Bill as Introduced

SB 45 – AS AMENDED BY THE SENATE

03/27/03 0862s
03/27/03 0903s

2003 SESSION

03-0433
10/09

SENATE BILL ***SB 45***

AN ACT relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.

SPONSORS: Sen. Gatsas, Dist 16; Sen. Larsen, Dist 15; Sen. Barnes, Dist 17; Sen. Roberge, Dist 9; Rep. Gongalez, Hills 49

COMMITTEE: Public Affairs

AMENDED ANALYSIS

This bill:

I. Allows towns and cities to increase the property tax credit for service-connected total disability from $1400 to $2000.

II. Increases the amount of the optional veterans' property tax credit.

III. Allows for the adoption by municipalities of a married persons' net asset qualification for purposes of the elderly exemption. Such combined net asset qualification shall apply to a surviving spouse until the sale or transfer of the property, or until the remarriage of the surviving spouse.

IV. Allows towns or cities to adopt different net income limits for each age group in the elderly property tax exemption.

V. Allows municipalities to adopt an extension of the property tax exemption for disabled persons who are 65 years of age or older.

VI. Clarifies references to married persons in certain property tax exemption statutes.

VII. Allows towns or cities to adopt an optional filing date for all exemptions, deferrals, or tax credits. Current law allows adopting the optional filing date only for the elderly exemption.

VIII. Removes requirements for 5 years of residency in certain exemption and credits.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 45 – AS AMENDED BY THE SENATE

03/27/03 0862s
03/27/03 0903s

03-0433
10/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Veterans' Tax Credit; Amount Increased. Amend RSA 72:28, V to read as follows:

V. Upon its adoption by a city or town as provided in RSA 72:28-a, the veterans' tax credit shall be ***an amount from*** $100 ***up to $500*** subtracted each year from the property tax on the veteran's residential property. However, the surviving spouse of a resident who suffered a service-connected death may have the sum subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.

2 Procedure for Adoption. Amend RSA 72:28-a, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we adopt the provisions of RSA 72:28, V and VI for an optional veterans' tax credit and an expanded qualifying war service for veterans seeking the tax credit? The optional veterans' tax credit is [~~$100, rather than $50~~] ***(here insert amount from $100 up to $500)***."

3 Property Taxation; Optional Date for Filing Exemption. Amend RSA 72:33-b to read as follows:

72:33-b Optional Date for Filing for [~~Elderly Exemption~~] ***Exemptions***.

I. Any town or city may opt to change the date for filing for [~~an elderly exemption~~] ***all of the exemptions, deferrals, or tax credits listed*** under RSA 72:33 from March 1 to the August 1 prior to the setting of the tax rate. Any town or city may adopt the August 1 date for filing in the following manner:

(a) In a town, the question shall be placed on the warrant of a special or annual town meeting under the procedures set out in RSA 39, and shall be voted upon by ballot. In a city or charter town, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. The legislative body of a city or charter town may vote to place the question on the official ballot for any regular municipal election, or, in the alternative, shall place the question on the official ballot for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent of the registered voters.

(b) The governing body shall hold a public hearing on the question at least 15 days but not more than 30 days before the question is to be voted on. Notice of the hearing shall be posted in

at least 2 public places in the municipality and published in a newspaper of general circulation at least 7 days before the hearing.

(c) The wording of the question shall be: "Shall we adopt the August 1 prior to the setting of the tax rate as the date for filing for [~~an elderly exemption from~~] ***exemptions, deferrals, and tax credits against*** the property tax?"

II. If a majority of those voting on the question vote "Yes," the August 1 filing date for [~~the elderly exemption~~] ***exemptions, deferrals, or tax credits*** shall apply within the town or city on the date set by the governing body.

III. Within 60 days from the initial adoption of the August 1 filing date for [~~the elderly exemption~~] ***exemptions, deferrals, or tax credits***, the governing body of the town or city shall send a prominent written notice of the change of filing date to all residential property taxpayers in the town or city.

4 Property Taxes; Tax Credit for Service-Connected Total Disability; Amount Increased. Amend RSA 72:35, IV(a) to read as follows:

IV.(a) Upon its adoption by a city or town as provided in RSA 72:35-a, any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a yearly tax credit in the amount [~~of~~] ***from*** $1,400 ***up to $2,000*** of property taxes on the person's residential property. ***A municipality which had elected under prior law to adopt a $1,400 credit shall be required to comply with the procedure for adoption in RSA 72:35-a if the municipality wants to adopt an increased credit amount.***

5 Property Taxes; Tax Credit for Service-Connected Total Disability; Procedure for Adoption; Amount Increased. Amend RSA 72:35-a, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we adopt the provisions of RSA 72:35, IV for an optional tax credit on the taxes due on residential property for a service-connected total disability? The optional disability tax credit is ***an amount from*** $1,400 ***up to $2,000***, rather than $700."

6 Exemption for the Disabled; Optional Extension Added. Amend RSA 72:37-b to read as follows:

72:37-b Exemption for the Disabled.

I. Upon its adoption by a city or town as provided in RSA 72:37-c, any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in an amount to be chosen by the town or city.

I-a. Upon the adoption of this paragraph by a city or town as provided in RSA 72:37-c, a person eligible under Title II or Title XVI of the federal Social Security Act on his or her sixty-fifth birthday shall remain eligible for a yearly exemption either in the

amount of the exemption applicable under paragraph I or the amount of the elderly exemption granted to the person under RSA 72:39-b, whichever is greater.

II. The [~~exemption~~] ***exemptions*** in paragraph I ***and I-a*** may be applied only to property which is [~~occupied as the principal place of abode by~~] the disabled [~~person~~] ***person's principal place of residence and domicile for purposes of RSA 654:1.*** The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of [~~abode~~] ***residence and domicile Nothing in this section shall preclude a qualified applicant from earning an income..***

III. No exemption shall be allowed under paragraphs I or I-a unless the person applying for an exemption:

(a) Had, in the calendar year preceding said April 1, a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount determined by the city or town for purposes of paragraphs I or I-a. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

(1) Life insurance paid on the death of an insured.

(2) Expenses and costs incurred in the course of conducting a business enterprise.

(3) Proceeds from the sale of assets.

(b) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

IV. Additional requirements for an exemption under paragraphs I or I-a shall be that the property is:

(a) Owned by the resident;

(b) Owned by a resident jointly or in common with the resident's spouse, either

of whom meets the requirements for the exemption claimed;

(c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed;

(d) Owned by a resident, or the resident's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

7 Procedure for Adoption; Exemption for the Disabled. RSA 72:37-c is repealed and reenacted to read as follows:

72:37-c Procedure for Adoption.

I. Any town or city may adopt the provisions of RSA 72:37-b, I, and may either jointly or separately adopt the provisions of RSA 72:37-b, I-a, in the following manner:

(a) In a town, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3, and shall be voted upon by official ballot if that town has adopted the official ballot for the election of officers. A public hearing shall be held at least 15 but not more than 60 days prior to the vote.

(b) In a city or town with a town council, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such city or town may vote to place the question on the official ballot for any regular municipal election.

II. The vote shall specify the provisions of the exemption provided in RSA 72:37-b, I or the extension of the exemption provided in RSA 72:37-b, I-a. The exemption shall take effect in the tax year beginning April 1 following its adoption.

III. A municipality may modify or rescind the exemptions provided by this section in the manner described in this section.

8 Tax Deferral for the Elderly and Disabled; Qualifications Clarified. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 ***consecutive*** years; and

9 Conditions for Elderly Exemption. Amend the introductory paragraph of RSA 72:39-a, I(b) to read as follows:

(b) Had in the calendar year preceding said April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount ***applicable to each age group as*** determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

10 Property Taxation; Conditions for Elderly Exemption; Net Assets for Married Persons. Amend RSA 72:39-a, I(c) to read as follows:

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

11 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph:

III. Upon the death of an owner residing with a spouse pursuant to paragraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

12 Property Taxation; Adoption or Modification of Elderly Exemption; 5-year Residency Removed; Net Assets for Married Persons. Amend RSA 72:39-b, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we modify the elderly exemptions from property tax in the town (city) of _____, based on assessed value, for qualified taxpayers, to be as follows: for a person 65 years of age up to 75 years, (here insert dollar amount); for a person 75 years of age up to 80 years, (here insert dollar amount); for a person 80 years of age or older (here insert dollar amount). To qualify, the person must [~~have been a New Hampshire resident for at least 5 years,~~] own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married ***to each other*** for at least 5 ***consecutive*** years. In addition, the taxpayer must have a net income of not more than (here insert a dollar amount not less than $13,400) or, if married, a combined net income of less than (here insert a dollar amount not less than $20,400); and own net assets not in excess of (here insert a dollar amount not less than $35,000 excluding the value of the person's residence) ***or, if married, combined net assets not in excess of (here insert a dollar amount of $35,000 or greater) excluding the value of the residence.***" Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. ***The combined net asset amount for married persons shall apply***

to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

13 New Paragraph; Adoption or Modification of Elderly Exemption; Income Limits. Amend RSA 72:39-b by inserting after paragraph I the following new paragraph:

I-a. In addition to the provisions of paragraph I, a town or city may adopt or modify the elderly exemption by including different net income limits, or combined net income limits for married persons, applicable to each of the 3 age groupings listed in subparagraph I(c). Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. Any town or city may adopt the provisions of this paragraph by including the provisions in the referendum under paragraph I, or by the following manner:

(a) In a town, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3, and shall be voted upon by official ballot if that town has adopted the official ballot for the election of officers. A public hearing shall be held at least 15 but not more than 60 days prior to the vote.

(b) In a city or town with a town council, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such city or town may vote to place the question on the official ballot for any regular municipal election.

(c) The vote shall specify the provisions of the net income limits applicable to each age group listed in subparagraph I(c) as provided in this paragraph. The income limits for each age group shall take effect in the tax year beginning April 1 following its adoption.

(d) A municipality may rescind the net income limits applicable to each age group in the manner described in subparagraph (a) or (b).

14 Repeal. RSA 72:39-a, I(a), relative to the 5-year residency requirement for the elderly exemption, is repealed.

15 Effective Date. This act shall take effect April 1, 2003.

Amendments

Sen. Gatsas, Dist. 16
March 19, 2003
2003-0903s
10/09

MAR 27 2003

Not used

Floor Amendment to SB 45

Amend the title of the bill by replacing it with the following:

AN ACT relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.

Amend the bill by replacing all after the enacting clause with the following:

1 Veterans' Tax Credit; Amount Increased. Amend RSA 72:28, V to read as follows:

V. Upon its adoption by a city or town as provided in RSA 72:28-a, the veterans' tax credit shall be ***an amount from*** $100 ***up to $500*** subtracted each year from the property tax on the veteran's residential property. However, the surviving spouse of a resident who suffered a service-connected death may have the sum subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.

2 Procedure for Adoption. Amend RSA 72:28-a, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we adopt the provisions of RSA 72:28, V and VI for an optional veterans' tax credit and an expanded qualifying war service for veterans seeking the tax credit? The optional veterans' tax credit is [~~$100, rather than $50~~] ***(here insert amount from $100 up to $500)***."

3 Property Taxation; Optional Date for Filing Exemption. Amend RSA 72:33-b to read as follows:

72:33-b Optional Date for Filing for [~~Elderly Exemption~~] ***Exemptions***.

I. Any town or city may opt to change the date for filing for [~~an elderly exemption~~] ***all of the exemptions, deferrals, or tax credits listed*** under RSA 72:33 from March 1 to the August 1 prior to the setting of the tax rate. Any town or city may adopt the August 1 date for filing in the following manner:

(a) In a town, the question shall be placed on the warrant of a special or annual town meeting under the procedures set out in RSA 39, and shall be voted upon by ballot. In a city or charter town, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. The legislative body of a city or charter town may vote to place the question on the official ballot for any regular municipal election, or, in the alternative, shall place the question on the official ballot for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent of the registered voters.

(b) The governing body shall hold a public hearing on the question at least 15 days but not more than 30 days before the question is to be voted on. Notice of the hearing shall be posted in at least 2 public places in the municipality and published in a newspaper of general circulation at least 7 days before the hearing.

(c) The wording of the question shall be: "Shall we adopt the August 1 prior to the setting of the tax rate as the date for filing for [~~an elderly exemption from~~] ***exemptions, deferrals, and tax credits against*** the property tax?"

II. If a majority of those voting on the question vote "Yes," the August 1 filing date for [~~the elderly exemption~~] ***exemptions, deferrals, or tax credits*** shall apply within the town or city on the date set by the governing body.

III. Within 60 days from the initial adoption of the August 1 filing date for [~~the elderly exemption~~] ***exemptions, deferrals, or tax credits***, the governing body of the town or city shall send a prominent written notice of the change of filing date to all residential property taxpayers in the town or city.

4 Property Taxes; Tax Credit for Service-Connected Total Disability; Amount Increased. Amend RSA 72:35, IV(a) to read as follows:

IV.(a) Upon its adoption by a city or town as provided in RSA 72:35-a, any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a yearly tax credit in the amount [~~of~~] ***from*** $1,400 ***up to $2,000*** of property taxes on the person's residential property. ***A municipality which had elected under prior law to adopt a $1,400 credit shall be required to comply with the procedure for adoption in RSA 72:35-a if the municipality wants to adopt an increased credit amount.***

5 Property Taxes; Tax Credit for Service-Connected Total Disability; Procedure for Adoption; Amount Increased. Amend RSA 72:35-a, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we adopt the provisions of RSA 72:35, IV for an optional tax credit on the taxes due on residential property for a service-connected total disability? The optional disability tax credit is ***an amount from*** $1,400 ***up to $2,000***, rather than $700."

6 Exemption for the Disabled; Optional Extension Added. Amend RSA 72:37-b to read as follows:

72:37-b Exemption for the Disabled.

I. Upon its adoption by a city or town as provided in RSA 72:37-c, any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in an amount to be chosen by the town or city.

I-a. Upon the adoption of this paragraph by a city or town as provided in

RSA 72:37-c, a person eligible under Title II or Title XVI of the federal Social Security Act on his or her sixty-fifth birthday shall remain eligible for a yearly exemption either in the amount of the exemption applicable under paragraph I or the amount of the elderly exemption granted to the person under RSA 72:39-b, whichever is greater.

II. The [~~exemption~~] ***exemptions*** in paragraph I ***and I-a*** may be applied only to property which is [~~occupied as the principal place of abode by~~] the disabled [~~person~~] ***person's principal place of residence and domicile for purposes of RSA 654:1***. The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of [~~abode~~] ***residence and domicile Nothing in this section shall preclude a qualified applicant from earning an income.***.

III. No exemption shall be allowed under paragraphs I or I-a unless the person applying for an exemption:

(a) Had, in the calendar year preceding said April 1, a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount determined by the city or town for purposes of paragraphs I or I-a. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

(1) Life insurance paid on the death of an insured.

(2) Expenses and costs incurred in the course of conducting a business enterprise.

(3) Proceeds from the sale of assets.

