REGULAR CALENDAR

February 18, 2025

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Municipal and County Government to which was referred HB 425,

AN ACT allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission. Having considered the same, report the same with the recommendation that the bill OUGHT TO PASS.

Rep. Linda Franz

FOR THE MAJORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MAJORITY
COMMITTEE REPORT

Committee:	**Municipal and County Government**
Bill Number:	**HB 425**
Title:	**allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.**
Date:	**February 18, 2025**
Consent Calendar:	**REGULAR**
Recommendation:	**OUGHT TO PASS**

STATEMENT OF INTENT

This bill seeks to add new language to RSA 72:23 that grants property tax relief to religious organizations. The bill would extend tax relief to include rented property owned by religious organizations that rents not more than one church parsonage or like residential real property and/or not more than one worship building to organizations that share similar missions or goals so long as any rental income is used for religious leader's compensation, maintenance of worship building or parsonage, or funding of standard religious programs.

Vote 10-8.

Rep. Linda Franz
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

HB 425, allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission. **MAJORITY: OUGHT TO PASS. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Linda Franz for the **Majority** of Municipal and County Government. This bill seeks to add new language to RSA 72:23 that grants property tax relief to religious organizations. The bill would extend tax relief to include rented property owned by religious organizations that rents not more than one church parsonage or like residential real property and/or not more than one worship building to organizations that share similar missions or goals so long as any rental income is used for religious leader's compensation, maintenance of worship building or parsonage, or funding of standard religious programs. **Vote 10-8.**

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

February 18, 2025

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Municipal and County Government to which was referred HB 425,

AN ACT allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission. Having considered the same, and being unable to agree with the Majority, report with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Eleana Colby

FOR THE MINORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MINORITY
COMMITTEE REPORT

Committee:	**Municipal and County Government**
Bill Number:	**HB 425**
Title:	**allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.**
Date:	**February 18, 2025**
Consent Calendar:	**REGULAR**
Recommendation:	**INEXPEDIENT TO LEGISLATE**

STATEMENT OF INTENT

This bill would add language to the existing statute that is both broad and poorly defined, resulting in more ambiguity. Further, it imposes excessive requirements on the organizations and municipal assessors. Assessors would be forced to evaluate an organization's income and expenses in relation to the law, leading to potential disputes and placing an unreasonable burden on assessors who may lack the necessary time or expertise to perform such financial assessments. The additional burdens, coupled with overly broad terminology, will likely result in confusion and unequal application across jurisdictions, complicating the property tax exemption process for both parties.

Rep. Eleana Colby
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Municipal and County Government

HB 425, allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission. **INEXPEDIENT TO LEGISLATE.**

Rep. Eleana Colby for the **Minority** of Municipal and County Government. This bill would add language to the existing statute that is both broad and poorly defined, resulting in more ambiguity. Further, it imposes excessive requirements on the organizations and municipal assessors. Assessors would be forced to evaluate an organization's income and expenses in relation to the law, leading to potential disputes and placing an unreasonable burden on assessors who may lack the necessary time or expertise to perform such financial assessments. The additional burdens, coupled with overly broad terminology, will likely result in confusion and unequal application across jurisdictions, complicating the property tax exemption process for both parties.

Original: House Clerk
Cc: Committee Bill File

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 425

BILL TITLE: allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.

DATE: February 18, 2025

LOB ROOM: 201

MOTIONS: **OUGHT TO PASS**

Moved by Rep. Franz | Seconded by Rep. T. Dolan | Vote: 10-8

☐ **WITHOUT RECOMMENDATION**

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Marie Louise Bjelobrk, Clerk

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 425

BILL TITLE: allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.

DATE: 2/18/25

LOB ROOM: ~~301-303~~ 201

MOTION: (Please check one box)

☑ OTP ☐ ITL ☐ Retain (1st year) ☐ Adoption of Amendment # _____ *(if offered)*

☐ Interim Study (2nd year)

Moved by Rep. Franz Seconded by Rep. Dolan Vote: 10-8

MOTION: (Please check one box)

☐ OTP ☐ OTP/A ☐ ITL ☐ Retain (1st year) ☐ Adoption of Amendment # _____ *(if offered)*

☐ Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

☐ OTP ☐ OTP/A ☐ ITL ☐ Retain (1st year) ☐ Adoption of Amendment # _____ *(if offered)*

☐ Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

☐ OTP ☐ OTP/A ☐ ITL ☐ Retain (1st year) ☐ Adoption of Amendment # _____ *(if offered)*

☐ Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

☐ **WITHOUT RECOMMENDATION**

CONSENT CALENDAR: ____ **YES** ✓ **NO**

Minority Report? ✓ Yes ____ No If yes, author, Rep: Franz Motion OTP

R. Colby

Respectfully submitted: Marie L Bjelobrk

Rep Marie Louise Bjelobrk, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK
2025 SESSION

