

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

**TECHNICAL INFORMATION RELEASE
TIR 2014-007 Date September 17, 2014**

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 Central Tax Services at (603) 230-5920.

New Hampshire 2014 Municipal and Property Law Changes

The purpose of this Technical Information Release (TIR) is to provide New Hampshire cities and towns, as well as taxpayers, with a convenient reference guide of relevant statutory changes made during the 2014 Legislative Session by the New Hampshire General Court impacting municipal and property tax laws. This TIR is for informational purposes only and is intended to provide a summary or synopsis of enacted legislation. It is not intended to be relied upon as full and complete text or as a substitute for the actual state law. Please refer to the applicable statute and rules to determine how this information applies to specific persons or situations. If you have any questions, or need additional assistance, please contact the NH Department of Revenue Administration, Municipal and Property Division at (603) 230-5090.

MUNICIPAL:

Senate Bill 216 (Chapter 70, Laws of 2014) amends RSA 31:22 to allow a town's board of trustees of trust funds to recommend to the appointing authority the names of not more than two people who may serve as alternate members on the board. The alternate members will be appointed for one-year terms.

Effective: July 26, 2014.

Amended: RSA 31:22.

Senate Bill 219 (Chapter 71, Laws of 2014) adds a new section, RSA 289:2-a, that provides upon the sale of cemetery lots, the legislative body may, at any annual or special meeting, vote to determine whether funds received from such sale shall be deposited in the general fund of the town as a sale of town property as an alternative to being deposited with the trustees of trust fund for the maintenance of cemeteries under RSA 31:19-a.

Effective: May 27, 2014.

Amended: New section RSA 289:2-a.

Senate Bill 223 (Chapter 4, Laws of 2014) establishes a new section, RSA 149-I:4-a, that authorizes private developers and cities and towns to enter into contracts for the private funding and repayment of construction of sewer systems.

Effective: April 11, 2014.

Amended: New section RSA 149-I:4-a and add new paragraph RSA 149-I:10, IV.

House Bill 297 (Chapter 32, Laws of 2014) allows for the maintenance of records of the trust fund activities electronically and modifies the deadline to transfer funds from a municipality to the trustees of the trust funds for capital reserve funds from December 31st to December 15th for calendar year municipalities; and from June 30th to June 15th for optional fiscal year municipalities.

Effective: July 26, 2014.

Amended: RSA 31:34, RSA 31:38, RSA 35:12, RSA 202-A:23 and new sections RSA 34:16 and RSA 35:9-a.

House Bill 1109 (Chapter 41, Laws of 2014) amends RSA 231:43, II to require the town selectmen to give written notice at least 14 days prior to the vote of the town to all owners of property abutting a highway that is to be discontinued. In the case of a petitioned warrant article calling for discontinuance of a class VI highway, the petitioners shall bear the cost of notice.

Effective: July 26, 2014.

Amended: RSA 231:43, II.

House Bill 1121 (Chapter 43, Laws of 2014) repeals the duty of assessors to compile a list of dogs in the town.

Effective: July 26, 2014.

Amended: RSA 466:43 repealed.

House Bill 1124 (Chapter 7, Laws of 2014) Sections 1-4 remove references to public hearings for zoning article changes that had been contained in the budget hearing process. Section 5 ratifies an act of the Town of Rye approving a warrant article.

Effective: Section 5 is effective May 6, 2014 and Sections 1-4 are effective July 5, 2014.

Amended: RSA 40:13, II-a (c), RSA 40:13, II-b(c), RSA 40:13, II-c(c), and RSA 40:13, XVII.

House Bill 1190 (Chapter 51, Laws of 2014) amends RSA 24:13-c, VI relative to the approval of budget transfers in Hillsborough County to allow the County Commissioners to approve department requests for the transfer of funds up to such amount as the executive committee may from time to time approve by majority vote. If the amount of the request exceeds such amount, and the County Commissioners approve the request, the Commissioners shall report in writing their recommendation to the executive committee.

