

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

25-0824.1

**HB 595**, *relative to coastal resilience zones.*

Resources, Recreation and Development

**This bill:**

**I. Adds flood resiliency improvements to the definition of qualifying improvements for the purposes of C-PACE and R-PACE funding.**

**II. Enables municipalities to offer property owners who engage in flood resilience projects a property tax abatement or tax assessment freeze for a specified period of time.**

**III. Enables municipalities to assess a fee on properties in a flood resilience zone to be deposited into a non-lapsing flood resilience investment fund.**

**IV. Makes an appropriation to the department of business and economic development to fund a statewide analysis of the costs and benefits of flood risk and flood risk mitigation efforts.**

The proposed legislation would amend RSA Chapter 53-F to add flood resiliency improvements to those improvements which may be the subject of special financing programs in districts created by municipalities who choose to establish them.

Relevant to DRA, Section 10 of the proposed legislation would amend RSA 72, adding new sections RSA 72:88, 72:89 and 72:90. RSAs 72:88 and 72:89 would permit cities and towns to exempt the value of qualifying flood resiliency improvements from the assessed value of the improved property. RSA 72:90 would permit cities and towns, in addition or in the alternative, to offer an annual property tax credit of between \$100 and \$1,000 for a period not to exceed 5 years, with the accumulated value of the credit not to exceed the value of the flood resiliency [improvement]. Both the exemption and the credit would attach to the property and not the property owner.

Sections 11 through 13 of the proposed legislation would add appropriate procedural references to new RSAs 72:88, 72:89 and 72:90 in the appropriate sections of RSAs 72:33, I; 72:27-a, I; and 72:34-a.

Section 14 would add new RSA 72:11-b to RSA Chapter 72, permitting a municipality to apply and collect a municipal flood resilience fee on each property within its bounds, or only within a designated flood resiliency district, with collections deposited into a flood resilience investment fund established by the municipality. DRA assumes this fee is to be billed separately and subject to the enforcement powers referenced in the proposed legislation. However, if it is intended that the fee be included as part of the assessment on the property tax bill, then DRA would suggest

referencing the collection and enforcement powers in RSA Chapter 80, as in Section 9 of the proposed legislation.

The effective date of the proposed legislation would be upon its passage, presumably some time in summer of 2025. DRA therefore assumes that the exemptions and credits provided for in Section 10 of the proposed legislation would be applicable beginning with tax year 2026, beginning April 1, 2026.

The proposed legislation would not result in any additional administrative costs that could not be absorbed in the DRA operating budget.

The proposed legislation would not have a fiscal impact on state revenues or expenditures insofar as the taxes that DRA administers are concerned.

The proposed legislation would have fiscal impacts on local revenues and expenditures which are indeterminable by DRA because DRA is unable to know how municipalities may utilize the special financing programs available for flood resiliency improvements and the associated fees, exemptions, and credits.