

**New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE
TIR 2011-005 Date August 03, 2011**

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Taxpayer Services at (603) 230- 5000.

2011 Municipal Law Changes

The purpose of this Technical Information Release is to provide New Hampshire cities and towns, as well as taxpayers, with general information regarding certain legislation passed by the New Hampshire Legislature during the 2011 legislative session. This release is for informational purposes only. If you have any questions, or need additional assistance, please contact the NH Department of Revenue Administration Municipal Division at (603) 230-5090.

Senate Bill 1 (Chapter 3, Laws of 2011 – effective March 1, 2011) eliminates the automatic continuation requirement for public employee collective bargaining agreements, commonly referred to as the “Evergreen Law.”

Senate Bill 2 (Chapter 234, Laws of 2011 – effective July 5, 2011) is an enabling law that allows a municipality to adopt a tax cap through the charter process or by a warrant article placed on the warrant for the annual meeting by the governing body or by petition. If the tax cap is proposed by warrant article, it requires a public hearing prior to vote and also needs a 3/5 majority to pass. The article must specify the parameters of any increase of local taxes. Parameters would be based on a fixed dollar amount or percentage of allowable increase to the proposed budget brought forward at the municipality’s annual meeting. The new law also legalizes existing charter tax caps.

Senate Bill 15 (Chapter 19, Laws of 2011 – effective June 24, 2011) amends the requirement that tax collectors, city clerks or city officials must remit money collected to the town treasurer on a daily basis whenever the tax receipts totaled \$500 or more. The \$500 threshold was amended to \$1,500.

Senate Bill 16 (Chapter 57, Laws of 2011 – effective May 9, 2011) requires all votes relative to recommendations on ballot questions to be recorded votes and the numerical tally of any such vote shall be printed on the ballot next to the affected ballot question. If a town has not voted to require such tallies to be printed on the ballot next to the affected ballot question, the governing body may do so on its own initiative. Any ballot vote that includes a tally shall be valid, notwithstanding the fact that the vote occurred prior to May 9, 2011.

House Bill 32 (Chapter 4, Laws of 2011 – effective April 25, 2011) repeals RSA 669:16, VI-a, relative to a town auditor and removes the reference to RSA 41:31, which was repealed last year.

House Bill 70 (Chapter 91, Laws of 2011 – effective July 26, 2011) requires written notification by the State to the municipal clerk and the Chairman of the Charter Commission within 14 days of the State’s receipt of the municipal clerk’s report relative to an amended or revised charter under RSA 49-B:5-a.

House Bill 77 (Chapter 1, Laws of 2011 – effective February 4, 2011) prohibits an amendment to a warrant article that eliminates the subject matter of the article, but allows an amendment that changes the dollar amount of an appropriation in a warrant article.

House Bill 144 (Chapter 68, Laws of 2011 – effective July 15, 2011) provides that revenue bonds and not general obligation bonds can be used for RSA Chp. 53-F qualifying energy conservation and clean energy improvements. Only grants, and not municipal revenues, can be used to fund the revolving fund. In addition, general municipal revenues cannot be used to fund the loss reserve account.

The new law also provides that the lien for the assessments under this chapter will be junior to other existing liens, such as a mortgage, and in the event of a foreclosure on the property, the municipality’s lien is extinguished.

House Bill 198 (Chapter 71, Laws of 2011 – effective July 15, 2011) allows the County Treasurer to invest in units of pooled money market mutual funds which invest solely in obligations of the United States Treasury when the County Treasurer has an excess of funds which are not immediately needed for the purpose of expenditure. Investment by the County Treasurer requires approval of the County Commissioners and County Executive Committee.

House Bill 288 (Chapter 22, Laws of 2011 – effective June 27, 2011) provides that if an unincorporated place exceeds ten (10) voters, and has not organized pursuant to RSA 53:1, the county in which the unincorporated place is located shall pay the town designated pursuant to RSA 668:2 for costs it incurs in conducting a primary or general election for the unincorporated place. The county shall assess the cost of conducting an election to the unincorporated place.

House Bill 337 (Chapter 258, Laws of 2011 – effective July 1, 2011) changes the name of the “State Education Property Tax” to “Education Tax” and repeals the requirement for excess payments to be remitted to the Department, thereby allowing municipalities to retain all of the state tax assessed. It also repeals RSA 198:47 regarding the DP-5 form and amends the calculation of adequate education grants and makes other changes to the education grant formula and distribution.

House Bill 521 (Chapter 112, Laws of 2011 – effective July 30, 2011) requires that a public hearing on county budget estimates be held no earlier than 5 days, nor later than 20 days, after the mailing of the Commissioners’ statement.

House Bill 622 (Chapter 262, Laws of 2011 – effective July 13, 2011) allows for the adjustment in the method of calculating the partial payment of taxes related to an increase or decrease in local education taxes resulting from a change to the town's or city's adequate education grant or excess tax amount. The changes apply to both semi-annual and quarterly collection of taxes and must be approved by the Commissioner of the NH Department of Revenue Administration. The application for any such rate change must be submitted to the Department prior to April 1.

House Bill 650 (Chapter 211, Laws of 2011 – effective June 27, 2011 – sunsets July 1, 2012) and House Bill 2 (Chapter 224:155 and 224:156, Laws of 2011 – effective July 1, 2011 and sunsets July 1, 2012) in response to statutory changes resulting in reductions or increases in distribution of state revenues for education to school districts, the new law allows the governing body of any school district (including those that have adopted RSA 40:13) to call a special meeting of the legislative body to consider a reduction, rescission, or increase of appropriations made at an annual meeting. The special meeting is subject to certain provisions for noticing and voting. This law will sunset on July 1, 2012.

TDD Access: Relay NH 1-800-735-2964

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.