Effective: July 26, 2014.

Amended: RSA 24:13-c, VI.

House Bill 1210 (Chapter 161:1-8, Laws of 2014) Sections 1-8 of the new law updates various statutory references to the DRA's Municipal and Property Division and ratifies a Hanover School District Bond warrant article.

Effective: July 10, 2014.

Amended: RSA 21-J:6, II, RSA 21-J:24-a, II, RSA 21-J:24-a, IV-V, RSA 79:1, III, RSA 292:23, IV, RSA 675:7 and repeal RSA 21-J:24-a, III.

House Bill 1245 (Chapter 60, Laws of 2014) amends RSA 33:7-e to clarify that, for purposes of municipal lease agreements of equipment and the Uniform Commercial Code (RSA 382-A), building or facility improvements related to the installation, purpose, or operation of such equipment are deemed to constitute equipment and the costs of such improvements may be financed through lease agreements.

Effective: July 26, 2014.

Amended: RSA 33:7-e.

House Bill 1386 (Chapter 25, Laws of 2014) amends RSA 28:2 to require the county clerk to compose, or be responsible for the composition of, a record of the proceedings of the commissioners, the claims allowed by them, the annual report of the county treasurer, and the proceedings of the county convention. In addition, the county clerk shall keep on file, in a secure location, all original papers, claims and accounts acted upon by the board.

Effective: July 22, 2014.

Amended: RSA 28:2.

PROPERTY:

Senate Bill 233 (Chapter 284, Laws of 2014) provides that the real property owned by the Southwestern New Hampshire District Fire Mutual Aid system in the city of Keene, when used for the purposes of a district fire mutual aid system under RSA 154:24-30, shall be exempt from property taxation under RSA 72.

Effective: July 28, 2014.

Amended: N/A

Senate Bill 333 (Chapter 288, Laws of 2014) establishes a new section, RSA 72:7-d, exempting recreational vehicles from taxation as real estate. To be exempt, a recreational vehicle, as defined in RSA 216-I:1, VIII, must have a valid motor vehicle registration and current number plate, have a maximum width of 8 feet and 6 inches while being transported, and be located at a "recreational campground or camping park," as those terms are defined in RSA 216-I:1 VII. Annually, before April 1st, each campground owner, as defined in RSA 216-I:1, III, shall provide the local assessing officials with the name and address for each owner of a recreational vehicle at the campground, and identify which of such recreational vehicles at the campground currently meet the criteria described above. The new statute clarifies that campground owners are not responsible for payment of any taxes imposed on a recreational vehicle located at the

campground, unless the campground owner is the owner of the recreational vehicle. The new law also clarifies the term “manufactured housing” in RSA 72:7-a, I and I-a to be manufactured housing as defined in RSA 205-A:1, I.

Effective: April 1, 2015.

Amended: New section RSA 72:7-d and amends RSA 72:7-a, I and I-a.

House Bill 1110 (Chapter 232, Laws of 2014) repeals RSA 21-J:14-b, I(d), relative to the statutory requirement for the Assessing Standards Board to recommend statutory standards for sales chasing, and amends RSA 21-J:14-b, I-a (a)(1) to add the establishment of a definition and practices which constitute sales chasing and penalties associated with knowingly committing or being party to sales chasing as a standard for assessing officials to the rulemaking duties of the Assessing Standards Board.

Effective: September 19, 2014.

Amended: RSA 21-J:14-b, I-a (a)(1) and repeal RSA 21-J:14-b, I(d).

House Bill 1139 (Chapter 46, Laws of 2014) repeals the authority for granting of property tax abatements for watering troughs and shade trees.

Effective: July 26, 2014.

Amended: RSA 76:18 and RSA 76:19 repealed.

House Bill 1196 (Chapter 175, Laws of 2014) allows the selectmen or assessors, for good cause shown, to abate prior years’ taxes.

Effective: September 9, 2014.

