Bill as Introduced

SB 45 – AS INTRODUCED

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

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 consecutive years of residence and 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.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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 [~~$1,400~~] ***$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 the $2,000 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 [~~$1,400~~] ***$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. 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.

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

(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 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.

(c) 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 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.

10 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:

11 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.

12 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.

13 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.***

14 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).

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

Amendments

Sen. Gatsas, Dist. 16
February 12, 2003
2003-0268s
10/09

Amendment to SB 45

Amend the bill by replacing sections 4 - 6 with the following:

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.*

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

(a) Has resided in this state for at least 5 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 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.

(c) 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.

Amend the bill by replacing section 13 with the following:

13 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 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.***

Amend the bill by deleting section 9 and renumbering the original sections 10-15 to read as 9-14, respectively.

2003-0268s

AMENDED ANALYSIS

This bill:

I. Allows towns and cities to increase the property tax credit for service-connected total disability from $1,400 to an amount up to $2,000.

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.

Public Affairs
March 19, 2003
2003-0862s
10/01

Amendment to SB 45

Amend the bill by replacing sections 4 - 6 with the following:

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.*

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

(a) Has resided in this state for at least 5 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 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.

(c) 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.

Amend the bill by replacing section 13 with the following:

13 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 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.***

Amend the bill by deleting section 9 and renumbering the original sections 10-15 to read as 9-14, respectively.

2003-0862s

AMENDED ANALYSIS

This bill:

I. Allows towns and cities to increase the property tax credit for service-connected total disability from $1,400 to an amount up to $2,000.

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.

Committee Minutes

Date: January 30, 2003
Time: 8:30 AM
Room: 105-A, Senate House

The Senate Committee on Public Affairs held a hearing on the following:

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.

Members of Committee present:
Senator Roberge
Senator Barnes
Senator Larsen
Senator Green
Senator Morse

The Chair, Senator Sheila Roberge, opened the hearing.

Due to the tape recorder not working properly the first two or three minutes of the beginning of the hearing was not recorded. Opening Speaker was:

Senator Theodore L. Gatsas, D. 16: relief the veterans, the disabled and the elderly. The first exemption allows a municipality to increase the veteran's property tax credit from $100.00 up to $500.00, again that's enabling, they can choose any amount between $100.00 and $500.00, to go forward and find out on page 1, line 1 through 14, talks about that enabling piece of legislation.

Number 2 if you go down to number 7, that's actually the second part which is page 1, line 12, through page 2, line 10, and that allows for all exemptions deferrals to be coming under the same date, so it's just not the elderly exemptions but all deferrals would come under a date that the date could call for exemptions, deferrals, and tax credit against the property tax. Again, that's just probably more of a technical or clarification change.

Number 3, if you come back up to the top, it allows towns and cities to increase the property tax credit for service connected total disabilities from $1,400 to $2,000. That you will find on page 2, line 11 through 25, and again

what that does it's enabling, it must go through to the voters and enables the city or town to increase the disability for service related injuries to a $2,000 credit. It's also for a double amputee and a paraplegic, because it's service connected injuries for the surviving spouse of such a person.

Number 4, if you go down to Number 5, and that allows a municipality to adopt an extension of a property tax exemption for a disabled person who is sixty-five years of age or older. That starts on page, I believe 4, line 26, excuse me, page 2, line 26 all of page 3, page 4, and it stops on line 24, I believe. What this is, I had a constituent that came to me, at age 65, and he said to me, I have a problem Senator, and the problem is that I was disabled yesterday at age 64, and my exemption for tax credits was greater than what it was when I went into apply at age 65 as a senior. My disability didn't go away, I'm still disabled so I think that what this does it allows a disabled person to carry a higher exemption if it is available to him and then what the current elderly exemption is. There may be some, you may hear some testimony later that that is not a clear point of the higher of the two and I don't have a problem if somebody finds some different verbiage that clarifies that a little bit better.

Number 5, would be if you go down to Number 6, and it clarifies references to Consecutive Years of Residency and married persons in certain property tax exemption statuses. Those starts on page 4 line 24, go through to all of page 5 and through to page 6, line 4. What that basically does is that it states that somebody must be a resident of the state for five years, they must have lived on the property as their primary residence for five consecutive years preceding April 1st, in the year in which the exemption is claimed.

The next one would be Number 6, and it allows for adoption of municipalities of married persons net asset qualifications for the purposes of elderly exemption. I think it's important that we allow municipalities on their own, to change what the exemption and asset limits are within the categories. What I mean by the categories, and categories normally run from age 65 to 70, age 70 to 75, and 75 to 80. This would allow a municipality to change those, but also have a bottom so it can't go less than, it can go greater than what the RSA calls for, but it allows them within those categories to change those asset and income limits within them.

