reprt	20 days after annual meeting

FOR SCHOOL DISTRICTS

Form #	Form Name	Due Date
MS-22	Report of Appropriations Actually Voted	20 days after annual meeting
MS-24	Revised Estimated Revenues	September 1
MS-25	Financial Report of the Town, City or Village District Budget	April 1 (Sept. 1 FY)
MS-26	School Budget Form	20 days after annual meeting
MS-26c	Dependent School Budget Form	20 days after annual meeting
MS-27	School Budget Form with Budget Committee	20 days after annual meeting
MS-DS	School Default Budget (SB2 Only)	20 days after annual meeting
MS-60	Report of Locally Elected Auditor(s)	September 1
	Signed Posted Warrant	20 days after annual meeting
	Signed Annual Meeting Minutes	20 days after annual meeting
	Signed Official Ballot (SB2 Only)	20 days after annual meeting
	Certified Vote Counts (SB2 Only)	20 days after annual meeting

FOR VILLAGE DISTRICTS

Form #	Form Name	Due Date
MS-232	Report of Appropriations Actually Voted	20 days after annual meeting
MS-434	Revised Estimated Revenues	September 1
MS-535	Financial Report of the Town, City or Village District Budget	April 1 (Sept. 1 FY)
MS-636	Budget of the Town/Village District	20 days after annual meeting
MS-737	Budget of the Town with a Municipal Budget Committee	20 days after annual meeting
MS-123	Combined Report of Officers for Town, City and Village	After annual election
MS-60	Report of Locally Elected Auditor(s)	March 1 (Sept. 1 FY)

Section 14.3 – Issue Dates

RSA 76:15-a Semi-Annual Collection of Taxes in Certain Towns and Cities

- I. Taxes shall be collected in the following manner in towns and cities which adopt the provisions of the section in the manner set out in RSA 76:15-b. A partial payment of the taxes assessed on April 1 in any tax year shall be computed by taking the prior year's assessed valuation times $\frac{1}{2}$ of the previous year's [tax rate](#); provided, however, that whenever it shall appear to the selectmen or [assessors](#) that certain individual properties have physically changed in [valuation](#), they may use the current year's appraisal times $\frac{1}{2}$ the previous year's tax rate to compute the partial payment.
- II. For the purposes of this section, the lists of assessed property shall be committed by the selectmen with a warrant under their hands and seal directed to the collector of such town no later than May 15. The collector shall mail all the bills for this partial payment no later than June 15. Partial payment of taxes assessed under this section shall be due and payable on July 1. The collector shall receive such payments, give a receipt therefore, and credit the amount paid toward the amount of the taxes eventually assessed against the [property](#), in the same manner as prepayments under RSA 80:52-a. A payment of the remainder of the taxes assessed April 1, minus the payment due on July 1 of that year, shall be due and payable December 1. Interest charged on all taxes not paid on or before the date they are due shall be as prescribed in RSA 76:13, except that, when bills for the partial payment under this section are mailed on or after June 1, interest shall not be charged until 30 days after the last bill is mailed.

RSA 76:15-aa Quarterly Billing of Taxes in Certain Towns and Cities

Any city or town which has adopted an optional fiscal year may adopt a system for quarterly billing and collection of taxes as provided in RSA 76:15-b.

Section 14.4 – Non-Payment

The New Hampshire state laws are very clear regarding non-payment of property taxes. The Tax Collector shall follow these laws so that all taxpayers are treated equitably and fairly.

RSA 76:13 Interest

Interest at 8 percent per annum shall be charged upon all taxes except resident taxes, except as otherwise provided by statute, not paid on or before December 1 after their [assessment](#), which shall be collected from that date with the taxes as incident thereto, except in the case where a tax bill sent to the taxpayer on or after November 2 and before April 1 of the following year interest shall not be charged until 30 days after the bills are mailed. Interest due in an amount up to \$25 may be waived by the collector, with the approval and consent of the board of selectmen and the board of assessors, if in the collector's judgment the administrative and collection costs involved do not warrant collection of the amount due.

RSA 76:11-b Notice of Arrearage

The tax collector shall provide to the owner as of April 1 or current owner, if known, a summary of all uncollected and unredeemed taxes on the property. This summary may be included on or

with the tax bill, or may be sent by separate mailing within 90 days of the due date of the final tax bill.

