

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

17-0562

HB 573-FN, *relative to the exemption from property taxation for charitable nonprofit hospitals.*

House Ways & Means

The proposed bill limits the current charitable property tax exemption available to organizations by providing additional statutory restrictions to those entities operating “hospitals.” Only the portion of hospital property that constitutes the hospital’s “main campus” would be subject to the exemption from property taxation.

The proposed bill would require individual analysis of what property is or is not the “main campus” which would increase local expenditures by an indeterminable amount to administer this exemption.

There would be a small but indeterminable redistribution of the property tax burden within municipalities that have hospitals currently qualifying for exemptions as defined in statute, but there would be no impact on net municipal revenue.

The proposed bill could be seen to establish two distinct property tax treatments of a single class of property owned, used and occupied by charitable hospitals: the exemption of property which is a “main campus;” and, the taxation of any other buildings, lands, and personal property. The establishment of two such disparate tax treatments could be impermissible. The Department would suggest additional review be performed to determine the likelihood that the proposed classification would be deemed impermissible.

The proposed bill does not define the term “main campus,” which could be subject to varying interpretations. If left undefined, the process to discover, value, and tax or exempt these properties at the municipal level could be costly and inconsistently applied.