Number 7 allows a city and town to adopt different age limits for each group of elderly property exemptions and that you will find on page 6, Line 5 to the end of the bill as it is introduced.

With that, if you have any questions I would be more than glad to address them.

Chair, Senator Sheila Roberge, D. 9: Senator Barnes.

Senator John S. Barnes, Jr., D. 17: Good morning Senator Gauss.

Senator Theodore L. Gatsas, D. 16: Good morning Senator Barnes.

Senator John S. Barnes, Jr., D. 17: Is this basically the same bill that we put in last year?

Senator Theodore L. Gatsas, D. 16: Senator this is a combination of bills that passed the senate last year, made it to the committee of conference and the house had some problems with some of the qualifications and net assets and income limits and they were going to study it during the summer so I don't know if they have or not, but this is just bringing forward something that we passed last year.

Chair, Senator Sheila Roberge, D. 9: Senator Barnes.

Senator John S. Barnes, Jr., D. 17: If my memory serves me right, it was a 24-0 program in the senate.

Senator Theodore L. Gatsas, D. 16: It was.

Chair, Senator Sheila Roberge, D. 9: Is there any other questions of the committee? Thank you. Maura Carroll.

Maura Carrol, General Counsel, N.H. Municipal Association:

Thank you very much madam Chair, member of the committee, my name is Maura Carroll, and I serve as General Counsel to the NH Municipal Association, and I just have a couple of comments about the language of SB 45.

As Senator Gauss introduced the bill, Section I, which deals with the veteran's tax credit that is currently at $100.00, allows communities to increase that up to $500.00, that mirror's a bill that the house is considering,

and I believe is moving forward in a positive way, about that; but the second piece with regard to the veteran's credit moves the disabled credit from $1,400 to $2,000. We think to be consistent it might make sense to put it any where from $1,400 to $2,000, rather than requiring it that it go from $1,400 to $2,000. So that would mirror the transition that the standard credit was making as well. One of the comments about the exemption for the disabled we understood from last session that there was a problem with elderly folks falling through the cracks once they hit 65, and no longer qualifying for the disabled exemption, and then perhaps getting to the elderly exemption and not having as high an exemption. So we don't as a policy matter have a problem with how the language on page 2, starting at line 32 reads, it really does seem clear that which ever is greater, but from an administrative perspective, there may need to be inserted some language that clarifies if you getting the disabled exemption you must qualify under all of those provisions if you are getting the elderly exemption so that it is clear what assessors have to look at when folks are applying.

The other piece is another procedural issue on page 4, at line 13, it's fairly boiler plate language, but we typically have some issues when the boiler plate language gets put in bills. It refers to requiring that these exemptions be put on the official ballot and that's problematic for traditional town meeting towns, because even though there's a hearing, traditional town meetings have no deliberative session, so there is no opportunity for give and take among the voters about how this should be adopted and whether there should be any amendments to the Warren Article that is provided. There is not a problem if it simply says, voted on by ballot because you can do that on the floor of town meeting, but official ballot means that there is no deliberative discussion. That also appears on page 6, at line 16, with regard to the modification of the elderly exemption, so we would ask that you remove the term official.

The issue of changing the amount of income for each age group clearly a policy decision that you all need to discuss and would need to be discussed by voters at town meeting. The question that keeps coming up about that is typically communities look at the income limits for age 65, and usually by the time you reach age 80, your income isn't higher than it was at 65. So if you set it at 65, usually folks don't have a problem qualifying all the way through. What this does and if a community did adopt it would require that individuals who are receiving the elderly exemption would have to re-qualify every time they hit a new age category. So I just bring that out so that you are aware of what some of those administrative issues are.

So with that I thank you very much for the opportunity to be heard and I would be happy to answer questions.

Chair, Senator Sheila Roberge, D. 9: Senator Barnes.

Senator John S. Barnes, Jr., D. 17: Maura it's nice to see you.

Mrs. Carroll: Thank you senator it's nice to see you as well.

Senator John S. Barnes, Jr., D. 17: Did you read Joe McQuade's editorial the other day?

Mrs. Carroll: I did not.

Senator John S. Barnes, Jr., D. 17: Some elderly.

Mrs. Carroll: I did not.

Senator John S. Barnes, Jr., D. 17: You keep talking about elderly. How are we going to get around this issue. Some people at age 65 don't consider themselves elderly, how are we going to change that? Somebody who is 61 and they call them elderly, and Mr. McQuade is getting close to that age, he took offense to it.

Mrs. Carroll: Well I only refer to elderly Senator, because the statute's there.

Senator John S. Barnes, Jr., D. 17: This seems have created a big stir, now elderly seems to be creating a stir, what are we going to do about that? Do you have any recommendations?