(b) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

IV. Additional requirements for an exemption under paragraphs I or I-a shall be that the property is:

(a) Owned by the resident;

(b) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the requirements for the exemption claimed;

(c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed;

(d) Owned by a resident, or the resident's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

7 Procedure for Adoption; Exemption for the Disabled. RSA 72:37-c is repealed and reenacted to read as follows:

72:37-c Procedure for Adoption.

I. Any town or city may adopt the provisions of RSA 72:37-b, I, and may either jointly or separately adopt the provisions of RSA 72:37-b, I-a, in the following manner:

(a) In a town, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3, and shall be voted upon by official ballot if that town has adopted the official ballot for the election of officers. A public hearing shall be held at least 15 but not more than 60 days prior to the vote.

(b) In a city or town with a town council, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such city or town may vote to place the question on the official ballot for any regular municipal election.

II. The vote shall specify the provisions of the exemption provided in RSA 72:37-b, I or the extension of the exemption provided in RSA 72:37-b, I-a. The exemption shall take effect in the tax year beginning April 1 following its adoption.

III. A municipality may modify or rescind the exemptions provided by this section in the manner described in this section.

8 Tax Deferral for the Elderly and Disabled; Qualifications Clarified. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 ***consecutive*** years; and

9 Conditions for Elderly Exemption. Amend the introductory paragraph of RSA 72:39-a, I(b) to read as follows:

(b) Had in the calendar year preceding said April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount ***applicable to each age group as*** determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from

all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

10 Property Taxation; Conditions for Elderly Exemption; Net Assets for Married Persons. Amend RSA 72:39-a, I(c) to read as follows:

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

11 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph:

III. Upon the death of an owner residing with a spouse pursuant to paragraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

12 Property Taxation; Adoption or Modification of Elderly Exemption; 5-year Residency Removed; Net Assets for Married Persons. Amend RSA 72:39-b, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we modify the elderly exemptions from property tax in the town (city) of _____, based on assessed value, for qualified taxpayers, to be as follows: for a person 65 years of age up to 75 years, (here insert dollar amount); for a person 75 years of age up to 80 years, (here insert dollar amount); for a person 80 years of age or older (here insert dollar amount). To qualify, the person must [~~have been a New Hampshire resident for at least 5 years,~~] own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married ***to each other*** for at least 5 ***consecutive*** years. In addition, the taxpayer must have a net income of not more than (here insert a dollar amount not less than $13,400) or, if married, a combined net income of less than (here insert a dollar amount not less than $20,400); and own net assets not in excess of (here insert a dollar amount not less than $35,000 excluding the value of the person's residence) ***or, if married, combined net assets not in excess of (here insert a dollar amount of $35,000 or greater) excluding the***

value of the residence." Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. ***The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.***

13 New Paragraph; Adoption or Modification of Elderly Exemption; Income Limits. Amend RSA 72:39-b by inserting after paragraph I the following new paragraph:

I-a. In addition to the provisions of paragraph I, a town or city may adopt or modify the elderly exemption by including different net income limits, or combined net income limits for married persons, applicable to each of the 3 age groupings listed in subparagraph I(c). Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. Any town or city may adopt the provisions of this paragraph by including the provisions in the referendum under paragraph I, or by the following manner:

(a) In a town, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3, and shall be voted upon by official ballot if that town has adopted the official ballot for the election of officers. A public hearing shall be held at least 15 but not more than 60 days prior to the vote.

(b) In a city or town with a town council, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such city or town may vote to place the question on the official ballot for any regular municipal election.

(c) The vote shall specify the provisions of the net income limits applicable to each age group listed in subparagraph I(c) as provided in this paragraph. The income limits for each age group shall take effect in the tax year beginning April 1 following its adoption.

(d) A municipality may rescind the net income limits applicable to each age group in the manner described in subparagraph (a) or (b).

14 Repeal. RSA 72:39-a, I(a), relative to the 5-year residency requirement for the elderly exemption, is repealed.

15 Effective Date. This act shall take effect April 1, 2003.

2003-0903s

AMENDED ANALYSIS

This bill:

I. Allows towns and cities to increase the property tax credit for service-connected total disability from $1400 to $2000.

II. Increases the amount of the optional veterans' property tax credit.

III. Allows for the adoption by municipalities of a married persons' net asset qualification for purposes of the elderly exemption. Such combined net asset qualification shall apply to a surviving spouse until the sale or transfer of the property, or until the remarriage of the surviving spouse.

IV. Allows towns or cities to adopt different net income limits for each age group in the elderly property tax exemption.

V. Allows municipalities to adopt an extension of the property tax exemption for disabled persons who are 65 years of age or older.

VI. Clarifies references to married persons in certain property tax exemption statutes.

VII. Allows towns or cities to adopt an optional filing date for all exemptions, deferrals, or tax credits. Current law allows adopting the optional filing date only for the elderly exemption.

VIII. Removes requirements for 5 years of residency in certain exemption and credits.

Rep. Patten, Carr. 7
May 14, 2003
2003-1628h
10/09

Not Used

Draft Amendment to SB 45

Amend the title of the bill by replacing it with the following:

AN ACT relative to the adoption procedure, eligibility, and amounts of property tax exemptions and credits and the property tax deferral program.

Amend the bill by replacing all after the enacting clause with the following:

1 New Section; Procedure for Adoption, Modification, or Recission. Amend RSA 72 by inserting after section 27 the following new section:

72:27-a Procedure for Adoption, Modification, or Recission. See sec 6 + 25

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:29-a, RSA 72:35, RSA 72:37, RSA 72:37-b, RSA 72:39-a, RSA 72:62, RSA 72:66, or RSA 72:70 in the following manner:

(a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3.

HB 466 sec 1

(b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

II. The vote shall specify the provisions of the property tax exemption or credit, the amount or such exemption or credit, and the manner of its determination, as listed in paragraph I. The exemption or credit shall take effect in the tax year beginning April 1 following its adoption.

III. A municipality may modify, if applicable, or rescind the exemption or credits provided in paragraph I in the manner described in this section.

IV. An amendment to a statutory provision listed in paragraph I related to an exemption or credit amount or to the eligibility or application of an exemption or credit, shall apply in a municipality which previously adopted the provision only after the municipality complies with the procedure in this section, unless otherwise expressly required by law.

NEW

2 Veterans' Tax Credit; Optional Credit Changed. RSA 72:28 is repealed and reenacted to read as follows:

HB 108 SEC 1

72:28 Standard and Optional Veterans' Tax Credit.

I. The standard veterans' tax credit shall be $50.

II. The optional veterans' tax credit, upon adoption by a city or town pursuant to RSA 72:27-a, shall be an amount from $51 up to $500. The optional veterans' tax credit shall replace the standard veterans' tax credit in its entirety and shall not be in addition thereto.

III. Either the standard veterans' tax credit or the optional veterans' tax credit shall be subtracted each year from the property tax on the veteran's residential property. However, the surviving spouse of a resident who suffered a service-connected death may have the amount subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.

IV. The following persons shall qualify for the standard veterans' tax credit or the optional veterans' tax credit:

(a) Every resident of this state who served not less than 90 days in the armed forces of the United States in any qualifying war or armed conflict listed in this section and was honorably discharged or an officer honorably separated from service; or the spouse or surviving spouse of such resident;

(b) Every resident of this state who was terminated from the armed forces because of service-connected disability; or the surviving spouse of such resident; and

(c) The surviving spouse of any resident who suffered a service-connected death.

V. Service in a qualifying war or armed conflict shall be as follows:

(a) "Spanish War" between April 21, 1898 and April 11, 1899;

(b) "Philippine Insurrection" between April 12, 1899 and July 4, 1902, extended to July 15, 1903 for service in the Moro Provinces;

(c) "Boxer Rebellion" between June 16, 1900 and May 2, 1901;

(d) "World War I" between April 6, 1917 and November 11, 1918, extended to April 1, 1920 for service in Russia; provided that military or naval service on or after November 12, 1918 and before July 2, 1921, where there was prior service between April 6, 1917 and November 11, 1918 shall be considered as World War I service;

(e) "World War II" between December 7, 1941 and December 31, 1946;

(f) "Korean Conflict" between June 25, 1950 and January 31, 1955;

(g) "Vietnam Conflict" between December 22, 1961 and May 7, 1975;

(h) "Vietnam Conflict" between July 1, 1958 and December 22, 1961, if the resident earned the Vietnam service medal or the armed forces expeditionary medal; and

(i) Any other war or armed conflict that has occurred since May 8, 1975, and in which the resident earned an armed forces expeditionary medal or theater of operations service medal.

3 Veterans' Credit; Surviving Spouse; Reference Changed. Amend RSA 72:29-a, II to read as follows:

II. Upon the adoption of this paragraph by a city or town as provided in RSA [~~72:29-b~~]

72:27-a, the surviving spouse of any person who was killed or died while on active duty in the armed forces of the United States or any of the armed forces of any of the governments associated with the United States in the wars, conflicts or armed conflicts, or combat zones set forth in RSA 72:28, shall receive a tax credit in the amount of $1,400 for the taxes due upon the surviving spouse's real and personal property, whether residential or not, in the same municipality where the surviving spouse is a resident.

4 Reference Changed; Proration of Credit. Amend RSA 72:30 to read as follows:

72:30 Proration of Tax Credit. If any entitled person or persons shall own a fractional interest in residential real estate, each such entitled person shall be granted a tax credit in proportion to his ***or her*** interest therein with other persons so entitled, but in no case shall the total tax credit exceed the tax credit allowed under RSA 72:28, ***I or*** II [~~or V~~], except as provided in RSA 72:31.

5 Reference Changed; Husband and Wife. Amend RSA 72:31 to read as follows:

72:31 Husband and Wife. A husband and wife, each qualifying for a tax credit, shall each be granted a tax credit upon their residential real estate as provided under RSA 72:28, ***I or*** II [~~and V~~].

6 Application for Exemptions or Tax Credits; Filing Date Changed in 2005. Amend RSA 72:33 to read as follows:

72:33 Application for Exemption or Tax Credit.

I. [~~Except as provided in RSA 72:33-b,~~] No person shall be entitled to the exemptions[~~, deferrals,~~] or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, [~~38-a,~~] 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by [~~March 1 following the date of notice of tax under RSA 72:1-d~~] ***April 15 preceding the setting of the tax rate***, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption[~~, deferral,~~] or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption[~~, deferral,~~] or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting tax exemptions[~~, deferrals,~~] and credits pursuant to RSA 72.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

I-a. If any person, otherwise qualified to receive an exemption or credit, shall

satisfy the selectmen or assessors that he or she was prevented by accident, mistake, or misfortune from filing a permanent application or amended permanent application on or before April 15 of the year in which he or she desires the exemption to begin, said officials may receive the application at a later date and grant an exemption or credit for that year; but no such application shall be received or exemption or credit granted after the local tax rate has been approved for that year.

HB 467 sec 3

II. Any person who changes residence after filing such a permanent application shall file an amended permanent application on or before December 1 immediately following the change of residence. The filing of the permanent application shall be sufficient for said persons to receive these exemptions or tax credits on an annual basis so long as the applicant does not change residence[~~; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by RSA 72:38-a~~].

III. If the selectmen or assessors are satisfied that the applicant has willfully made any false statement in the application to obtain an exemption or tax credit, they may refuse to grant the exemption or tax credit.

IV. [Repealed.]

V. In addition to the above requirements, applicants for exemption who claim ownership pursuant to RSA 72:29, V shall file with their application an additional statement signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing they meet the requirements of RSA 72:29, V.

VI. The assessing officials may require applicants for any exemption or tax credit to file the information listed in RSA 72:34, or the statement required by RSA 72:33, V periodically but no more frequently than annually. Failure to file such periodic statements may, at the discretion of the assessing officials, result in a loss of the exemption or tax credit for that year.

HB 467 sec 4

7 Investigation of Application. Amend the introductory paragraph of RSA 72:34, I to read as follows:

I. On receipt of an application provided for in RSA 72:33 ***or RSA 72:38-a***, the selectmen or assessors shall examine it as to the right to the tax exemption, tax deferral or tax credit, the ownership of the property listed, and, if necessary, the encumbrances reported.

HB 467 sec 1

8 Tax Credit for Service-Connected Disability; Optional Amount Increased. Amend RSA 72:35 to read as follows:

72:35 Tax Credit for Service-Connected Total Disability.

I. Any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a ***standard*** yearly tax credit in the amount of $700 of property taxes on the person's residential property.

I-a. The optional tax credit for service-connected total disability, upon adoption by a city or town pursuant to RSA 72:27-a, shall be an amount from $701 up to $2,000. The optional tax credit for service-connected total disability shall replace the standard tax credit in its entirety and shall not be in addition thereto.

I-b. Either the standard tax credit for service-connected total disability or the optional tax credit for service-connected total disability shall be subtracted each year from the property tax on the person's residential property. However, the surviving spouse of a resident receiving the tax credit for service-connected disability may have the amount subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.

II. The ***standard or optional*** tax credit [~~in paragraph I~~] ***under this section*** may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode.

(HB 467 Sec 1)

III.(a) Any person applying for the ***standard or optional*** tax credit [~~granted in paragraph I~~] ***under this section*** shall furnish to the assessors or selectmen certification from the United States Department of Veterans' Affairs that the applicant is rated totally and permanently disabled from service connection. The assessors or selectmen shall accept such certification as conclusive on the question of disability unless they have specific contrary evidence and the applicant, or the applicant's representative, has had a reasonable opportunity to review and rebut that evidence. The applicant shall also be afforded a reasonable opportunity to submit additional evidence on the question of disability.

(b) Any decision to deny an application shall identify the evidence upon which the decision relied and shall be made within the time period provided by law.

(c) Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.

[~~IV.(a) Upon its adoption by a city or town as provided in RSA 72:35-a, any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a yearly tax credit in the amount of $1,400 of property taxes on the person's residential property.~~

~~(b) The tax credit in subparagraph (a) may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to the taxes due on any land or buildings appurtenant to the residence or to manufactured housing, if that is the principal place of abode.~~

HB467 sec 1

~~(c) Applications for this credit shall be made in the manner prescribed by paragraph III. Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.~~]

HB466 sec 5

9 Interpretation; Rules. Amend RSA 72:36, I to read as follows:

I. [~~His~~] ***The commissioner's*** interpretation of RSA 72:28, [~~72:28-a,~~] 72:29, 72:29-a, [~~72:29-b,~~] 72:30, 72:31, 72:32, 72:33, 72:33-a, 72:34, 72:34-a, 72:35, [~~72:35-a~~] and 72:36-a; and

HB466 sec 6

10 Exemption for the Blind; Reference Changed. Amend RSA 72:37 to read as follows:

72:37 Exemption for the Blind. Every inhabitant who is legally blind as determined by the blind services program, bureau of vocational rehabilitation, department of education shall be exempt each year on the assessed value, for property tax purposes, of his or her residential real estate to the value of $15,000, and a city or town may exempt any amount it may determine is appropriate to address significant increases in property values in accordance with the procedures in RSA [~~72:36-b~~] ***72:27-a***. The term "residential real estate" as used in this section shall mean the same as defined in RSA 72:29. All applications made under this section shall be subject to the provisions of RSA 72:33 and RSA 72:34.