RSA 80:59 Real Estate Tax Lien; Optional Procedure

The [real estate](#) of every person or corporation may be subject to the tax [lien](#) procedure by the collector, in case all taxes against the owner shall not be paid in full on or before December 1 next after its assessment, provided that the municipality has adopted the provisions of RSA 80:58-86 in accordance with RSA 80:87. A real estate tax lien imposed in accordance with the provisions of RSA 80:58-86 shall have priority over all other liens.

RSA 80:60 Notice of Lien

The collector shall give notice of the impending lien at least 30 days prior to the execution of said lien. Notice shall be sent by certified or registered mail return receipt requested, to the last known post office address of the current owner, if known, or of the person against whom the tax was assessed...

Note: It is important for the tax office to have the most up to date owner information at the time the lien notices go out.

RSA 80:61 Affidavit of Execution of Real Estate Tax Lien

An affidavit of the execution of the tax lien to the municipality, county or state shall be delivered to the municipality by the tax collector on the day following the last date for payment of taxes as stated in the notice given in RSA 80:60.

RSA 80:64 Report of Tax Lien

Each tax collector, within 30 days after executing the tax lien to the municipality, county or state, shall deliver or forward to the register of deeds for the county in which the real estate is situated a statement of the following facts relating to each [parcel](#) of real estate subject to lien, certified by the tax collector under oath to be true; the name of the current owner, if known, or the person against whom the tax was assessed and a description of the property as it appeared on the tax list committed to the tax collector; the total amount of each tax lien, including taxes, interest, fees and costs incident to the tax lien process and making reports thereof to the register of deeds; the date and place of the execution of the tax lien, all of which shall be recorded and indexed by the register of deeds in an acceptable recording method.

RSA 80:65 Notice by Lienholder to Mortgagee

The municipality, county or state as lienholder, within 45 days from the date of execution of the lien, shall identify and notify all persons holding [mortgages](#) upon such [property](#) as recorded in the office of the register of deeds.

RSA 80:69 Redemption

Any person with a legal interest in [land](#) subject to a real estate tax [lien](#) may redeem the same by paying or tendering to the collector, at any time before a [deed](#) thereof is given by the collector, the amount of the real estate tax lien, with interest at 18 per cent per annum upon the whole amount of the recorded lien from the date of execution to the time of payment in full, except that in the

case of partial payments in redemption made under RSA 80:71, the interest shall be computed on the unpaid balance, together with redemption costs for identifying and notifying mortgagees, if any.

RSA 80:70 Notice of Redemption

When full redemption is made, the tax collector shall within 30 days after redemption notify the register of deeds of the act, giving the name of the person redeeming, the date when redemption was made, the date of the execution of the tax lien and a brief description of the [real estate](#) in question, together with the name of the person or persons against whom the tax was levied.

RSA 80:76 Tax Deed

- I. The collector, after 2 years from the execution of the real estate tax lien, shall execute to the lien holder a [deed](#) of the land subject to the real estate tax lien and not redeemed.

RSA 80:77 Notice to Current Owner

At least 30 days prior to executing the deed under RSA 80:76, the tax collector shall notify the current owner of the [property](#) or his representative or executor, by certified mail, return receipt requested, of the pending deeding.

RSA 80:77-a Notice to Mortgagees

At least 30 days prior to executing the deed under RSA 80:76, the tax collector shall notify each person holding a [mortgage](#) upon such property, by certified mail, return receipt requested, of the impending deeding...

RSA 80:88 Distribution of Proceeds from the Sale of Tax-Deeded Property

- I. Notwithstanding any other provision of law, for any sale by a municipality of property which is acquired by [tax deed](#) on or after the effective date of this section, the municipality's recovery of proceeds from the sale shall be limited to back taxes, interest, costs and penalty, as defined in RSA 80:90...

RSA 80:89 Notice to Former Owner and Opportunity for Repurchase

- I. At least 90 days prior to the offering for sale by a municipality of property which is acquired by tax deed on or after the effective date of this section, the municipal governing body or its designee shall send notice by certified mail, address service requested, return receipt requested, to the last known post office address of the owner of the property at the time of the tax deed, if known, or to the person to whom notice of the impending tax deed was given under RSA 80:77...
- II. Within 30 days after the notice required by paragraph I, or if no such notice is received, at any time within 3 years after the date of recording the [tax deed](#), any former owner of the property may give notice by certified mail, return receipt requested, of intent to repurchase the [property](#) from the municipality, and stating that such owner is ready, willing, and able to pay all back taxes, interest, costs and penalty, as defined in RSA 80:90. If all such back taxes, interest, costs and penalty have not been actually tendered within 15 days of such notice of intent to

repurchase, the municipality may proceed with its offering and dispose of the property without any interest by the former owner.