Mrs. Carroll: There are always language issues that create a stir senator. I'm not sure that I have better wording then anyone else.

Senator John S. Barnes, Jr., D. 17: I'm 71, almost 72, and I don't consider myself old, what us old, maybe Senator Gatsas can answer this somewhat.

Senator Theodore L. Gatsas, D. 16: Senator I wish I had the opportunity to answer that question.

Chair, Senator Sheila Roberge, D. 9: Thank you very much. Is there anybody else here that wants to speak, has some one else signed up. Yes.

John Jobin, NH Legal Assistance: Good morning members of the committee, my name is John Jobin, I'm from NH Legal Assistance and for many years I represented large number of elderly people who were seeking various kinds of tax relief. This bill has a number of things, which I think are very positive that give towns the options to increase benefits and clarify some points. There are two issues however that I want to bring to your attention.

The first one is the provision that would enlarge the ability of towns to set a different date for the application deadline for seniors. In order to talk about that I need to go back to a little bit of history about what this legislature did in terms of all the application processes for exemption and deferrals and abatements. There used to be all different times of the year and in 1996 the legislature passed a statute to have them all fall at the same time after people got their final property tax bill. So that the deadline would be March 1st, after you get your bill in December. Then in 1997, some municipal officials came to the legislature and said that makes it hard for us to figure out our budgets because we don't know what exemptions we are going to have when we are working on the budgets in the fall, can we have an earlier deadline for elderly exemptions? In making that request and that is something that the legislature agreed to, and put a hole in the thing that you just done in terms of having a uniform deadline. There is a balance that has to be struck between helping the municipalities pass their budgets and giving elderly people notice and a timely right to file for tax relief. Again, it goes back to when do people get their bills? They usually get their final tax bill in October, November, and December. By law, another bill the legislature passed awhile ago, there is a little notice in those tax bills that tell people about the right to apply for exemptions and deferrals. What this change would do would enable a number of municipalities to essentially have the appeal period over before people get their tax bills and that would simply mean that some people would have to wait an extra year. They get their tax bill and then they decide they want to apply for an exemption, exactly, now

towns can do it for exceptions but a deferral. It would already be too late, because this bill would set a deadline of October 1st for that application and again, I understand the practical concerns that municipalities have in terms of trying to set that balance, I would simply say that I think the towns and cities can look at how many people they gave this forms, I believe to last year, and make at least an educational guess about what they are going to do next year. I don't think from one year to the next there's that dramatic a change that it will through the budgets out of kilter and I would ask that you consider whether that understandable need about budget certainty so out ways the fact that the deadline is October 1st, when people get there bills it would be too late for them to apply for relief.

That is one issue. The other issue and I don't know the law about this, but I just wanted to alert you to it. The provision of this bill that clarifies that five year thing, and makes it five consecutive years. There is some US Supreme Court decisional law that been reaffirmed recently that tends to strike down resident's requirements for benefits. They have struck down one-year resident's requirements. So, if you, this is clearly to try to make a Type Five Year Resident Requirement, it is something that you might want to ask the legislative counsel to research, because you may have a problem with the Five Year Resident Rule. I don't know enough about that to do anything other than alert you about that. I guess I would ask that you, in considering all these other wonderful things that this bill does that are a benefit to seniors that you think at least about whether you want to go further in letting towns cut-off the applications on October 1st, before we get the bills, that's all I have to say.

Chair, Senator Sheila Roberge, D. 9: Questions of the committee?

Senator Sylvia B. Larsen, D. 15: Is there a date you would suggest that you....

Mr. Jobin: Well, I guess what I would say is go back to what exists now unless the town makes this option, which is March 1st, after the final tax bill. That's what the law provides and under the current law this exemption that was put into it, towns can now pick this October 1st date for elderly exemptions only. This provision in a certain way would make it consistent, towns could do it for all the other kinds of tax relief, but that says to me that

there would just be more people who when they get their tax bill will be out of luck for that year in terms of applying for relief. I don't think that towns and cities in proposing this are trying to do in elderly people, I think they are trying to plan their budgets and I understand that and respect that, but I think there is a balance that needs to be struck and you are the folks that strike it.

Chair, Senator Sheila Roberge, D. 9: Senator Barnes.

Senator John S. Barnes, Jr., D. 17: How are we going to fix this elderly thing up so that people my age don't get offended by it?

Mr. Jobin: I think that you all can pick the term. I've heard elders, I've heard seniors, I've heard older people, I think that this is the place to pick a term in and start using it, if you want one.

Senator John S. Barnes, Jr., D. 17: What does elderly mean to you? What age is that?

