

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

17-0369

**HB 419-FN-LOCAL**, *relative to real estate leased for a public charter school.*

Municipal & County Government

The proposed bill repeals RSA 79-H, eliminating the local option to create a special valuation for property owners who lease property to qualifying chartered public schools and establishes a tax refund of property taxes paid by chartered public schools pursuant to a lease agreement where the chartered public school occupies property leased from an owner that does not qualify for an exemption under RSA 72:23, IV.

The proposed legislation has omitted a number of provisions necessary for this legislation to be fully implemented:

- The proposed legislation does not set forth a process for chartered public schools to apply for the proposed property tax refund and there is no deadline to make such refund request.
- The proposed legislation does not create a refund application nor is the Department given the authority to create such refund application.
- There is no identification of the source of funds for the payment of the proposed property tax refund to chartered public schools. RSA 76:6 provides for an overlay, which is the source of funding property tax abatements. The overlay fund could similarly be used as the source of funding of the proposed property tax refunds, however, the overlay fund statute would need to be modified to allow for the processing of these refunds of taxes paid by chartered public schools.
- The proposed statute does not describe a process or deadline for taxpayers to appeal a municipality's refund determination if aggrieved by such decision.

There would be an indeterminable increase in expenditures in municipalities that have qualifying chartered public schools to process and administer the refunds requested. The source of funds is not identified to pay the refunds proposed by this legislation. As a result, the Department is unable to determine the impact of refund payment on local revenues and/or expenditures.

There would be a small but indeterminable redistribution of the property tax burden within municipalities that have adopted Chapter RSA 79-H upon the repeal of that Chapter. Chartered public schools that occupy property owned by entities not qualified for exemption under RSA 72:23, IV would be taxed at full value.