RSA 80:91 Liability and Obligations Limited

With respect to actions of a municipality under RSA 80:88 and RSA 80:89, if the municipality has complied with the provisions of this chapter it shall not have any [liability](#) whatsoever to any former owner or lien holder in connection with its management of the property or for the amount of consideration received upon disposition of the property.

Section 14.5 – Exemptions and Tax Credits

Exemptions are deducted from the assessed [valuation](#) of the property. Tax credits are a certain amount of money deducted from the tax bill. Refer to RSA 72 and Chapter 10 for more detailed information.

Section 14.6 – Revaluation, Effect of

While individual property taxes may go down or even remain the same, the total amount of monies collected by the municipality is not affected by the revaluation. The budget setting process takes place within each municipality, including cities, towns, unincorporated places, school districts, and village districts early in the year. The amount of money to be collected to fund those approved budgets is set during these annual meetings and does not change dependent upon whether a municipality conducts a revaluation or not – the total amount of revenue to be generated by the municipality’s property tax bills is determined by their budgets.

What could change is the amount of taxes that each property owner must pay based upon the new valuations. If there is no change in the overall budgets from the year before, individual property owners will pay more or less in taxes than the year before in relation to the percentage change in their [assessed value](#) compared to the average percentage change for all properties. As budgets increase, everyone will pay an equal percentage of that increase apart from the effect of the revaluation.

Real Estate taxes, as a whole, are not affected by a revaluation but by the budget process.

Section 14.7 – County Tax

Every city, town, and unincorporated place is responsible for paying their share of the county taxes. This share is based upon each municipality’s total equalized assessed valuation from the previous year as a percentage of the total equalized assessed valuation of the county as a whole. The [tax rate](#) for that portion needed to fund the municipality’s share of the county budget is determined by dividing the municipality’s total dollar amount needed by the total locally assessed valuations, including utilities, then dividing by 1,000. This will result in a tax rate expressed in dollars (or fractions thereof) per \$1,000 of assessed valuation. Each municipality is required to collect and remit their full proportion of county taxes to the county, including interest at 10 percent a year from December 17, until the taxes are submitted.

Section 14.8 – Municipal Tax

Each municipality must establish a budget for their upcoming fiscal year. The [tax rate](#) for that portion of the total overall tax rate needed to fund the local municipality’s budget is determined

by dividing the total dollar amount needed by the total locally assessed [valuations](#), including utilities, then dividing by 1,000. This will result in a tax rate expressed in dollars (or fractions thereof) per \$1,000 of assessed valuation.

Section 14.9 – School Tax

There are currently two elements in the property tax rate that are earmarked for schools.

First, each municipality is responsible for collecting monies to pay their share of the state education tax. This share is based upon each municipality's total equalized assessed valuation, minus utilities, from two prior years as a percentage of the total equalized assessed valuation, minus utilities, of the state as a whole. The Department of Revenue Administration (DRA) determines the equalized tax rate necessary to produce \$363 million, the amount of revenue to be funded. The \$363 million is divided by the total equalized valuation, minus utilities, and then divided by 1,000. This will result in an equalized tax rate expressed in dollars and carried out three decimal places per \$1,000 of equalized valuation. This rate is then multiplied by the individual municipality's equalized value of two years previous, without utilities, to determine an amount to be raised locally. This amount is then divided by the current year's locally assessed valuation, without utilities, and multiplied by 1,000 to determine the local state education tax rate per \$1,000 of assessed valuation.

The second element of the property tax rate that is earmarked for education is that portion based upon the local school district's budget, less state grants and retained state education tax. The tax rate for that portion of the overall tax rate needed to fund the local school district is determined by dividing the total dollar amount needed by the total locally assessed valuations, including utilities, then dividing by 1,000. This will result in a tax rate expressed in dollars (or fractions thereof) per \$1,000 of assessed valuation.

In both of the above cases, the municipality is required to collect and remit its schools their full portion of taxes for education.