

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

17-0385

HB 359-FN-A-LOCAL, *relative to returning a percentage of the LCHIP fee to the municipality where the real estate transfer from which the fee originates is located.*

House Ways & Means

The proposed bill amends RSA 478:17-g by indicating that the register of deeds shall retain a percentage of the Land & Community Heritage Investment Program (L-CHIP) fee for use within the collecting municipality for conservation efforts effective July 1, 2017.

The DRA is unable to estimate the exact future impact of the proposed bill because the DRA does not know exactly what the total revenues from the additional fees collected by the register of deeds pursuant to RSA 478:17-g will be in future years. However, relying on the most recently reported L-CHIP revenue data; the DRA can calculate the maximum fiscal impact had the legislation been in place during FY 2016.

L-CHIP funds remitted by the registers of deeds to the DRA totaled \$3,883,992 in FY 2016. Pursuant RSA 478:17-g, II(b), each register of deeds retains 4% of the total additional charges collected as payment for the service of collecting the additional charges. Thus, the L-CHIP funds remitted to the DRA account for 96% of the revenue collected by the register of deeds and the total amount of fees collected under RSA 478:17-g was \$4,045,825 in FY 2016.

Pursuant to the proposed legislation, 30% of the total additional charges collected are to be used for conservation efforts within the collecting town or city. Thus, the amount which would have been retained for this purpose in FY 2016, had this proposed legislation been in place during FY 2016 is \$1,213,748.

The DRA would suggest that the following issues be addressed, if the legislation is ultimately adopted:

- The proposed legislation directs each register of deeds to retain an additional percentage of the L-CHIP fee collected for use in conservation in the collecting city or town. The legislation does not provide a mechanism for the register to transfer the retained percentage to each city or town or how often the retained funds shall be distributed.
- The legislation directs that the additional fee retained shall be used for conservation efforts in the “collecting” city or town. The register of deeds collects the L-CHIP fee, not cities and towns. The DRA believes what is intended is that the retained fees be used in the city or town where the transferred property is located.