Amended: RSA 76:16, I and II, RSA 76:16-a, RSA 76:17, RSA 76:19-a, II and RSA 81:5.

House Bill 1549 (Chapter 277, Laws of 2014) provides that those cities and towns that have payment in lieu of taxes agreements with renewable electricity generators will have the value of the facility calculated for the purpose of determining the total equalized value of the city or town by imputing the value of the facility and adding that amount to the market value of all other property. Imputing the value is calculated by dividing the amount of the payment in lieu of taxes by the tax rate.

Effective: July 28, 2014 and applicable beginning with the property tax year ending March 31, 2015.

Amended: RSA 21-J:3, XIII, RSA 72:75, II and RSA 75:1.

House Bill 1590 (Chapter 159, Laws of 2014) provides that for the duration of the current voluntary payment in lieu of taxes agreement under RSA 72:74 between the Granite Reliable Power project and Coos County, the valuation of the project for county tax purposes shall remain at \$113,000,000.

Effective: April 1, 2014.

Amended: N/A

RSA CHAPTER 21-J ADMINISTRATIVE:

Senate Bill 300 (Chapter 76:1, Laws of 2014) amends RSA 21-J:35 to require the State Treasury (Meals and Rentals distribution pursuant to RSA 78-A:26), the Department of Transportation (highway construction aid pursuant to RSA 235:23), the Department of Environmental Services (water pollution control grants pursuant to RSA 486, water filtration grants pursuant to RSA 486-A, and landfill closure grants pursuant to RSA 149-M:43) and the Department of Education (federal forest land aid pursuant to RSA 227-H:20 through RSA 227-H:22, state aid for an adequate education pursuant to RSA 198:40-a, school building aid pursuant to RSA 198:15-a, and catastrophic aid pursuant to RSA 186-C:18) to provide the Department of Revenue Administration, on or before October 1st of each year, with estimates of local aid to be distributed to municipalities and school districts in the current fiscal year.

Effective: July 26, 2014.

Amended: New section RSA 21-J:35, VII.

Senate Bill 386 (Chapter 78:2, Laws of 2014) amends RSA Chapter 21-J to allow a reasonable charge for “indirect” associated costs in providing training to municipal employees.

Effective: May 27, 2014.

Amended: RSA 21-J:24-a, IV(b).

MISCELLANEOUS ADMINISTRATIVE:

Senate Bill 350 (Chapter 247, Laws of 2014) amends RSA 198:45 to require the Department of Education to provide adequacy aid estimates for the current fiscal year to the Department of Revenue Administration no later than October 1st of each year.

Effective: September 19, 2014.

Amended: New paragraph RSA 198:45, II.

Senate Bill 386 (Chapter 78:5, Laws of 2014) transfers for the biennium ending June 30, 2015, the appropriation for the expenditure of Low and Moderate Income Homeowners Property Tax Relief grants (hardship grants) under RSA 198:57 from the Department of Education budget to the Department of Revenue Administration budget. The new law authorizes the Department of Revenue Administration to create a new accounting unit and expenditure class as required and deemed necessary and appropriate for the expenditure of Low and Moderate Income Homeowners Property Tax Relief grants under RSA 198:57.

Effective: May 27, 2014.

Amended: N/A

House Bill 1282 (Chapter 300:6 & 7, Laws of 2014) appropriates the sum of \$542,672 from the \$1,112,377.74 settlement agreement dated January 17, 2014 under the Merrimack River flood

control compact to the Department of Revenue Administration. This appropriation is in addition to any other appropriations to the Department and the remainder of the settlement moneys shall lapse to the general fund. In addition, the governor is authorized to draw a warrant for the purpose of reimbursing the towns for the Massachusetts shares of the Merrimack River flood control compact and the Connecticut River flood control compact for state fiscal year 2012.

The Department is required to distribute the moneys in the manner prescribed in RSA 122:4, I.

Effective: August 1, 2014.

Amended: N/A

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 N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 230-5000.