HB466 sec 7

11 Exemption for the Disabled; Optional Extension Added. Amend RSA 72:37-b to read as follows:

72:37-b Exemption for the Disabled.

SB45 sec 6

I. Upon its adoption by a city or town as provided in RSA [~~72:37-e~~] ***72:27-a***, any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in an amount to be chosen by the town or city.

I-a. Upon the adoption of this paragraph by a city or town as provided in RSA 72:27-a, a person eligible under Title II or Title XVI of the federal Social Security Act on his or her sixty-fifth birthday shall remain eligible for a yearly exemption either in the amount of the exemption applicable under paragraph I or the amount of the elderly exemption granted to the person under RSA 72:39-b, whichever is greater.

SB45 sec 6

II. The [~~exemption~~] ***exemptions*** in paragraph I ***and I-a*** may be applied only to property which is occupied as the principal place of abode by the disabled person. The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode. ***Nothing in this section shall preclude a qualified applicant from earning an income.***

III. No exemption shall be allowed under paragraph I or I-a unless the person applying for an exemption:

(a) Had, in the calendar year preceding said April 1, a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount determined by the city or town for purposes of paragraph I or I-a. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a

single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

(1) Life insurance paid on the death of an insured.

(2) Expenses and costs incurred in the course of conducting a business enterprise.

(3) Proceeds from the sale of assets.

(b) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

IV. Additional requirements for an exemption under paragraph I or I-a shall be that the property is:

(a) Owned by the resident;

(b) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the requirements for the exemption claimed;

(c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed; or

(d) Owned by a resident, or the resident's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

12 Tax Deferral for Elderly and Disabled; Residency for Disabled Applicant. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 *consecutive* years *if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant*; and

13 New Paragraph; Tax Deferral for the Elderly or Disabled. Amend RSA 72:38-a by inserting after paragraph II the following new paragraph:

II-a. No person shall be entitled to the deferral under this section unless the person has filed

with the selectmen or assessors, by March 1 following the date of notice of tax under RSA 72:1-d a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the deferral is claimed and that the applicant is duly qualified at the time of application. Any person who changes residence after filing such a permanent application shall file an amended permanent application on or before December 1 immediately following the change of residence. The filing of the permanent application shall be sufficient for said persons to receive a deferral on an annual basis so long as the applicant does not change residence; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by this section. The form shall include the following and such other information deemed necessary by the commissioner:

HB467 Sec 5

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting a deferral.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

14 Conditions for Elderly Exemption; Consecutive Years of Residence; Net Income and Assets for Married Persons. Amend RSA 72:39-a, I to read as follows:

HB424 Sec 1

I. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor:

(a) Has resided in this state for at least 5 ***consecutive*** years preceding April 1 in the year in which the exemption is claimed.

(b) Had in the calendar year preceding said April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount ***applicable to each age group as*** determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

SB45 Sec 9+13

(1) Life insurance paid on the death of an insured;

(2) Expenses and costs incurred in the course of conducting a business enterprise;

(3) Proceeds from the sale of assets.

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size

SB45 Sec 10
HB424 Sec 2

specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

SB45 sec10 HB424 sec2

15 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph:

III. Upon the death of an owner residing with a spouse pursuant to paragraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

SB45 sec 11 HB424 sec 3

16 Procedure for Adoption and Modification of the Elderly Exemption. RSA 72:39-b is repealed and reenacted to read as follows:

72:39-b Procedure for Adoption and Modification of Elderly Exemption.

I. A town or city may adopt or modify elderly exemptions by the procedure in RSA 72:27-a.

HB466 sec8

II. An elderly exemption, based on assessed value for qualified taxpayers, shall be granted for a different dollar amount determined by the town or city, to a person 65 years of age up to 75 years, to a person 75 years of age up to 80 years, and to a person 80 years of age or older. To qualify, the person must have been a New Hampshire resident for at least 5 consecutive years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married to each other for at least 5 consecutive years. In addition, the taxpayer must have a net income in each applicable age group of not more than a dollar amount determined by the town or city of not less than $13,400 or, if married, a combined net income of not more than a dollar amount determined by the town or city of not less than $20,400; and own net assets not in excess of a dollar amount determined by the town or city of not less than $35,000 excluding the value of the person's residence (or, if married, combined net assets not in excess of a dollar amount determined by the town or city of not less than $35,000 excluding the value of the residence. Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

Δ SB45 sec 12

HB466 sec9

17 Exemption for the Solar Energy Systems; Reference Changed. Amend RSA 72:62 to read as follows:

HB 466 sec 9

72:62 Exemption for Solar Energy Systems. Each city and town may adopt under RSA [~~72:63~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a solar energy system as defined in RSA 72:61.

HB466 sec10

18 Exemption for the Wind-Powered Energy Systems; Reference Changed. Amend RSA 72:66 to read as follows:

72:66 Exemption for Wind-Powered Energy Systems. Each city and town may adopt under RSA [~~72:67~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a wind-powered energy system.

HB466 sec11

19 Exemption for the Woodheating Energy Systems; Reference Changed. Amend RSA 72:70 to read as follows:

72:70 Exemption for Woodheating Energy Systems. Each city and town may adopt under RSA [~~72:71~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a woodheating energy system

HB108 sec5

20 Reference Changed; Special Number Plates. Amend RSA 261:86, I(c) and (d) to read as follows:

(c) Is a former prisoner of war and was captured and incarcerated while serving in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided that such person has furnished the director with satisfactory proof of these circumstances. The plates shall be transferable upon death to the surviving spouse of the prisoner of war. The surviving spouse shall be entitled to the plate as long as he or she lives, unless he or she remarries.

(d) Was awarded the Purple Heart medal in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided that such person has furnished the director with satisfactory proof of these circumstances.

HB108 sec6

21 Reference Changed; Motor Vehicles; Exemption for Prisoners of War. Amend RSA 261:157-a to read as follows:

261:157-a Exemption for Prisoners of Wars. The legislative body of a city or town may adopt an ordinance waiving the fee to be charged for a permit to register one motor vehicle owned by any person who was captured and incarcerated for 30 days or more while serving in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided the person has provided the city or town clerk with satisfactory proof of these circumstances.

HB108 sec7

22 Reference Changed; Veterans Preference. Amend RSA 283:8, I and II to read as follows:

I. The term "armed forces" shall include those forces listed in RSA [~~72:28, I~~] ***72:28, IV***.

II. The terms "in time of war" and "during any war" shall include all the terms used in RSA [~~72:28, III~~] ***72:28, V***.

NEW

23 Contingent Amendment; HB 806. Amend the introductory paragraph of RSA 72:27-a, I to read as follows

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:29-a, RSA 72:35, RSA 72:37, RSA 72:37-b, ***RSA 72:38-b,*** RSA 72:39-a, RSA 72:62, RSA 72:66, or RSA 72:70 in the following manner:

NEW

24 Contingent Amendment; HB 806. RSA 72:38-b, VI is repealed and reenacted to read as follows:

VI. Any town or city may adopt, modify, or rescind the provisions of this section in the manner provided in RSA 72:27-a.

25 Contingent Amendment; HB 806 Application for Exemptions or Tax Credits. Amend the introductory paragraph of RSA 72:33, I to read as follows:

I. Except as provided in RSA 72:33-b, no person shall be entitled to the exemptions, deferrals, or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-a, ***38-b,*** 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by March 1 following the date of notice of tax under RSA 72:1-d, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption, deferral, or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption, deferral, or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

26 Contingent Amendment 2005; HB 806 Application for Exemptions or Tax Credits. Amend the introductory paragraph of RSA 72:33, I is repealed and reenacted to read as follows:

I. No person shall be entitled to the exemptions or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-b, 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by April 15 preceding the setting of the tax rate, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

27 Contingent Effective Date; HB 806; Exemption for Deaf. If HB 806 of the 2003 legislative session becomes law, sections 23, 24, and 25 of this act shall take effect April 1, 2003 at 12:01 a.m. and section 26 of this act shall take effect April 1, 2005 at 12:01 a.m. If HB 806 does not become law, sections 23–26 of this act shall not take effect.

HB466 Sec 12

28 Application. The provisions of this act shall not affect any validly adopted or modified property tax credit or exemption by any town or city in effect before the effective date of this act.

HB466 Sec 13

29 Repeal. The following are repealed:

I. RSA 72:28-a, relative to adoption of the optional veterans' credit.

II. RSA 72:29-b, relative to adoption of the veterans' surviving spouse credit.

III. RSA 72:35-a, relative to adoption of the credit for service connected disability.

IV. RSA 72:36-b, relative to adoption of the exemption for the blind.

HB466 Sec 13

V. RSA 72:37-c, relative to adoption of the exemption for the disabled.

VI. RSA 72:63, relative to adoption of the exemption for solar energy systems.

VII. RSA 72:67, relative to adoption of the exemption for wind-powered energy systems.

VIII. RSA 72:71, relative to adoption of the exemption for woodheating energy systems.

HB467 sec 6

30 Repeal; 2005. RSA 72:33-b, relative to the optional date for filing for elderly exemptions, is repealed.

31 Effective Date.

I. Sections 6, 7, 13 and 30 of this act shall take effect April 1, 2005.

II. Sections 23-26 of this act shall take effect as provided in section 27 of this act.

III. The remainder of this act shall take effect April 1, 2003.

2003-1628h

AMENDED ANALYSIS

This bill:

I. Clarifies the procedure for adopting or modifying property tax exemptions or credits in RSA 72 and repeals various existing provisions which are obsolete or duplicative.

II. Allows towns and cities to adopt an amount of the optional veterans' property tax credit from $51 to $500.

III. Effective April 1, 2005, changes the filing date for applications for all exemptions or tax credits, and repeals the additional optional filing date for the elderly exemption.

IV. Allows towns and cities to adopt an optional property tax credit for service-connected total disability in an amount from $701 up to $2,000.

V. Allows municipalities to adopt an extension of the property tax exemption for disabled persons who are 65 years of age or older.

VI. Lowers the residency requirement for a disabled person applying for a deferral of property taxes pursuant to the tax deferral program for the elderly and disabled.

VII. Allows for the adoption by municipalities of a married persons' combined net income and net asset qualification for purposes of the elderly exemption. Such combined net asset qualification shall apply to a surviving spouse until the sale or transfer of the property, or until the remarriage of the surviving spouse.

VIII. Clarifies references to consecutive years of residence and married persons in certain property tax exemption statutes.

Rep. Patten, Carr. 7
May 23, 2003
2003-1794h
10/09

Draft Amendment to SB 45 Not Used

Amend the title of the bill by replacing it with the following:

AN ACT relative to the adoption procedure, eligibility, and amounts of property tax exemptions and credits and the property tax deferral program.

Amend the bill by replacing all after the enacting clause with the following:

1 New Section; Procedure for Adoption, Modification, or Recission. Amend RSA 72 by inserting after section 27 the following new section:

72:27-a Procedure for Adoption, Modification, or Recission.

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:29-a, RSA 72:35, RSA 72:37, RSA 72:37-b, RSA 72:39-a, RSA 72:62, RSA 72:66, or RSA 72:70 in the following manner:

(a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3.

(b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

II. The vote shall specify the provisions of the property tax exemption or credit, the amount or such exemption or credit, and the manner of its determination, as listed in paragraph I. The exemption or credit shall take effect in the tax year beginning April 1 following its adoption.

III. A municipality may modify, if applicable, or rescind the exemption or credits provided in paragraph I in the manner described in this section.

IV. An amendment to a statutory provision listed in paragraph I related to an exemption or credit amount or to the eligibility or application of an exemption or credit, shall apply in a municipality which previously adopted the provision only after the municipality complies with the procedure in this section, unless otherwise expressly required by law.

2 Veterans' Tax Credit; Optional Credit Changed. RSA 72:28 is repealed and reenacted to read as follows:

72:28 Standard and Optional Veterans' Tax Credit.

I. The standard veterans' tax credit shall be $50.

II. The optional veterans' tax credit, upon adoption by a city or town pursuant to RSA 72:27-a, shall be an amount from $51 up to $500. The optional veterans' tax credit shall replace the standard veterans' tax credit in its entirety and shall not be in addition thereto.

III. Either the standard veterans' tax credit or the optional veterans' tax credit shall be subtracted each year from the property tax on the veteran's residential property. However, the surviving spouse of a resident who suffered a service-connected death may have the amount subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.

IV. The following persons shall qualify for the standard veterans' tax credit or the optional veterans' tax credit:

(a) Every resident of this state who served not less than 90 days in the armed forces of the United States in any qualifying war or armed conflict listed in this section and was honorably discharged or an officer honorably separated from service; or the spouse or surviving spouse of such resident;

(b) Every resident of this state who was terminated from the armed forces because of service-connected disability; or the surviving spouse of such resident; and

(c) The surviving spouse of any resident who suffered a service-connected death.

V. Service in a qualifying war or armed conflict shall be as follows:

(a) "Spanish War" between April 21, 1898 and April 11, 1899;

(b) "Philippine Insurrection" between April 12, 1899 and July 4, 1902, extended to July 15, 1903 for service in the Moro Provinces;

(c) "Boxer Rebellion" between June 16, 1900 and May 2, 1901;

(d) "World War I" between April 6, 1917 and November 11, 1918, extended to April 1, 1920 for service in Russia; provided that military or naval service on or after November 12, 1918 and before July 2, 1921, where there was prior service between April 6, 1917 and November 11, 1918 shall be considered as World War I service;

(e) "World War II" between December 7, 1941 and December 31, 1946;

(f) "Korean Conflict" between June 25, 1950 and January 31, 1955;

(g) "Vietnam Conflict" between December 22, 1961 and May 7, 1975;

(h) "Vietnam Conflict" between July 1, 1958 and December 22, 1961, if the resident earned the Vietnam service medal or the armed forces expeditionary medal; and

(i) Any other war or armed conflict that has occurred since May 8, 1975, and in which the resident earned an armed forces expeditionary medal or theater of operations service medal.

3 Veterans' Credit; Surviving Spouse; Reference Changed. Amend RSA 72:29-a, II to read as follows:

II. Upon the adoption of this paragraph by a city or town as provided in RSA [~~72:29-b~~]

72:27-a, the surviving spouse of any person who was killed or died while on active duty in the armed forces of the United States or any of the armed forces of any of the governments associated with the United States in the wars, conflicts or armed conflicts, or combat zones set forth in RSA 72:28, shall receive a tax credit in the amount [~~of $1,400~~] ***from $701 up to $2,000*** for the taxes due upon the surviving spouse's real and personal property, whether residential or not, in the same municipality where the surviving spouse is a resident.