1/7/2025 11:46:41 AM
Roll Call Committee Registers - 2025 draft Report

Municipal and County Government

Bill #: HB425 Motion: OTP AM #: _____ Exec Session Date: 2/18/25

Members	YEAS	Nays	NV
Pauer, Diane Chairman	10		
MacDonald, John T Vice Chairman	1		
Guthrie, Joseph A.	2		
Dolan, Tom 2	3		
Aylward, Deborah	4		
Bjelobrk, Marie Louise Clerk	5		
Franz, Linda 1	6		
Karasinski, Sly	7		
Murphy, Denis Vincent	8		
Walker, David E	9		
Stavis, Laurel		1	
Gilman, Julie D		2	
Maggiore, Jim V.		3	
Fracht, David		4	
Colby, Eleana Marie		5	
Germana, Dylan N		6	
Girard, Dale R		7	
Grund, Stephanie		8	
TOTAL VOTE:			

10 – 8

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 425

BILL TITLE: **allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.**

DATE: **February 4, 2025**

LOB ROOM: **301-303** **Time Public Hearing Called to Order:** **1:30 p.m.**

Time Adjourned: **1:46 p.m.**

Committee Members: **Reps. Pauer, J. MacDonald, Bjelobrk, Guthrie, T. Dolan, Aylward, Franz, Karasinski, D. Murphy, Walker, Gilman, Maggiore, Fracht, Colby, D. Germana, Girard and Grund**

Bill Sponsors:

Rep. M. Pearson	**Rep. B. Boyd**	**Rep. DeSimone**
Rep. Cordelli	**Rep. Janigian**	**Rep. Cambrils**
Rep. Terry	**Sen. Gannon**	

TESTIMONY

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

***Representative Pearson (prime sponsor):** court case where church lost that case. History behind the bill. Must be codified in law, fair. Church and clergy properties. Clergy's home is extension of the church, tax free. "Housing allowance" came about. Explaining details of the bill. Real estate tax applies when properties generate profit.

- **(Q) Rep. Colby:** are there limits to the property?
  (A): depends on the function.
- **(Q) Rep. Maggiore:** can be separate lots?
  (A): yes, doesn't have to be contiguous.
- **(Q) Rep. Fracht:** rented to another organization? Subletting ok?
  (A): must be an extension of the ministry. Mission related.

***Jim Michaud, Hudson (neutral):** some of the language in this bill previously covered under existing law. Lines 8-11 not necessary. Rental income is clearly defined. RSA 72:23 - should review.

Respectfully submitted,

Representative Bjelobrk, Clerk

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 425

BILL TITLE: **allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.**

DATE: 2/4/25

ROOM: ~~301-303~~ 307

Time Public Hearing Called to Order: 1:30pm

Time Adjourned: 1:46pm

(please circle if present)

Committee Members: Reps. Pauer, J. MacDonald, Bjelobrk, Guthrie, T. Dolan, Aylward, Franz, Karasinski, D. Murphy, Walker, Stavis, Gilman, Maggiore, Fracht, Colby, D. Germana, Girard and Grund

Bill Sponsors:

Rep. M. Pearson	Rep. B. Boyd	Rep. DeSimone
Rep. Cordelli	Rep. Janigian	Rep. Cambrils
Rep. Terry	Sen. Gannon	

TESTIMONY

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

R. M. Pearson - support - sponsor Court Case where church lost that case. History behind the bill. *Written Testimo must be codified in law; Fair. Church & Clergy properties. Clergy's home is extension of the church & tax free. "Housing Allowance" came about. Explaining details of the bill. Real estate tax applies when properties generate profit.

Colby - Q: Are there limits to the property?
A: Depends on the function.

Maggiore - Q: Can be separate lots?
A: Yes, doesn't have to be contiguous

Fracht Q: III D - rented to another organization? Subletting ok?

A: Must be an extension of the Ministry. Mission related

Mr. Jim Michaud / Neutral

* Written testimony Some of the language ~~lines 11-18~~ in this bill previously covered under existing law. Lines 8-11 not necessary. Rental income is clearly defined.

RSA 72:23 - should review.