Mr. Jobin: They are all different, some people start it at sixty, some people start it at 65, in terms when I'm not talking about law, I think it is a state of mind, and some people can be eighty and be very rigorous, and other people are more infirm, much younger.

Senator John S. Barnes, Jr., D. 17: Well do you have to be infirmed to be elderly?

Mr. Jobin: No, I think it's a real, it's up to each person, now that I think about it.

Senator John S. Barnes, Jr., D. 17: Well, you deal with this maybe you have some thoughts you can let me know when you work on it.

Mr. Jobin: Sure.

Senator John S. Barnes, Jr., D. 17: Thank you.

Chair, Senator Sheila Roberge, D. 9: Further questions of the committee? Okay, Thank you. Now, no one else has signed up, is there anybody here who wants to speak.

Bill Hamilton, AARP Employee and Member: I have a friend who was going to try to be here put she couldn't, and I would give you the letter if she didn't come, I don't know if you want to read it, it's Joanne Dodge.

Chair, Senator Sheila Roberge, D. 9: Maybe you would like to read it.

Mr. Hamilton: I'm not sure, it doesn't represent my position and I just got this as an e-mail, and I can't even sit down. Now I suppose this is an interesting thing as the AARP, a lot of people are very offended at 50 when they get their AARP thing in the mail.

Senator John S. Barnes, Jr., D. 17: That's why I never joined the darn thing.

Mr. Hamilton: I never did either until I went to work for them, it's hard to say no. Start's to read paper from Mrs. Dodge, see Attachment "A".

Chair, Senator Sheila Roberge, D. 9: Thank you. All right we'll close the hearing on SB 45.

The hearing on SB45 closed at 9:00 AM

Respectfully submitted,

Livia Acdan

Livia Acdan
Senate Public Affairs Secretary

01/30/03

Attachment "A"

Speakers

SENATE PUBLIC AFFAIRS COMMITTEE

Date: 01/29/03 Time: 8:30 a.m. Public Hearing on 105-A **Bill #SB45**

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

Please check box(es) that apply.

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☑	☑	☐	TED GATSAS	DIST 16
☐	☐	☐		
☐	☐	☐		
☑	☑	☐	MAURA CARROLL	N.H. MUNICIPAL ASSN
☑	☐	☐	John Jobin	Legal Assistance
☐	☑	☐	SYLVIA LARSEN	DIST 15
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Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: March 19, 2003

THE COMMITTEE ON Public Affairs

to which was referred Senate Bill 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.

VOTE: 5-0

2003-0862s

Having considered the same, report the same with the following amendment and recommend that the bill: **AS AMENDED OUGHT TO PASS.**

Senator John S. Barnes, Jr.
For the Committee

SB45 Docket

Next|Prev|Results List|Main|Bill Status

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	Body	Description
1/9/2003	S	Introduced and Ref. to Public Affairs; SJ 2, Pg.25
1/21/2003	S	Hearing; January 29, 2003, Room 105-A, SH, 8:30 a.m.; SC5
3/21/2003	S	Committee Report; Ought to Pass with Amendment{0862}, [03/27/03]; SC15, Pg.10-12
3/27/2003	S	Committee Amendment{0862}, AA, VV; SJ 10, Pg.182-184
3/27/2003	S	Sen. Gatsas Floor Amendment{0903}, AA, VV; SJ 10, Pg.184-188
3/27/2003	S	Ought to Pass with Amendment{0862},{0903}, MA, VV; OT3rdg; SJ 10, Pg.188
3/27/2003	S	Passed by 3rd Reading Resolution; SJ 10, Pg.212
4/1/2003	H	03/26/2003 Introduced and ref to Mun & Cnty Govt; HJ34, p1085
4/2/2003	H	Hearing Apr 9 10:00 RM301,LOB
5/28/2003	H	Maj Report OTP/AM for June 5 (Vote 15-0;Reg)
5/28/2003	H	Prop Comm Am{1831}(New Title); HC 44, p1416-1422
6/5/2003	H	Comm Am, AA VV; Passed with Am VV; HJ 47, p1530-1537 + 1542
6/5/2003	S	Sen. Roberge Non Concur with House Amendment Requests Committee of Conference, MA, VV
6/5/2003	S	President Appoints; Senators Roberge, Barnes, D'Allesandro
6/5/2003	H	House Acceded to req for Conf Comm, Rep Whalley MA;
6/5/2003	H	(Spkr appts Reps: Brundige, Twombly, Boyce & Theberge)
6/10/2003	S	Committee of Conference ; Meeting June 11, 2003, Room 301, LOB, 3:00 p.m.
6/19/2003	H	Conf Comm Report (House Am) Filed;

Next|Prev|Results List|Main|Bill Status

Docket Abbreviations