4 Reference Changed; Proration of Credit. Amend RSA 72:30 to read as follows:

72:30 Proration of Tax Credit. If any entitled person or persons shall own a fractional interest in residential real estate, each such entitled person shall be granted a tax credit in proportion to his ***or her*** interest therein with other persons so entitled, but in no case shall the total tax credit exceed the tax credit allowed under RSA 72:28, ***I or*** II [~~or V~~], except as provided in RSA 72:31.

5 Reference Changed; Husband and Wife. Amend RSA 72:31 to read as follows:

72:31 Husband and Wife. A husband and wife, each qualifying for a tax credit, shall each be granted a tax credit upon their residential real estate as provided under RSA 72:28, ***I or*** II [~~and V~~].

6 Application for Exemptions or Tax Credits; Filing Date Changed in 2005. Amend RSA 72:33 to read as follows:

72:33 Application for Exemption or Tax Credit.

I. [~~Except as provided in RSA 72:33-b,~~] No person shall be entitled to the exemptions[~~, deferrals,~~] or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, [~~38-a,~~] 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by [~~March 1 following the date of notice of tax under RSA 72:1-d~~] ***April 15 preceding the setting of the tax rate***, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption[~~, deferral,~~] or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption[~~, deferral,~~] or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting tax exemptions[~~, deferrals,~~] and credits pursuant to RSA 72.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

I-a. If any person, otherwise qualified to receive an exemption or credit, shall

satisfy the selectmen or assessors that he or she was prevented by accident, mistake, or misfortune from filing a permanent application or amended permanent application on or before April 15 of the year in which he or she desires the exemption to begin, said officials may receive the application at a later date and grant an exemption or credit for that year; but no such application shall be received or exemption or credit granted after the local tax rate has been approved for that year.

II. Any person who changes residence after filing such a permanent application shall file an amended permanent application on or before December 1 immediately following the change of residence. The filing of the permanent application shall be sufficient for said persons to receive these exemptions or tax credits on an annual basis so long as the applicant does not change residence[~~; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by RSA 72:38-a~~].

III. If the selectmen or assessors are satisfied that the applicant has willfully made any false statement in the application to obtain an exemption or tax credit, they may refuse to grant the exemption or tax credit.

IV. [Repealed.]

V. In addition to the above requirements, applicants for exemption who claim ownership pursuant to RSA 72:29, V shall file with their application an additional statement signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing they meet the requirements of RSA 72:29, V.

VI. The assessing officials may require applicants for any exemption or tax credit to file the information listed in RSA 72:34, or the statement required by RSA 72:33, V periodically but no more frequently than annually. Failure to file such periodic statements may, at the discretion of the assessing officials, result in a loss of the exemption or tax credit for that year.

7 Investigation of Application. Amend the introductory paragraph of RSA 72:34, I to read as follows:

I. On receipt of an application provided for in RSA 72:33 ***or RSA 72:38-a***, the selectmen or assessors shall examine it as to the right to the tax exemption, tax deferral or tax credit, the ownership of the property listed, and, if necessary, the encumbrances reported.

8 Tax Credit for Service-Connected Disability; Optional Amount Increased. Amend RSA 72:35 to read as follows:

72:35 Tax Credit for Service-Connected Total Disability.

I. Any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a ***standard*** yearly tax credit in the amount of $700 of property taxes on the person's residential property.

I-a. The optional tax credit for service-connected total disability, upon adoption by a city or town pursuant to RSA 72:27-a, shall be an amount from $701 up to $2,000. The optional tax credit for service-connected total disability shall replace the standard tax credit in its entirety and shall not be in addition thereto.

I-b. Either the standard tax credit for service-connected total disability or the optional tax credit for service-connected total disability shall be subtracted each year from the property tax on the person's residential property.

II. The ***standard or optional*** tax credit [~~in paragraph I~~] ***under this section*** may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode.

III.(a) Any person applying for the ***standard or optional*** tax credit [~~granted in paragraph I~~] ***under this section*** shall furnish to the assessors or selectmen certification from the United States Department of Veterans' Affairs that the applicant is rated totally and permanently disabled from service connection. The assessors or selectmen shall accept such certification as conclusive on the question of disability unless they have specific contrary evidence and the applicant, or the applicant's representative, has had a reasonable opportunity to review and rebut that evidence. The applicant shall also be afforded a reasonable opportunity to submit additional evidence on the question of disability.

(b) Any decision to deny an application shall identify the evidence upon which the decision relied and shall be made within the time period provided by law.

(c) Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.

[~~IV.(a) Upon its adoption by a city or town as provided in RSA 72:35-a, any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a yearly tax credit in the amount of $1,400 of property taxes on the person's residential property.~~

~~(b) The tax credit in subparagraph (a) may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to the taxes due on any land or buildings appurtenant to the residence or to manufactured housing, if that is the principal place of abode.~~

~~(c) Applications for this credit shall be made in the manner prescribed by paragraph III. Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.~~]

9 Interpretation; Rules. Amend RSA 72:36, I to read as follows:

I. [~~His~~] ***The commissioner's*** interpretation of RSA 72:28, [~~72:28-a,~~] 72:29, 72:29-a, [~~72:29-b,~~] 72:30, 72:31, 72:32, 72:33, 72:33-a, 72:34, 72:34-a, 72:35, [~~72:35-a~~] and 72:36-a; and

10 Exemption for the Blind; Reference Changed. Amend RSA 72:37 to read as follows:

72:37 Exemption for the Blind. Every inhabitant who is legally blind as determined by the blind services program, bureau of vocational rehabilitation, department of education shall be exempt each year on the assessed value, for property tax purposes, of his or her residential real estate to the value of $15,000, and a city or town may exempt any amount it may determine is appropriate to address significant increases in property values in accordance with the procedures in RSA [~~72:36-b~~] ***72:27-a***. The term "residential real estate" as used in this section shall mean the same as defined in RSA 72:29. All applications made under this section shall be subject to the provisions of RSA 72:33 and RSA 72:34.

11 Exemption for the Disabled; Optional Extension Added. Amend RSA 72:37-b to read as follows:

72:37-b Exemption for the Disabled.

I. Upon its adoption by a city or town as provided in RSA [~~72:37-e~~] ***72:27-a***, any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in an amount to be chosen by the town or city.

I-a. Upon the adoption of this paragraph by a city or town as provided in RSA 72:27-a, a person eligible under Title II or Title XVI of the federal Social Security Act on his or her sixty-fifth birthday shall remain eligible for a yearly exemption either in the amount of the exemption applicable under paragraph I or the amount of the elderly exemption granted to the person under RSA 72:39-b, whichever is greater.

II. The [~~exemption~~] ***exemptions*** in paragraph I ***and I-a*** may be applied only to property which is occupied as the principal place of abode by the disabled person. The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode. ***Nothing in this section shall preclude a qualified applicant from earning an income.***

III. No exemption shall be allowed under paragraph I or I-a unless the person applying for an exemption:

(a) Had, in the calendar year preceding said April 1, a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount determined by the city or town for purposes of paragraph I or I-a. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

(1) Life insurance paid on the death of an insured.

(2) Expenses and costs incurred in the course of conducting a business enterprise.

(3) Proceeds from the sale of assets.

(b) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

IV. Additional requirements for an exemption under paragraph I or I-a shall be that the property is:

(a) Owned by the resident;

(b) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the requirements for the exemption claimed;

(c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed; or

(d) Owned by a resident, or the resident's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

12 Tax Deferral for Elderly and Disabled; Residency for Disabled Applicant. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 ***consecutive*** years ***if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant***; and

13 New Paragraph; Tax Deferral for the Elderly or Disabled. Amend RSA 72:38-a by inserting after paragraph II the following new paragraph:

II-a. No person shall be entitled to the deferral under this section unless the person has filed with the selectmen or assessors, by March 1 following the date of notice of tax under RSA 72:1-d a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner

of the property on which the deferral is claimed and that the applicant is duly qualified at the time of application. Any person who changes residence after filing such a permanent application shall file an amended permanent application on or before December 1 immediately following the change of residence. The filing of the permanent application shall be sufficient for said persons to receive a deferral on an annual basis so long as the applicant does not change residence; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by this section. The form shall include the following and such other information deemed necessary by the commissioner:

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting a deferral.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

14 Conditions for Elderly Exemption; Consecutive Years of Residence; Net Income and Assets for Married Persons. Amend RSA 72:39-a, I to read as follows:

I. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor:

(a) Has resided in this state for at least 5 ***consecutive*** years preceding April 1 in the year in which the exemption is claimed.

(b) Had in the calendar year preceding said April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount ***applicable to each age group as*** determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

(1) Life insurance paid on the death of an insured;

(2) Expenses and costs incurred in the course of conducting a business enterprise;

(3) Proceeds from the sale of assets.

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets"

means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

15 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph:

III. Upon the death of an owner residing with a spouse pursuant to paragraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

16 Procedure for Adoption and Modification of the Elderly Exemption. RSA 72:39-b is repealed and reenacted to read as follows:

72:39-b Procedure for Adoption and Modification of Elderly Exemption.

I. A town or city may adopt or modify elderly exemptions by the procedure in RSA 72:27-a.

II. An elderly exemption, based on assessed value for qualified taxpayers, shall be granted for a different dollar amount determined by the town or city, to a person 65 years of age up to 75 years, to a person 75 years of age up to 80 years, and to a person 80 years of age or older. To qualify, the person must have been a New Hampshire resident for at least 5 consecutive years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married to each other for at least 5 consecutive years. In addition, the taxpayer must have a net income in each applicable age group of not more than a dollar amount determined by the town or city of not less than $13,400 or, if married, a combined net income of not more than a dollar amount determined by the town or city of not less than $20,400; and own net assets not in excess of a dollar amount determined by the town or city of not less than $35,000 excluding the value of the person's residence or, if married, combined net assets not in excess of a dollar amount determined by the town or city of not less than $35,000 excluding the value of the residence. Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

17 Exemption for the Solar Energy Systems; Reference Changed. Amend RSA 72:62 to read as follows:

72:62 Exemption for Solar Energy Systems. Each city and town may adopt under RSA [~~72:63~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a solar energy system as defined in RSA 72:61.

18 Exemption for the Wind-Powered Energy Systems; Reference Changed. Amend RSA 72:66 to read as follows:

72:66 Exemption for Wind-Powered Energy Systems. Each city and town may adopt under RSA [~~72:67~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a wind-powered energy system.

19 Exemption for the Woodheating Energy Systems; Reference Changed. Amend RSA 72:70 to read as follows:

72:70 Exemption for Woodheating Energy Systems. Each city and town may adopt under RSA [~~72:71~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a woodheating energy system

20 Reference Changed; Special Number Plates. Amend RSA 261:86, I(c) and (d) to read as follows:

(c) Is a former prisoner of war and was captured and incarcerated while serving in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided that such person has furnished the director with satisfactory proof of these circumstances. The plates shall be transferable upon death to the surviving spouse of the prisoner of war. The surviving spouse shall be entitled to the plate as long as he or she lives, unless he or she remarries.

(d) Was awarded the Purple Heart medal in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided that such person has furnished the director with satisfactory proof of these circumstances.

21 Reference Changed; Motor Vehicles; Exemption for Prisoners of War. Amend RSA 261:157-a to read as follows:

261:157-a Exemption for Prisoners of Wars. The legislative body of a city or town may adopt an ordinance waiving the fee to be charged for a permit to register one motor vehicle owned by any person who was captured and incarcerated for 30 days or more while serving in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided the person has provided the city or town clerk with satisfactory proof of these circumstances.

22 Reference Changed; Veterans Preference. Amend RSA 283:8, I and II to read as follows:

I. The term "armed forces" shall include those forces listed in RSA [~~72:28, I~~] ***72:28, IV***.

II. The terms "in time of war" and "during any war" shall include all the terms used in RSA [~~72:28, III~~] ***72:28, V***.

23 Contingent Amendment; HB 806. Amend the introductory paragraph of RSA 72:27-a, I to read as follows

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:29-a, RSA 72:35, RSA 72:37, RSA 72:37-b, ***RSA 72:38-b,*** RSA 72:39-a, RSA 72:62, RSA 72:66, or RSA 72:70 in the following manner:

24 Contingent Amendment; HB 806. RSA 72:38-b, VI is repealed and reenacted to read as follows:

VI. Any town or city may adopt, modify, or rescind the provisions of this section in the manner provided in RSA 72:27-a.

25 Contingent Amendment; HB 806 Application for Exemptions or Tax Credits. Amend the introductory paragraph of RSA 72:33, I to read as follows:

I. Except as provided in RSA 72:33-b, no person shall be entitled to the exemptions, deferrals, or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-a, ***38-b,*** 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by March 1 following the date of notice of tax under RSA 72:1-d, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption, deferral, or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption, deferral, or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

26 Contingent Amendment 2005; HB 806 Application for Exemptions or Tax Credits. Amend the introductory paragraph of RSA 72:33, I is repealed and reenacted to read as follows:

I. No person shall be entitled to the exemptions or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-b, 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by April 15 preceding the setting of the tax rate, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

27 Contingent Effective Date; HB 806; Exemption for Deaf. If HB 806 of the 2003 legislative session becomes law, sections 23, 24, and 25 of this act shall take effect April 1, 2003 at 12:01 a.m. and section 26 of this act shall take effect April 1, 2005 at 12:01 a.m. If HB 806 does not become law, sections 23–26 of this act shall not take effect.

28 Application. The provisions of this act shall not affect any validly adopted or modified property tax credit or exemption by any town or city in effect before the effective date of this act.

29 Repeal. The following are repealed:

I. RSA 72:28-a, relative to adoption of the optional veterans' credit.

II. RSA 72:29-b, relative to adoption of the veterans' surviving spouse credit.

III. RSA 72:35-a, relative to adoption of the credit for service-connected disability.

IV. RSA 72:36-b, relative to adoption of the exemption for the blind.

V. RSA 72:37-c, relative to adoption of the exemption for the disabled.

VI. RSA 72:63, relative to adoption of the exemption for solar energy systems.

VII. RSA 72:67, relative to adoption of the exemption for wind-powered energy systems.

VIII. RSA 72:71, relative to adoption of the exemption for woodheating energy systems.

30 Repeal; 2005. RSA 72:33-b, relative to the optional date for filing for elderly exemptions, is repealed.

31 Effective Date.

I. Sections 6, 7, 13 and 30 of this act shall take effect April 1, 2005.

II. Sections 23-26 of this act shall take effect as provided in section 27 of this act.

III. The remainder of this act shall take effect April 1, 2003.

2003-1794h

AMENDED ANALYSIS

This bill:

I. Clarifies the procedure for adopting or modifying property tax exemptions or credits in RSA 72 and repeals various existing provisions which are obsolete or duplicative.

II. Allows towns and cities to adopt an amount of the optional veterans' property tax credit from $51 to $500.

III. Effective April 1, 2005, changes the filing date for applications for all exemptions or tax credits, and repeals the additional optional filing date for the elderly exemption.

IV. Allows towns and cities to adopt an optional property tax credit for service-connected total disability in an amount from $701 up to $2,000.

