

# New Hampshire Department of Revenue Administration

## Fiscal Note Quick Guide

17-0017

**HB 565-FN-LOCAL**, *relative to collection of delinquent property tax payments by manufactured housing owners.*

House Municipal & County Government

The proposed legislation would provide for a local option, which, if adopted by the municipality, would allow the municipality to require the owner of manufactured housing to make monthly payments in escrow to cover the coming year's property tax liability in instances where the owner of manufactured housing is presently delinquent in his or her payment of the property tax due on the manufactured housing. The proposed legislation would be effective 60 days after its passage.

The Department is unable to determine a fiscal impact on municipalities from the proposed legislation. The proposed legislation is a local option. The Department is unable to estimate how many cities and towns will adopt the provisions of the local option created by this legislation. Additionally, the Department is unable to estimate how many property taxpayers who own manufactured housing will be in arrears in the future.

There are two general classes of manufactured housing that are considered real estate: those located on a separate taxable parcel of land and those located on the land of another (in a park). In tax year 2015, there were 13,193 manufactured housing units located on their own lots and there were a total of 24,237 manufactured housing units located on the land of another.

For those municipalities that do adopt the provisions of the local option created by this legislation, there may be an indeterminable increase in expenses in order to make use of the escrow procedures established by the legislation and to maintain escrow accounts. The Department is unable to determine whether there will in fact be an increase in local expenditures. For those municipalities that do adopt the provisions of the local option created by this legislation, the escrow procedures established by the legislation may represent an additional collection tool that could result in increased property tax revenues. The Department is unable to determine whether there will in fact be an increase in local revenues.

There are no provisions in the proposal for instances when the manufactured housing unit subject to the escrow requirement is sold or transferred. There also appears to be no ending provisions for the escrow requirement, once created by the municipality.

It is unclear whether the process of creating an escrow account, as described in the proposed legislation, is intended to substitute the inherent lien present for the collection of real estate taxes.

The escrow procedures created by the proposed legislation appear to apply to both types of manufactured housing: those on their own land and those located on the land of another (in a park).

The interest amount that will accrue during the escrow period appears to be unspecified.