V. Allows municipalities to adopt an extension of the property tax exemption for disabled persons who are 65 years of age or older.

VI. Lowers the residency requirement for a disabled person applying for a deferral of property taxes pursuant to the tax deferral program for the elderly and disabled.

VII. Allows for the adoption by municipalities of a married persons' combined net income and net asset qualification for purposes of the elderly exemption. Such combined net asset qualification shall apply to a surviving spouse until the sale or transfer of the property, or until the remarriage of the surviving spouse.

VIII. Clarifies references to consecutive years of residence and married persons in certain property tax exemption statutes.

Municipal and County Government
May 27, 2003
2003-1831h
10/01

Amendment to SB 45

Amend the title of the bill by replacing it with the following:

AN ACT relative to the adoption procedure, eligibility, and amounts of property tax exemptions and credits and the property tax deferral program.

Amend the bill by replacing all after the enacting clause with the following:

1 New Section; Procedure for Adoption, Modification, or Recission. Amend RSA 72 by inserting after section 27 the following new section:

72:27-a Procedure for Adoption, Modification, or Recission.

I. Any town or city may adopt the optional provisions of RSA 72:28, RSA 72:29-a, RSA 72:35, RSA 72:37, RSA 72:37-b, RSA 72:39-a, RSA 72:62, RSA 72:66, or RSA 72:70 in the following manner:

(a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3.

(b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

II. The vote shall specify the provisions of the property tax exemption or credit, the amount or such exemption or credit, and the manner of its determination, as listed in paragraph I. The exemption or credit shall take effect in the tax year beginning April 1 following its adoption.

III. A municipality may modify, if applicable, or rescind the exemption or credits provided in paragraph I in the manner described in this section.

IV. An amendment to a statutory provision listed in paragraph I related to an exemption or credit amount or to the eligibility or application of an exemption or credit, shall apply in a municipality which previously adopted the provision only after the municipality complies with the procedure in this section, unless otherwise expressly required by law.

2 Veterans' Tax Credit; Optional Credit Changed. RSA 72:28 is repealed and reenacted to read as follows:

72:28 Standard and Optional Veterans' Tax Credit.

I. The standard veterans' tax credit shall be $50.

II. The optional veterans' tax credit, upon adoption by a city or town pursuant to RSA 72:27-a, shall be an amount from $51 up to $500. The optional veterans' tax credit shall replace the standard veterans' tax credit in its entirety and shall not be in addition thereto.

III. Either the standard veterans' tax credit or the optional veterans' tax credit shall be subtracted each year from the property tax on the veteran's residential property. However, the surviving spouse of a resident who suffered a service-connected death may have the amount subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.

IV. The following persons shall qualify for the standard veterans' tax credit or the optional veterans' tax credit:

(a) Every resident of this state who served not less than 90 days in the armed forces of the United States in any qualifying war or armed conflict listed in this section and was honorably discharged or an officer honorably separated from service; or the spouse or surviving spouse of such resident;

(b) Every resident of this state who was terminated from the armed forces because of service-connected disability; or the surviving spouse of such resident; and

(c) The surviving spouse of any resident who suffered a service-connected death.

V. Service in a qualifying war or armed conflict shall be as follows:

(a) "Spanish War" between April 21, 1898 and April 11, 1899;

(b) "Philippine Insurrection" between April 12, 1899 and July 4, 1902, extended to July 15, 1903 for service in the Moro Provinces;

(c) "Boxer Rebellion" between June 16, 1900 and May 2, 1901;

(d) "World War I" between April 6, 1917 and November 11, 1918, extended to April 1, 1920 for service in Russia; provided that military or naval service on or after November 12, 1918 and before July 2, 1921, where there was prior service between April 6, 1917 and November 11, 1918 shall be considered as World War I service;

(e) "World War II" between December 7, 1941 and December 31, 1946;

(f) "Korean Conflict" between June 25, 1950 and January 31, 1955;

(g) "Vietnam Conflict" between December 22, 1961 and May 7, 1975;

(h) "Vietnam Conflict" between July 1, 1958 and December 22, 1961, if the resident earned the Vietnam service medal or the armed forces expeditionary medal; and

(i) Any other war or armed conflict that has occurred since May 8, 1975, and in which the resident earned an armed forces expeditionary medal or theater of operations service medal.

3 Veterans' Credit; Surviving Spouse; Reference Changed. Amend RSA 72:29-a, II to read as follows:

II. Upon the adoption of this paragraph by a city or town as provided in RSA [~~72:29-b~~]

72:27-a, the surviving spouse of any person who was killed or died while on active duty in the armed forces of the United States or any of the armed forces of any of the governments associated with the United States in the wars, conflicts or armed conflicts, or combat zones set forth in RSA 72:28, shall receive a tax credit in the amount [~~of $1,400~~] ***from $701 up to $2,000*** for the taxes due upon the surviving spouse's real and personal property, whether residential or not, in the same municipality where the surviving spouse is a resident.

4 Reference Changed; Proration of Credit. Amend RSA 72:30 to read as follows:

72:30 Proration of Tax Credit. If any entitled person or persons shall own a fractional interest in residential real estate, each such entitled person shall be granted a tax credit in proportion to his ***or her*** interest therein with other persons so entitled, but in no case shall the total tax credit exceed the tax credit allowed under RSA 72:28, ***I or*** II [~~or V~~], except as provided in RSA 72:31.

5 Reference Changed; Husband and Wife. Amend RSA 72:31 to read as follows:

72:31 Husband and Wife. A husband and wife, each qualifying for a tax credit, shall each be granted a tax credit upon their residential real estate as provided under RSA 72:28, ***I or*** II [~~and V~~].

6 Application for Exemptions or Tax Credits; Filing Date Changed in 2005. Amend RSA 72:33 to read as follows:

72:33 Application for Exemption or Tax Credit.

I. [~~Except as provided in RSA 72:33-b,~~] No person shall be entitled to the exemptions[~~, deferrals,~~] or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, [~~38-a,~~] 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by [~~March 1 following the date of notice of tax under RSA 72:1-d~~] ***April 15 preceding the setting of the tax rate***, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption[~~, deferral,~~] or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption[~~, deferral,~~] or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting tax exemptions[~~, deferrals,~~] and credits pursuant to RSA 72.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

I-a. If any person, otherwise qualified to receive an exemption or credit, shall

satisfy the selectmen or assessors that he or she was prevented by accident, mistake, or misfortune from filing a permanent application or amended permanent application on or before April 15 of the year in which he or she desires the exemption to begin, said officials may receive the application at a later date and grant an exemption or credit for that year; but no such application shall be received or exemption or credit granted after the local tax rate has been approved for that year.

II. Any person who changes residence after filing such a permanent application shall file an amended permanent application on or before December 1 immediately following the change of residence. The filing of the permanent application shall be sufficient for said persons to receive these exemptions or tax credits on an annual basis so long as the applicant does not change residence[~~; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by RSA 72:38-a~~].

III. If the selectmen or assessors are satisfied that the applicant has willfully made any false statement in the application to obtain an exemption or tax credit, they may refuse to grant the exemption or tax credit.

IV. [Repealed.]

V. In addition to the above requirements, applicants for exemption who claim ownership pursuant to RSA 72:29, V shall file with their application an additional statement signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing they meet the requirements of RSA 72:29, V.

VI. The assessing officials may require applicants for any exemption or tax credit to file the information listed in RSA 72:34, or the statement required by RSA 72:33, V periodically but no more frequently than annually. Failure to file such periodic statements may, at the discretion of the assessing officials, result in a loss of the exemption or tax credit for that year.

7 Investigation of Application. Amend the introductory paragraph of RSA 72:34, I to read as follows:

I. On receipt of an application provided for in RSA 72:33 ***or RSA 72:38-a***, the selectmen or assessors shall examine it as to the right to the tax exemption, tax deferral or tax credit, the ownership of the property listed, and, if necessary, the encumbrances reported.

8 Tax Credit for Service-Connected Disability; Optional Amount Increased. Amend RSA 72:35 to read as follows:

72:35 Tax Credit for Service-Connected Total Disability.

I. Any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a ***standard*** yearly tax credit in the amount of $700 of property taxes on the person's residential property.

I-a. The optional tax credit for service-connected total disability, upon adoption by a city or town pursuant to RSA 72:27-a, shall be an amount from $701 up to $2,000. The optional tax credit for service-connected total disability shall replace the standard tax credit in its entirety and shall not be in addition thereto.

I-b. Either the standard tax credit for service-connected total disability or the optional tax credit for service-connected total disability shall be subtracted each year from the property tax on the person's residential property.

II. The ***standard or optional*** tax credit [~~in paragraph I~~] ***under this section*** may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode.

III.(a) Any person applying for the ***standard or optional*** tax credit [~~granted in paragraph I~~] ***under this section*** shall furnish to the assessors or selectmen certification from the United States Department of Veterans' Affairs that the applicant is rated totally and permanently disabled from service connection. The assessors or selectmen shall accept such certification as conclusive on the question of disability unless they have specific contrary evidence and the applicant, or the applicant's representative, has had a reasonable opportunity to review and rebut that evidence. The applicant shall also be afforded a reasonable opportunity to submit additional evidence on the question of disability.

(b) Any decision to deny an application shall identify the evidence upon which the decision relied and shall be made within the time period provided by law.

(c) Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.

[~~IV.(a) Upon its adoption by a city or town as provided in RSA 72:35-a, any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a yearly tax credit in the amount of $1,400 of property taxes on the person's residential property.~~

~~(b) The tax credit in subparagraph (a) may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to the taxes due on any land or buildings appurtenant to the residence or to manufactured housing, if that is the principal place of abode.~~

~~(c) Applications for this credit shall be made in the manner prescribed by paragraph III. Any tax credit shall be divided evenly among the number of tax payments required annually by the town or city so that a portion of the tax credit shall apply to each tax payment to be made.~~]

9 Interpretation; Rules. Amend RSA 72:36, I to read as follows:

I. [~~His~~] ***The commissioner's*** interpretation of RSA 72:28, [~~72:28-a,~~] 72:29, 72:29-a, [~~72:29-b,~~] 72:30, 72:31, 72:32, 72:33, 72:33-a, 72:34, 72:34-a, 72:35, [~~72:35-a~~] and 72:36-a; and

10 Exemption for the Blind; Reference Changed. Amend RSA 72:37 to read as follows:

72:37 Exemption for the Blind. Every inhabitant who is legally blind as determined by the blind services program, bureau of vocational rehabilitation, department of education shall be exempt each year on the assessed value, for property tax purposes, of his or her residential real estate to the value of $15,000, and a city or town may exempt any amount it may determine is appropriate to address significant increases in property values in accordance with the procedures in RSA [~~72:36-b~~] ***72:27-a***. The term "residential real estate" as used in this section shall mean the same as defined in RSA 72:29. All applications made under this section shall be subject to the provisions of RSA 72:33 and RSA 72:34.

11 Exemption for the Disabled; Optional Extension Added. Amend RSA 72:37-b to read as follows:

72:37-b Exemption for the Disabled.

I. Upon its adoption by a city or town as provided in RSA [~~72:37-c~~] ***72:27-a***, any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in an amount to be chosen by the town or city.

I-a. Upon the adoption of this paragraph by a city or town as provided in RSA 72:27-a, a person eligible under Title II or Title XVI of the federal Social Security Act on his or her sixty-fifth birthday shall remain eligible for a yearly exemption either in the amount of the exemption applicable under paragraph I or the amount of the elderly exemption granted to the person under RSA 72:39-b, whichever is greater.

II. The [~~exemption~~] ***exemptions*** in paragraph I ***and I-a*** may be applied only to property which is occupied as the principal place of abode by the disabled person. The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode. ***Nothing in this section shall preclude a qualified applicant from earning an income.***

III. No exemption shall be allowed under paragraph I or I-a unless the person applying for an exemption:

(a) Had, in the calendar year preceding said April 1, a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount determined by the city or town for purposes of paragraph I or I-a. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

(1) Life insurance paid on the death of an insured.

(2) Expenses and costs incurred in the course of conducting a business enterprise.

(3) Proceeds from the sale of assets.

(b) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

IV. Additional requirements for an exemption under paragraph I or I-a shall be that the property is:

(a) Owned by the resident;

(b) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the requirements for the exemption claimed;

(c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed; or

(d) Owned by a resident, or the resident's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

12 Tax Deferral for Elderly and Disabled; Residency for Disabled Applicant. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 *consecutive* years *if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant*; and

13 New Paragraph; Tax Deferral for the Elderly or Disabled. Amend RSA 72:38-a by inserting after paragraph II the following new paragraph:

II-a. No person shall be entitled to the deferral under this section unless the person has filed with the selectmen or assessors, by March 1 following the date of notice of tax under RSA 72:1-d a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner

of the property on which the deferral is claimed and that the applicant is duly qualified at the time of application. Any person who changes residence after filing such a permanent application shall file an amended permanent application on or before December 1 immediately following the change of residence. The filing of the permanent application shall be sufficient for said persons to receive a deferral on an annual basis so long as the applicant does not change residence; provided, however, that towns and cities may require an annual application for the tax deferral authorized for the elderly and disabled by this section. The form shall include the following and such other information deemed necessary by the commissioner:

(a) Instructions on completing and filing the form, including an explanation of the grounds for requesting a deferral.

(b) Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

(c) A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

(d) A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

14 Conditions for Elderly Exemption; Consecutive Years of Residence; Net Income and Assets for Married Persons. Amend RSA 72:39-a, I to read as follows:

I. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor:

(a) Has resided in this state for at least 5 ***consecutive*** years preceding April 1 in the year in which the exemption is claimed.

(b) Had in the calendar year preceding said April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount ***applicable to each age group as*** determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:

(1) Life insurance paid on the death of an insured;

(2) Expenses and costs incurred in the course of conducting a business enterprise;

(3) Proceeds from the sale of assets.

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets"

means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

15 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph:

III. Upon the death of an owner residing with a spouse pursuant to paragraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

16 Procedure for Adoption and Modification of the Elderly Exemption. RSA 72:39-b is repealed and reenacted to read as follows:

72:39-b Procedure for Adoption and Modification of Elderly Exemption.

I. A town or city may adopt or modify elderly exemptions by the procedure in RSA 72:27-a.

II. An elderly exemption, based on assessed value for qualified taxpayers, shall be granted for a different dollar amount determined by the town or city, to a person 65 years of age up to 75 years, to a person 75 years of age up to 80 years, and to a person 80 years of age or older. To qualify, the person must have been a New Hampshire resident for at least 5 consecutive years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married to each other for at least 5 consecutive years. In addition, the taxpayer must have a net income in each applicable age group of not more than a dollar amount determined by the town or city of not less than $13,400 or, if married, a combined net income of not more than a dollar amount determined by the town or city of not less than $20,400; and own net assets not in excess of a dollar amount determined by the town or city of not less than $35,000 excluding the value of the person's residence or, if married, combined net assets not in excess of a dollar amount determined by the town or city of not less than $35,000 excluding the value of the residence. Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

17 Exemption for the Solar Energy Systems; Reference Changed. Amend RSA 72:62 to read as follows:

72:62 Exemption for Solar Energy Systems. Each city and town may adopt under RSA [~~72:63~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a solar energy system as defined in RSA 72:61.

18 Exemption for the Wind-Powered Energy Systems; Reference Changed. Amend RSA 72:66 to read as follows:

72:66 Exemption for Wind-Powered Energy Systems. Each city and town may adopt under RSA [~~72:67~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a wind-powered energy system.

19 Exemption for the Woodheating Energy Systems; Reference Changed. Amend RSA 72:70 to read as follows:

72:70 Exemption for Woodheating Energy Systems. Each city and town may adopt under RSA [~~72:71~~] ***72:27-a*** an exemption from the assessed value, for property tax purposes, for persons owning real property which is equipped with a woodheating energy system

20 Reference Changed; Special Number Plates. Amend RSA 261:86, I(c) and (d) to read as follows:

(c) Is a former prisoner of war and was captured and incarcerated while serving in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided that such person has furnished the director with satisfactory proof of these circumstances. The plates shall be transferable upon death to the surviving spouse of the prisoner of war. The surviving spouse shall be entitled to the plate as long as he or she lives, unless he or she remarries.

(d) Was awarded the Purple Heart medal in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided that such person has furnished the director with satisfactory proof of these circumstances.

21 Reference Changed; Motor Vehicles; Exemption for Prisoners of War. Amend RSA 261:157-a to read as follows:

261:157-a Exemption for Prisoners of Wars. The legislative body of a city or town may adopt an ordinance waiving the fee to be charged for a permit to register one motor vehicle owned by any person who was captured and incarcerated for 30 days or more while serving in a qualifying war or armed conflict as defined in RSA [~~72:28, IV~~] ***72:28, V***, and who was honorably discharged, provided the person has provided the city or town clerk with satisfactory proof of these circumstances.

22 Reference Changed; Veterans Preference. Amend RSA 283:8, I and II to read as follows:

I. The term "armed forces" shall include those forces listed in RSA [~~72:28, I~~] ***72:28, IV***.

II. The terms "in time of war" and "during any war" shall include all the terms used in RSA [~~72:28, III~~] ***72:28, V***.

23 Contingent Amendment; HB 806. Amend the introductory paragraph of RSA 72:27-a, I to read as follows

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:29-a, RSA 72:35, RSA 72:37, RSA 72:37-b, ***RSA 72:38-b,*** RSA 72:39-a, RSA 72:62, RSA 72:66, or RSA 72:70 in the following manner:

24 Contingent Amendment; HB 806. RSA 72:38-b, VI is repealed and reenacted to read as follows:

VI. Any town or city may adopt, modify, or rescind the provisions of this section in the manner provided in RSA 72:27-a.

25 Contingent Amendment; HB 806 Application for Exemptions or Tax Credits. Amend the introductory paragraph of RSA 72:33, I to read as follows:

I. Except as provided in RSA 72:33-b, no person shall be entitled to the exemptions, deferrals, or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-a, ***38-b,*** 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by March 1 following the date of notice of tax under RSA 72:1-d, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption, deferral, or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption, deferral, or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

26 Contingent Amendment 2005; HB 806 Application for Exemptions or Tax Credits. Amend the introductory paragraph of RSA 72:33, I is repealed and reenacted to read as follows:

I. No person shall be entitled to the exemptions or tax credits provided by RSA 72:28, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-b, 39-b, 62, 66, and 70 unless the person has filed with the selectmen or assessors, by April 15 preceding the setting of the tax rate, a permanent application therefor, signed under penalty of perjury, on a form approved and provided by the commissioner of revenue administration, showing that the applicant is the true and lawful owner of the property on which the exemption or tax credit is claimed and that the applicant was duly qualified upon April 1 of the year in which the exemption or tax credit is first claimed, or, in the case of financial qualifications, that the applicant is duly qualified at the time of application. The form shall include the following and such other information deemed necessary by the commissioner:

27 Contingent Effective Date; HB 806; Exemption for Deaf. If HB 806 of the 2003 legislative session becomes law, sections 23, 24, and 25 of this act shall take effect April 1, 2003 at 12:01 a.m. and section 26 of this act shall take effect April 1, 2005 at 12:01 a.m. If HB 806 does not become law, sections 23–26 of this act shall not take effect.

28 Application. The provisions of this act shall not affect any validly adopted or modified property tax credit or exemption by any town or city in effect before the effective date of this act.

29 Repeal. The following are repealed:

I. RSA 72:28-a, relative to adoption of the optional veterans' credit.

II. RSA 72:29-b, relative to adoption of the veterans' surviving spouse credit.

III. RSA 72:35-a, relative to adoption of the credit for service-connected disability.

IV. RSA 72:36-b, relative to adoption of the exemption for the blind.

V. RSA 72:37-c, relative to adoption of the exemption for the disabled.

VI. RSA 72:63, relative to adoption of the exemption for solar energy systems.

VII. RSA 72:67, relative to adoption of the exemption for wind-powered energy systems.

VIII. RSA 72:71, relative to adoption of the exemption for woodheating energy systems.

30 Repeal; 2005. RSA 72:33-b, relative to the optional date for filing for elderly exemptions, is repealed.

31 Effective Date.

I. Sections 6, 7, 13 and 30 of this act shall take effect April 1, 2005.

II. Sections 23-26 of this act shall take effect as provided in section 27 of this act.

III. The remainder of this act shall take effect April 1, 2003.

2003-1831h

AMENDED ANALYSIS

This bill:

I. Clarifies the procedure for adopting or modifying property tax exemptions or credits in RSA 72 and repeals various existing provisions which are obsolete or duplicative.

II. Allows towns and cities to adopt an amount of the optional veterans' property tax credit from $51 to $500.

III. Effective April 1, 2005, changes the filing date for applications for all exemptions or tax credits, and repeals the additional optional filing date for the elderly exemption.

IV. Allows towns and cities to adopt an optional property tax credit for service-connected total disability in an amount from $701 up to $2,000.

V. Allows municipalities to adopt an extension of the property tax exemption for disabled persons who are 65 years of age or older.

VI. Lowers the residency requirement for a disabled person applying for a deferral of property taxes pursuant to the tax deferral program for the elderly and disabled.

VII. Allows for the adoption by municipalities of a married persons' combined net income and net asset qualification for purposes of the elderly exemption. Such combined net asset qualification shall apply to a surviving spouse until the sale or transfer of the property, or until the remarriage of the surviving spouse.

VIII. Clarifies references to consecutive years of residence and married persons in certain property tax exemption statutes.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB 45 Date 4/9/03

Committee

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Sen. Sylvia Larsen, Dist. 15				✓	
Rep Pamela Coughlin District 45				✓	
SEN. JACK BARNES, JR.				✓	

Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON SB 45

BILL TITLE: relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.

DATE: April 9, 2003

LOB ROOM: 301 **Time Public Hearing Called to Order:** 10:00 AM

Time Adjourned: 10:16 AM

(please circle if present)

Committee Members: Reps. Patten, Brundige, Lockwood, Twombly, Boyce, Dumaine, Stohl, Noyes, Buhlman, Doyle, C. Dunne, Dupuis, Gillick, Gould, M. Pappas, N. Johnson, M. Cooney, Davidson, Osborne, Schmidt and Theberge.

Bill Sponsors: Sen. Gatsas, Dist 16; Sen. Larsen, Dist 15; Sen. Barnes, Dist 17; Sen. Roberge, Dist 9; Rep. Gongalez, Hills 49

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Sen. Gatsas, Dist 16

Similar legislation to last years. This combines three bills that were in the House. Differences small, intent and purpose the same. Increases the veterans' credit, increases the disability exemption and allows choice at age 65 of disability or elderly. This bill adjusts the asset time for different ages in elderly exemption. The five-year consecutive item for domicile was taken out on the advice of counsel.

Sen. Barnes, Dist 17

Supports this bill. Need to put the three House bills in with this one at Committee of Conference.

Respectfully submitted,

Priscilla P. Lockwood

Priscilla P. Lockwood, Clerk
Municipal and County Government

Testimony

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
	HB 424 - AS AMENDED 2003 SESSION HOUSE BILL ***424*** AN ACT relative to a net asset qualification and age qualifications for the elderly property tax exemption, and clarifying certain references in property tax exemptions.	**SB 45 - AS AMENDED BY THE SENATE** 03/27/03 0862s 03/27/03 0903s 2003 SESSION 03-0433 10/09 SENATE BILL ***SB 45*** AN ACT relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.	
§ 72:39-a. Conditions for Elderly Exemption. I. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor: (a) Has resided in this state for at least 5 years preceding April 1 in the year in which the exemption is claimed.	1 Property Taxation; Conditions for Elderly Exemption; Consecutive Years of Residence. Amend RSA 72:39-a, I(a) to read as follows: (a) Has resided in this state for at least 5 ***consecutive*** years preceding April 1 in the year in which the exemption is claimed.	14 Repeal. RSA 72:39-a, I(a), relative to the 5-year residency requirement for the elderly exemption, is repealed.	**HB 424 SPECIFIES THAT APPLICANT FOR ELDERLY EXEMPTION MUST HAVE RESIDED IN THIS STATE FOR 5 CONSECUTIVE YEARS PRIOR TO APRIL 1 IN THE YEAR IN WHICH THE EXEMPTION IS CLAIMED. SB 45 DELETES THIS PROVISION.**
§ 72:39-a. Conditions for Elderly Exemption. I. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor: (b) Had in the calendar year preceding said		9 Conditions for Elderly Exemption. Amend the introductory paragraph of RSA 72:39-a, I(b) to read as follows: (b) Had in the calendar year preceding said	**SB 45 ADDS REFERENCE TO APPLICABILITY TO EACH AGE GROUP UNDER ELDERLY EXEMPTION.**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof: (1) Life insurance paid on the death of an insured; (2) Expenses and costs incurred in the course of conducting a business enterprise; (3) Proceeds from the sale of assets.		April 1 a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount ***applicable to each age group as*** determined by the city or town for purposes of RSA 72:39-b. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:	
§ 72:39-a. Conditions for Elderly Exemption. I. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor: (c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the	2 Property Taxation; Conditions for Elderly Exemption; Net Assets for Married Persons. Amend RSA 72:39-a, I(c) to read as follows: (c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the	10 Property Taxation; Conditions for Elderly Exemption; Net Assets for Married Persons. Amend RSA 72:39-a, I(c) to read as follows: (c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the	**SAME** **(COMBINED NET ASSETS FOR MARRIED PERSONS FOR ELDERLY EXEMPTION)**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. 'Net assets' means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. 'Residence' means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. 'Residence' shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.	local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.	local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.	
	3 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph: III. Upon the death of an owner residing with a spouse pursuant to subparagraph II(b) or II(d), the combined net asset amount for married persons determined by	11 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph: III. Upon the death of an owner residing with a spouse pursuant to paragraph II(b) or II(d), the combined net asset amount for married persons determined by	**SAME** **(NEW PARGRAPH FOR COMBINED NET ASSET AMOUNT TO APPLY TO SURVIVING SPOUSE UNDER ELDERLY EXEMPTION)**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
	the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.	the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.	
§ 72:39-b. Procedure for Adoption and Modification of Elderly Exemption. I. Any town or city may adopt or modify elderly exemptions in the following manner: (c) The wording of the question shall be: 'Shall we modify the elderly exemptions from property tax in the town (city) of _____, based on assessed value, for qualified taxpayers, to be as follows: for a person 65 years of age up to 75 years, (here insert dollar amount); for a person 75 years of age up to 80 years, (here insert dollar amount); for a person 80 years of age or older (here insert dollar amount). To qualify, the person must have been a New Hampshire resident for at least 5 years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married for at least 5 years. In addition, the taxpayer must have a net income of not more than (here insert a dollar amount not	4 Property Taxation; Adoption or Modification of Elderly Exemption; Net Assets for Married Persons. Amend RSA 72:39-b, I(c) to read as follows: (c) The wording of the question shall be: "Shall we modify the elderly exemptions from property tax in the town (city) of _____, based on assessed value, for qualified taxpayers, to be as follows: for a person 65 years of age up to 75 years, (here insert dollar amount); for a person 75 years of age up to 80 years, (here insert dollar amount); for a person 80 years of age or older (here insert dollar amount). To qualify, the person must have been a New Hampshire resident for at least 5 ***consecutive*** years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married ***to each other*** for at least 5 ***consecutive*** years. In addition, the taxpayer must have a net income of not	12 Property Taxation; Adoption or Modification of Elderly Exemption; 5-year Residency Removed; Net Assets for Married Persons. Amend RSA 72:39-b, I(c) to read as follows: (c) The wording of the question shall be: "Shall we modify the elderly exemptions from property tax in the town (city) of _____, based on assessed value, for qualified taxpayers, to be as follows: for a person 65 years of age up to 75 years, (here insert dollar amount); for a person 75 years of age up to 80 years, (here insert dollar amount); for a person 80 years of age or older (here insert dollar amount). To qualify, the person must [~~have been a New Hampshire resident for at least 5 years,~~] own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married ***to each other*** for at least 5 ***consecutive*** years. In addition, the taxpayer must have a net income of not	**HB 424 ADDS "CONSECUTIVE" TO THE FIVE YEAR NH RESIDENCY REQUIREMENT FOR THE ELDERLY EXEMPTION.** **SB 45 <u>DELETES</u> THE 5 YEAR NH RESIDENCY REQUIREMENT FOR ELDERLY EXEMPTION.** **BOTH HB 424 AND SB 45 ADD "CONSECUTIVE" AND "EACH OTHER" TO ELDERLY EXEMPTION SPOUSAL PROVISION (REAL ESTATE OWNED BY SPOUSE).**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
less than $13,400) or, if married, a combined net income of less than (here insert a dollar amount not less than $20,400); and own net assets not in excess of (here insert a dollar amount not less than $35,000 excluding the value of the person's residence).' Under no circumstances shall the amounts of the exemption for any age category be less than $5,000.	more than (here insert a dollar amount not less than $13,400) or, if married, a combined net income of less than (here insert a dollar amount not less than $20,400); and own net assets not in excess of (here insert a dollar amount not less than $35,000 excluding the value of the person's residence) ***or, if married, combined net assets not in excess of (here insert a dollar amount of $35,000 or greater) excluding the value of the residence."*** Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. ***The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.***	more than (here insert a dollar amount not less than $13,400) or, if married, a combined net income of less than (here insert a dollar amount not less than $20,400); and own net assets not in excess of (here insert a dollar amount not less than $35,000 excluding the value of the person's residence) ***or, if married, combined net assets not in excess of (here insert a dollar amount of $35,000 or greater) excluding the value of the residence."*** Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. ***The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.***	**SAME (BOTH BILLS ADD LANGUAGE RELATIVE TO COMBINED NET ASSETS IN EXCESS OF $35,000 AND REMARRIEAGE OR SURVIVING SPOUSE)**
		13 New Paragraph; Adoption or Modification of Elderly Exemption; Income Limits. Amend RSA 72:39-b by inserting after paragraph I the following new paragraph: I-a. In addition to the provisions of paragraph I, a town or city may adopt or modify the elderly exemption by including different net income limits, or combined net income limits for married persons,	**SB 45 ADDS A NEW PARAGRAPH TO MODIFY ELDERLY EXEMPTIONS BY INCLUDING DIFFERENT NET INCOME LIMITS OR COMBINED NET INCOME LIMITS FOR MARRIED PERSONS.**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
		applicable to each of the 3 age groupings listed in subparagraph I(c). Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. Any town or city may adopt the provisions of this paragraph by including the provisions in the referendum under paragraph I, or by the following manner: (a) In a town, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3, and shall be voted upon by official ballot if that town has adopted the official ballot for the election of officers. A public hearing shall be held at least 15 but not more than 60 days prior to the vote. (b) In a city or town with a town council, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such city or town may vote to place the question on the official ballot for any regular municipal election. (c) The vote shall specify the provisions of the net income limits applicable to each age group listed in subparagraph I(c) as provided in this paragraph. The income	

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
		limits for each age group shall take effect in the tax year beginning April 1 following its adoption. (d) A municipality may rescind the net income limits applicable to each age group in the manner described in subparagraph (a) or (b).	
§ 72:37-b. Exemption for the Disabled. I. Upon its adoption by a city or town as provided in RSA 72:37-c, any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in an amount to be chosen by the town or city.		6 Exemption for the Disabled; Optional Extension Added. Amend RSA 72:37-b to read as follows: 72:37-b Exemption for the Disabled. I. Upon its adoption by a city or town as provided in RSA 72:37-c, any person who is eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled shall receive a yearly exemption in an amount to be chosen by the town or city. ***I-a. Upon the adoption of this paragraph by a city or town as provided in RSA 72:37-c, a person eligible under Title II or Title XVI of the federal Social Security Act on his or her sixty-fifth birthday shall remain eligible for a yearly exemption either in the amount of the exemption applicable under paragraph I or the amount of the elderly exemption granted to the person under RSA 72:39-b, whichever is greater.*** II. The [~~exemption~~] *exemptions* in	**SB 45 ADDS NEW PARAGRAPH I-A FOR OPTIONAL EXTENSION OF EXEMPTION FOR THE <u>DISABLED</u>. NEW PARAGRAPH ALLOWS MUNICIPALITIES TO VOTE TO ALLOW A DISABLED INDIVIDUAL, UPON REACHING HIS OR HER 65TH BIRTHDAY, TO REMAIN ELIGIBLE FOR THE EXEMPTION FOR THE DISABLED OR THE ELDERLY EXEMPTION, WHICHEVER IS GREATER.**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
II. The exemption in paragraph I may be applied only to property which is occupied as the principal place of abode by the disabled person. The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode.		paragraph I ***and I-a*** may be applied only to property which is [~~occupied as the principal place of abode by~~] the disabled [~~person~~] ***person's principal place of residence and domicile for purposes of RSA 654:1***. The exemption may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of [~~abode~~] ***residence and domicile Nothing in this section shall preclude a qualified applicant from earning an income..*** ***III. No exemption shall be allowed under paragraphs I or I-a unless the person applying for an exemption:*** ***(a) Had, in the calendar year preceding said April 1, a net income from all sources, or if married, a combined net income from all sources, of not more than the respective amount determined by the city or town for purposes of paragraphs I or I-a. Under no circumstances shall the amount determined by the city or town be less than $13,400 for a single person or $20,400 for married persons. The net income shall be determined by deducting from all moneys received, from any source including social security or pension payments, the amount of any of the following or the sum thereof:*** ***(1) Life insurance paid on the death of an***	**SB 45 ADDS A REFERENCE TO NEW PARAGRAPH I-A.** **SB 45 REPLACES THE WORD "ABODE" WITH "RESIDENCE AND DOMICILE FOR PURPOSES OF RSA 654:1"** **SB 45 REPLACES "ABODE". PROVISION ADDED TO NOT PRECLUDE QUALIFIED DIABLED APPLICANTS FROM EARNING AN INCOME** **SB 45 ADDS NEW PARAGRAPHS III AND IV LISTING SPECIFIC QUALIFICATIONS FOR DISABLED EXEMPTION, BUT NO 5 YEAR RESIDENCY REQUIREMENT.**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
		insured. *(2) Expenses and costs incurred in the course of conducting a business enterprise.* *(3) Proceeds from the sale of assets.* *(b) Owns net assets not in excess of the amount determined by the city or town for purposes of paragraph I, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000 or, if married, combined net assets in such greater amount as may be determined by the town or city. "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.*	

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
		IV. Additional requirements for an exemption under paragraphs I or I-a shall be that the property is: ***(a) Owned by the resident;*** ***(b) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the requirements for the exemption claimed;*** ***(c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed;*** ***(d) Owned by a resident, or the resident's spouse, either of whom meets the requirements for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.***	**SB 45 INCLUDES A REQUIREMENT FOR 5 CONSECUTIVE YEARS MARRIED TO EACH OTHER FOR DISABLED SPOUSAL REAL ESTATE PROVISION.**
§ 72:37-c. Procedure for Adoption. I. Any town or city may adopt the provisions of RSA 72:37-b for an optional exemption for the disabled in the following manner: (a) In a town, the question shall be placed on the warrant of a special or annual town	5 Exemption for the Disabled; Qualifications Clarified. Amend RSA 72:37-c, I(c) to read as follows:	7 Procedure for Adoption; Exemption for the Disabled. RSA 72:37-c is repealed and reenacted to read as follows: 72:37-c Procedure for Adoption. I. Any town or city may adopt the provisions of RSA 72:37-b, I, and may either jointly or separately adopt the provisions of RSA 72:37-b, I-a, in the following manner: (a) In a town, the question shall be placed	**SB 45 RESTRUCTURES THE ADOPTION PROCEDURE FOR THE DISABLED TO INCLUDE A REFERENCE TO THE NEW PROVISION ALLOWING TOWNS TO VOTE TO ALLOW A DISABLED INDIVIDUAL TO KEEP THE LARGER EXEMPTION UPON HIS OR HER 65TH BIRTHDAY. TOWNS MAY ADOPT THE "EXTENSION" LANGUAGE SEPARATELY OR AT**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
meeting under the procedures set out in RSA 39:3, and shall be voted on by ballot. In a city, the legislative body may consider and act upon the question in accordance with their normal procedures for passage of resolutions, ordinances, and other legislation. The legislative body of a city may vote to place the question on the official ballot for any regular municipal election, or in the alternative, shall place the question on the official ballot for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent of the registered voters. (b) The selectmen or city council shall hold a public hearing on the question at least 15 days but not more than 30 days before the question is to be voted on. Notice of the hearing shall be posted in at least 2 public places in the municipality and published in a newspaper of general circulation at least 7 days before the hearing. (c) The wording of the question shall be: 'Shall we adopt an exemption for the disabled? The exemption, based on assessed value, for qualified taxpayers shall be (here insert dollar amount). To qualify, the person must have been a New Hampshire resident for at least 5 years and	(c) The wording of the question shall be: "Shall we adopt an exemption for the disabled? The exemption, based on assessed value, for qualified taxpayers shall be (here insert dollar amount). To qualify, the person must have been a New Hampshire resident for at least 5	on the warrant of a special or annual town meeting, by the governing body or by petition pursuant to RSA 39:3, and shall be voted upon by official ballot if that town has adopted the official ballot for the election of officers. A public hearing shall be held at least 15 but not more than 60 days prior to the vote. (b) In a city or town with a town council, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such city or town may vote to place the question on the official ballot for any regular municipal election. II. The vote shall specify the provisions of the exemption provided in RSA 72:37-b, I or the extension of the exemption provided in RSA 72:37-b, I-a. The exemption shall take effect in the tax year beginning April 1 following its adoption. III. A municipality may modify or rescind the exemptions provided by this section in the manner described in this section.	**THE SAME TIME THEY ADOPT THE DISABLED EXEMPTION.** **SB 45 ALSO MODIFIES ADOPTION LANGUAGE.** **HB 424 ADDS REFERENCES TO "CONSECUTIVE YEARS" TO THE 5 YEAR RESIDENCY REQUIREMENT. HB 424 ADDS "CONSECUTIVE" AND "EACH OTHER" TO THE MARRIAGE PROVISON (ADOPTION**

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
own and occupy the real estate individually or jointly, or if the real estate is owned by a spouse, they must have been married for at least 5 years. In addition, the taxpayer must have a net income of not more than (here insert dollar amount) or, if married, a combined net income of not more than (here insert dollar amount); and own net assets not in excess of (here insert dollar amount) excluding the value of the person's residence.' II. If a majority of those voting on the question vote 'Yes,' the exemption for the disabled shall apply within the town or city on the date set by the selectmen or the city council; provided, however, that upon adoption the exemption shall take effect no later than April 1 next following the referendum. III. A municipality may change the amounts of the exemption for the disabled in the manner described in paragraph I. The wording of the question shall be the same as set out in subparagraph I(c), except the word 'adopt' shall be changed to 'modify.' IV. (a) A town or city may consider rescinding its action in the manner described in paragraph I. The wording of the question shall be the same as set out in subparagraph I(c), except the word 'adopt'	***consecutive*** years and own and occupy the real estate individually or jointly, or if the real estate is owned by a spouse, they must have been married ***to each other*** for at least 5 ***consecutive*** years. In addition, the taxpayer must have a net income of not more than (here insert dollar amount) or, if married, a combined net income of not more than (here insert dollar amount); and own net assets not in excess of (here insert dollar amount) excluding the value of the person's residence."		QUESTION)

CURRENT LAW	HB 424 AS AMENDED (0826h) & HB 455 AS INTRODUCED	SB 45 AS AMENDED (0862s) SECTIONS 6-15	COMPARISON
shall be changed to 'rescind.' (b) If a majority of those voting on the question vote 'Yes,' then as of the next April 1, following the action taken to rescind, the exemption for the disabled shall not apply within the town or city.			
§ 72:38-a. Tax Deferral for Elderly and Disabled. I. Any resident property owner may apply for a tax deferral if the person: (a) Is either at least 65 years old or eligible under Title II or Title XVI of the federal Social Security Act for benefits for the disabled; and (b) Has owned the homestead for at least 5 years; and (c) Is living in the home.	**6 Tax Deferral for the Elderly and Disabled; Qualifications Clarified. Amend RSA 72:38-a, I(b) to read as follows: (b) Has owned the homestead for at least 5 ***consecutive*** years; and	8 Tax Deferral for the Elderly and Disabled; Qualifications Clarified. Amend RSA 72:38-a, I(b) to read as follows: (b) Has owned the homestead for at least 5 ***consecutive*** years; and	**SAME **(ADDS "CONSECUTIVE" TO TAX DEFERRAL PROVISION)** **SEE NOTE AT END OF TABLE FOR HB 455**
	7 Effective Date. This act shall take effect 60 days after its passage.	15 Effective Date. This act shall take effect April 1, 2003	**HB 424 IS EFFECTIVE 60 DAYS AFTER PASSAGE. SB 45 IS EFFECTIVE APRIL 1, 2003.**

**HB 455 AS INTRODUCED reads:

1 Tax Deferral for Elderly and Disabled; Residency for Disabled Applicant. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 years ***if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant***; and

2 Effective Date. This act shall take effect April 1, 2003.

HB 455 - AS INTRODUCED

2003 SESSION

03-0680

10/09

HOUSE BILL *455*

AN ACT relative to residency requirements for disabled persons applying for a tax deferral of property taxes.

SPONSORS: Rep. S. Harris, Sull 22; Rep. Wendelboe, Belk 29; Rep. Burling, Sull 19; Rep. Miller, Straf 72; Rep. Dalrymple, Rock 76; Sen. Odell, Dist 8; Sen. Below, Dist 5

COMMITTEE: Municipal and County Government

ANALYSIS

This bill lowers the residency requirement for a disabled person applying for a deferral of property taxes pursuant to the tax deferral program for the elderly and disabled.

- -

Explanation: Matter added to current law appears in ***bold italics.***

Matter removed from current law appears [~~in brackets and struckthrough.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

03-0680

10/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to residency requirements for disabled persons applying for a tax deferral of property taxes.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Tax Deferral for Elderly and Disabled; Residency for Disabled Applicant. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 years ***if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant***; and

2 Effective Date. This act shall take effect April 1, 2003.

HB 424 - AS AMENDED BY THE HOUSE

25mar03... 0826h

2003 SESSION

03-0532

10/09

HOUSE BILL *424*

AN ACT relative to a net asset qualification for the elderly property tax exemption, and clarifying certain references in property tax exemptions.

SPONSORS: Rep. Akins, Graf 18; Rep. Dudley, Graf 18; Rep. Langone, Rock 77; Sen. Gallus, Dist 1; Sen. Martel, Dist 18

COMMITTEE: Municipal and County Government

AMENDED ANALYSIS

This bill:

I. Allows for the adoption by municipalities of a married persons' net asset qualification for purposes of the elderly exemption. Such combined net asset qualification shall apply to a surviving spouse until the sale or transfer of the property, or until the remarriage of the surviving spouse.

II. Clarifies references to consecutive years of residence and married persons in certain property tax exemption statutes.

Explanation: Matter added to current law appears in ***bold italics.***

Matter removed from current law appears [~~in brackets and struckthrough.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

25mar03... 0826h

03-0532

10/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to a net asset qualification for the elderly property tax exemption, and clarifying certain references in property tax exemptions.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Property Taxation; Conditions for Elderly Exemption; Consecutive Years of Residence. Amend RSA 72:39-a, I(a) to read as follows:

(a) Has resided in this state for at least 5 ***consecutive*** years preceding April 1 in the year in which the exemption is claimed.

2 Property Taxation; Conditions for Elderly Exemption; Net Assets for Married Persons. Amend RSA 72:39-a, I(c) to read as follows:

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than $35,000. ***A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine.*** "Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.

3 New Paragraph; Exemption for Surviving Spouse; Combined Net Asset Amount. Amend RSA 72:39-a by inserting after paragraph II the following new paragraph:

III. Upon the death of an owner residing with a spouse pursuant to subparagraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

4 Property Taxation; Adoption or Modification of Elderly Exemption; Net Assets for Married Persons. Amend RSA 72:39-b, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we modify the elderly exemptions from property tax in the town (city) of _____, based on assessed value, for qualified taxpayers, to be as follows: for a person 65 years of age up to 75 years, (here insert dollar amount); for a person 75 years of age up to 80 years, (here insert dollar amount); for a person 80 years of age or older (here insert dollar amount). To qualify, the person must have been a New Hampshire resident for at least 5 ***consecutive*** years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married ***to each other*** for at least 5 ***consecutive*** years. In addition, the taxpayer must have a net income of not more than (here insert a dollar amount not less than $13,400) or, if married, a combined net income of less than (here insert a dollar amount not less than $20,400); and own net assets not in excess of (here insert a dollar amount not less than $35,000 excluding the value of the person's residence) ***or, if married, combined net assets not in excess of (here insert a dollar amount of $35,000 or greater) excluding the value of the residence.***" Under no circumstances shall the amounts of the exemption for any age category be less than $5,000. ***The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.***

5 Exemption for the Disabled; Qualifications Clarified. Amend RSA 72:37-c, I(c) to read as follows:

(c) The wording of the question shall be: "Shall we adopt an exemption for the disabled? The exemption, based on assessed value, for qualified taxpayers shall be (here insert dollar amount). To qualify, the person must have been a New Hampshire resident for at least 5 ***consecutive*** years and own and occupy the real estate individually or jointly, or if the real estate is owned by a spouse, they must have been married ***to each other*** for at least 5 ***consecutive*** years. In addition, the taxpayer must have a net income of not more than (here insert dollar amount) or, if married, a combined net income of not more than (here insert dollar amount); and own net assets not in excess of (here insert dollar amount) excluding the value of the person's residence."

6 Tax Deferral for the Elderly and Disabled; Qualifications Clarified. Amend RSA 72:38-a, I(b) to read as follows:

(b) Has owned the homestead for at least 5 ***consecutive*** years; and

7 Effective Date. This act shall take effect 60 days after its passage.

File SB 45

HOUSE COMMITTEE RESEARCH OFFICE
New Hampshire House of Representatives
4th Floor, Legislative Office Building
Concord, New Hampshire 03301
TDD Access: Relay NH
1-800-735-2964

603-271-3600

TO: **Representative Betsey L. Patten, Chairman**
House Muncipal and County Government Committee

FROM: **Nancy LeVinus, Committee Researcher** Nancy
House Committee Research Office

DATE: **May 22, 2003**

RE: **SB 45 relative to the adoption procedure, eligibility, and amounts of property tax exemptions and credits and the property tax deferral program.**

You had requested that I analyze draft amendment #1628h and the inconsistency found on page 5, lines 5-14. These sections involve the calculation of the Credit for Service Connected Total Disability for the veteran and the surviving spouse. Section I-b states that the standard or optional credit is calculated against the "person's **residential property**" but for the surviving spouse, it is applied against "any **real property** in the same municipality where the surviving spouse is a resident." Section II states that either credit is "applied only to property which is **occupied as the principal place of abode** by the disabled person or surviving spouse."

The language of Section II currently exists in 2 places RSA 72:35 and it applies to the $700 credit and the $1400 credit. In drafting the new 72:35, paragraph I-b was added, and it mirrors the language added to RSA 72:28, the Veterans' Credit.

The problem with using similar language in the draft occurs because the Veterans' Credit (RSA 72:28) is different from the Credit for Service Connected Total Disability (72:35) currently in the treatment of the surviving spouse. The surviving spouse under the Veterans' Credit may apply the credit to "real property" but the surviving spouse under the Credit for Service Connected Total Disability may only apply the credit to "property which is occupied as the principal place of abode".

This distinction should have been retained in the draft, as the intent was not to make any substantive changes to current law, other than the amounts of the credits. If paragraph I-b is amended to delete the second sentence, the entire section would be restored to its original purpose, with no *internal* conflict:

SUGGESTED AMENDMENT:

I-b. Either the standard tax credit for service connected total disability or the optional tax credit for service connected total disability shall be subtracted each year from the property tax on the person's residential property. [~~However, the surviving spouse of a resident receiving the tax credit for service connected disability may have the amount subtracted from the property tax on any real property in the same municipality where the surviving spouse is a resident.~~]

II. The ***standard or optional*** tax credit [~~in paragraph I~~] ***under this section*** may be applied only to property which is occupied as the principal place of abode by the disabled person or the surviving spouse. The tax credit may be applied to any land or buildings appurtenant to the residence or to manufactured housing if that is the principal place of abode.

I would also like to point out another inconsistency. No draft or House or Senate version of SB 45 which amends the statutes related to veterans has addressed RSA 72:29-a Surviving Spouse. This statute provides that the surviving spouse of a person **killed while on active duty** in the armed forces of the U.S. receive a credit of $700 on the spouse's real or personal property, whether residential or not. A credit of $1400 may be approved by the city or town. The amendment to SB 45 amends this section in referencing the adoption procedure, but *not* the amounts of the credits. IF this section is not amended, a surviving spouse of a disabled veteran could receive a credit of up to $2000 on their residential property but the surviving spouse of a veteran killed while on active duty will be limited to a credit of $1400 (on real or personal property, residential or not). If the committee would prefer that these amounts be consistent:

SUGGESTED AMENDMENT:

§ 72:29-a. Surviving Spouse.

I. The surviving spouse of any person who was killed or died while on active duty in the armed forces of the United States or any of the armed forces of any of the governments associated with the United States in the wars, conflicts or armed conflicts, or combat zones set forth in RSA 72:28, shall receive a tax credit in the amount of $700 for the taxes due upon the surviving spouse's real and personal property, whether residential or not, in the same municipality where the surviving spouse is a resident.

II. Upon the adoption of this paragraph by a city or town as provided in RSA [~~72:29-b~~] ***72:27-a***, the surviving spouse of any person who was killed or died while on active duty in the armed forces of the United States or any of the armed forces of any of the governments associated with the United States in the wars, conflicts or armed conflicts, or combat zones set forth in RSA 72:28, shall receive a tax credit in the amount of [~~$1,400~~] ***$701 up to $2000*** for the taxes due upon the surviving spouse's real and personal property, whether residential or not, in the same municipality where the surviving spouse is a resident.

(✓) Indicates repeal

State of New Hampshire

Revised Statutes Online

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Section 72:1-c Optional Collection of Resident Tax
Section 72:1-d Definitions
Section 72:2 Veterans' Exemption [Repealed]
Section 72:3 Record of Discharge, Etc [Repealed]
Section 72:3-a Members of the Armed Forces
Section 72:4 Military Service Exemption [Repealed]
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Section 72:5-b Compensation of Collector
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Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on SB 45

BILL TITLE: **relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.**

DATE: May 28, 2003

LOB ROOM: 301

Amendments:

Sponsor: Rep. Municipal & County Government OLS Document #: 2003 1831h

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: (OTP) OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Gillick Amendment

Seconded by Rep. Twombly

Vote: 15-0 (Please attach record of roll call vote.)

Motions: OTP, (OTP/A), ITL, Interim Study (Please circle one.)

Moved by Rep. Twombly

Seconded by Rep. Gillick

Vote: 15-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: NO

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Priscilla P. Lockwood, Clerk

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: SB 45 Title: Exemptions, credits etc.

PH Date: 4/9/03 Exec Session Date: 5/28/03

Motion: OTP Amendment #: 2003-1831h

MEMBER	YEAS	NAYS
Patten. Betsey L. Chairman	15	
Brundige. Robert W. V Chairman	1	
Lockwood. Priscilla P	2	
Twomblv. James E	3	
Bovce. Laurie J	4	
Dumaine. Dudlev Daniels	absent	
Pappas. Marc	5	
Dunne. Christopher H	absent	
Stohl. Eric G	6	
Noves. Richard A	absent	
Buhlman. David L	7	
Dovle. Christopher L	absent	
Dupuis. Roland L	absent	
Gillick. Thomas J	8	
Gould. Kenneth H	9	
Johnson. Nancv K	10	
Coonev. Marv R	11	
Davidson. Robert A	absent	
Osborne. Jessie L	12	
Schmidt. Peter B	13	
Theberge. Robert L	14	
TOTAL VOTE:	15	0

Printed: 1/6/2003

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: SB 45 **Title:** Exemptions, credits etc.

PH Date: 4/9/03 **Exec Session Date:** 5/28/03

Motion: OTP-A **Amendment #:** 2003-1831h

MEMBER	YEAS	NAYS
Patten. Betsey L. Chairman	15	
Brundige. Robert W. V Chairman	1	
Lockwood. Priscilla P	2	
Twombly. James E	3	
Boyce. Laurie J	4	
Dumaine. Dudley Daniels	absent	
Pappas. Marc	5	
Dunne. Christopher H	absent	
Stohl. Eric G	6	
Noyes. Richard A	absent	
Buhlman. David L	7	
Doyle. Christopher L	absent	
Dupuis. Roland L	absent	
Gillick. Thomas J	8	
Gould. Kenneth H	9	
Johnson. Nancy K	10	
Cooney. Mary R	11	
Davidson. Robert A	absent	
Osborne. Jessie L	12	
Schmidt. Peter B	13	
Theberge. Robert L	14	
TOTAL VOTE:	15	0

Printed: 1/6/2003

Committee Report

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: SB 45

TITLE: relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.

DATE: May 28, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

The Committee considered and debated existing and proposed legislation concerning property tax exemptions and credits having to do with Veterans, the Elderly and the Disabled. The original SB 45 had all the exemptions and credits in RSA 72 in one bill instead of the separate bills that were passed by the House: HB 108 - (New Title) relative to the adoption of an optional veterans' property tax credit; HB 424 - (New Title) relative to a net asset qualification for the elderly property tax exemption, and clarifying certain references in property tax exemptions; HB 466 - relative to the adoption procedure for property tax exemptions and credits; and HB 467 - (New Title) allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits. Currently there are differences in the enactment procedures for all exemptions and credits. The committee researched this issue and determined that having a uniform enactment procedure for adopting or modifying property tax exemptions or credits in RSA 72 would simplify the procedure at the local level. Throughout SB 45, these enactment procedures are referenced and codified. The filing date for exemptions and credits has been changed from March 1 or August 15 prior to the setting of the tax rate to April 15 preceding the setting of the tax rate. This bill enables the political subdivisions to increase the optional veterans tax credits from $51 up to $500, the optional service-connected total disabled veterans tax credit from $701 up to $2,000 and states that it is either the standard or the optional tax credit that the veteran can receive, not both. This bill also lowers the residency requirement for a disabled person applying for a deferral of property taxes from five years to one year. This bill also enables the political subdivisions to change the elderly exemption income and asset requirement by allowing differing age groups to have different assets and income. This amendment is a conscientious effort to codify and clarify this complicated subject regarding exemptions, credits and deferrals.

Vote 15-0.

Rep. James E. Twombly
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Municipal and County Government

SB 45, relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions. **OUGHT TO PASS WITH AMENDMENT**

Rep. James E. Twombly for Municipal and County Government: The Committee considered and debated existing and proposed legislation concerning property tax exemptions and credits having to do with Veterans, the Elderly and the Disabled. The original SB 45 had all the exemptions and credits in RSA 72 in one bill instead of the separate bills that were passed by the House: HB 108 - (New Title) relative to the adoption of an optional veterans' property tax credit; HB 424 - (New Title) relative to a net asset qualification for the elderly property tax exemption, and clarifying certain references in property tax exemptions; HB 466 - relative to the adoption procedure for property tax exemptions and credits; and HB 467 - (New Title) allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits. Currently there are differences in the enactment procedures for all exemptions and credits. The committee researched this issue and determined that having a uniform enactment procedure for adopting or modifying property tax exemptions or credits in RSA 72 would simplify the procedure at the local level. Throughout SB 45, these enactment procedures are referenced and codified. The filing date for exemptions and credits has been changed from March 1 or August 15 prior to the setting of the tax rate to April 15 preceding the setting of the tax rate. This bill enables the political subdivisions to increase the optional veterans tax credits from $51 up to $500, the optional service-connected total disabled veterans tax credit from $701 up to $2,000 and states that it is either the standard or the optional tax credit that the veteran can receive, not both. This bill also lowers the residency requirement for a disabled person applying for a deferral of property taxes from five years to one year. This bill also enables the political subdivisions to change the elderly exemption income and asset requirement by allowing differing age groups to have different assets and income. This amendment is a conscientious effort to codify and clarify this complicated subject regarding exemptions, credits and deferrals **Vote 15-0.**

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **SB 45**

TITLE: relative to property tax exemptions and credits for the elderly, veterans, and the disabled, and allowing municipalities to adopt an optional date for filing exemptions.

DATE: May 28, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

The Committee considered and debated existing and proposed legislation concerning property tax exemptions and credits having to do with Veterans, the Elderly and the Disabled. The original SB 45 had all the exemptions and credits in RSA 72 in one bill instead of the separate bills that were passed by the House: HB 108 - (New Title) relative to the adoption of an optional veterans' property tax credit; HB 424 - (New Title) relative to a net asset qualification for the elderly property tax exemption, and clarifying certain references in property tax exemptions; HB 466 - relative to the adoption procedure for property tax exemptions and credits; and HB 467 - (New Title) allowing towns or cities to increase the property tax credit for service-connected total disability, and relative to the date for filing for exemptions and tax credits. Currently there are differences in the enactment procedures for all exemptions and credits. The committee researched this issue and determined that having a uniform enactment procedure for adopting or modifying property tax exemptions or credits in RSA 72 would simplify the procedure at the local level. Throughout SB 45, these enactment procedures are referenced and codified. The filing date for exemptions and credits has been changed from March 1 or August 15 prior to the setting of the tax rate to April 15 preceding the setting of the tax rate. This bill enables the political subdivisions to increase the optional veterans tax credits from $51 up to $500, the optional service-connected total disabled veterans tax credit from $701 up to $2,000 and states that it is either the standard or the optional tax credit that the veteran can receive, not both. This bill also lowers the residency requirement for a disabled person applying for a deferral of property taxes from five years to one year. This bill also enables the political subdivisions to change the elderly exemption income and asset requirement by allowing differing age groups to have different assets and income. This amendment is a conscientious effort to codify and clarify this complicated subject regarding exemptions, credits and deferrals.

Vote 15-0.

Rep. James E. Twombly
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

SB45

The Committee considered and debated existing and proposed legislation concerning property tax exemptions and credits having to do with Veterans, the Elderly and the Disabled. The original SB45 had all the exemptions and credits in RSA 72 in one bill instead of the separate bills that were passed by the House - HB 108, HB 424, HB 466, HB 467 –(list the title for each bill number). Currently there are differences in the enactment procedures for all exemptions and credits. The committee researched this issue and determined that having a uniform enactment procedure for adopting or modifying property tax exemptions or credits in RSA 72 would simplify the procedure at the local level. Throughout SB 45 these enactment procedures are referenced and codified. The filing date for exemptions and credits has been changed from March 1 or August 15 prior to the setting of the tax rate to April 15 preceding the setting of the tax rate. This bill enables the political subdivisions to increase the optional veterans tax credits from $51 up to $500, the optional service-connected total disabled veterans tax credit from $701 up to $2000 and states that it is either the standard or the optional tax credit that the veteran can receive, not both. This bill also lowers the residency requirement for a disabled person applying for a deferral of property taxes from five years to one year. This bill also enables the political subdivisions to change the elderly exemption income and asset requirement by allowing differing age groups to have different assets and income. This amendment is a conscientious effort to codify and clarify this complicated subject regarding exemptions, credits and deferrals.