Maggiore - Q: What happens if 2 bills go forward that are similar

Blue 1 N 1 oppo

Online: 3 Supp 13 oppo

SIGN UP SHEET

To Register Opinion If Not Speaking

Committee: House Municipal and County Government Committee

Bill #: HB425 **Date:** 2/4/2025

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

Name	Address	Phone	Representing	Pro	Con
Jim Michaud	12 School St.	886 6009	Hudson		–
Brodie Deshaies			NHMA		X

House Remote Testify

Municipal and County Government Committee Testify List for Bill HB425 on 2025-02-04

Support: 4 Oppose: 13 Neutral: 0 Total to Testify: 0

Export to Excel

Name	City, State Email Address	Title	Representing	Position	Testifying	Non-Germane	Signed Up
Richardson, Daniel	Nashua, NH daniel6_22@comcast	A Member of the Public	Myself	Support	No	No	2/2/2025 11:23 AM
Lucas, Janet	Campton, NH janluca1953@gmail.com	An Elected Official	Myself	Oppose	No	No	2/2/2025 1:57 PM
Berrio, Simon	Dalton, NH ssb03598@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/2/2025 2:19 PM
Pauer, Eric	Brookline, NH secretary@BrooklineGOP.org	A Member of the Public	Myself	Support	No	No	2/2/2025 4:12 PM
Rosenfeld, Kristy	Hollis, NH kristyrosenfeld@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/2/2025 5:21 PM
Kudlik, Cindy	Grafton, NH Cindy.Kudlik@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/2/2025 11:11 PM
Suitter, Jennifer	Merrimack, NH jensuitter@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/3/2025 12:39 PM
Call, Jason	Jefferson, NH jcall1@ne.rr.com	A Member of the Public	Myself	Oppose	No	No	2/3/2025 1:19 PM
Lockwood, Charles	East Kingston, NH thecharleslockwood@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/3/2025 6:03 PM
Skidmore, Clarence	Brookline, NH ashskidmore@charter.net	A Member of the Public	Myself	Oppose	No	No	2/3/2025 7:21 PM
Fontaine-Deth, Briaunna	Canaan, NH briaunnafd@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/4/2025 12:32 AM
Unangst, Cynthia	Ashland, NH cnritchie2003@yahoo.com	A Member of the Public	Myself	Oppose	No	No	2/4/2025 7:42 AM
St. John, Michelle	Hollis, NH stjohnmichelle@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/4/2025 10:38 AM

Braun, Nathan	Exeter, NH volklrules@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/4/2025 11:31 AM
Babine, Katherine	Salem, NH accounting@graniteunited.com	A Member of the Public	Myself	Support	No	No	2/4/2025 11:34 AM
McLoughlin, Anne	Exeter, NH Dixie-33@hotmial.com	A Member of the Public	Myself	Oppose	No	No	2/4/2025 12:50 PM
Gay, Hon. Betty	Salem, NH BettyGay4Rep@gmail.com	A Member of the Public	Myself	Support	No	No	2/5/2025 1:00 AM

Regardless of where the money goes, renting property turns the church into a profitable organization which should be subject to property taxes and any related business taxes. There is already enough leeway given to religious organizations with regards to exemptions. This one is a bridge too far.

Absolutely not. The churches in this country get far too many passes. If they want to be on our land, they need to pay taxes. They need to pay into the town they are occupying, consider it penance for all of the abuse they hide.

Jason Call

This is an unnecessary bill. Religious, charitable, and educational properties already may continue to qualify for a property tax exemption if they rent property to another qualifying entity as long as both entities fill out the proper applications. The wording of the bill is also questionable as municipalities would have to spend additional time and money babysitting both entities reviewing the "mission or goal" as well as the use of the property and the use of the rental income for qualifying purposes.

Charles Lockwood

I am here to testify in opposition to House Bill 425. As someone who deeply values the role that nonprofits play in building strong, resilient communities, I believe this bill unintentionally undermines the principles of fairness and equity that are essential for a thriving nonprofit sector.

Religious organizations are critical to the fabric of our communities, but so are the many secular nonprofits—food banks, shelters, arts organizations, health clinics—that work alongside them to meet diverse community needs. HB 425 creates an uneven playing field by allowing religious organizations to retain tax-exempt status while generating rental income, a privilege not extended to other nonprofits that also serve the public good. This isn't about opposing religious organizations—it's about ensuring that all nonprofits are treated equitably, regardless of their focus or affiliation.

Property taxes fund services that benefit everyone: public education, emergency response, roads, and more. When tax exemptions are expanded without clear justification, the financial burden doesn't disappear—it shifts to homeowners, small businesses, and other nonprofits who continue to pay their fair share. We all benefit from public services, and it's reasonable to expect that when organizations engage in revenue-generating activities like renting property, they contribute back to the community that supports them.

I'm also concerned about the vague language in the bill, which could create loopholes. What defines a "similar mission"? Without clear guidelines, this opens the door for potential abuse, where rental arrangements are framed to fit the exemption even if they don't genuinely align with the organization's core purpose. This risks eroding public trust in our tax system and diverting resources away from the community programs that tax exemptions are meant to support.

Nonprofits are strongest when we have policies that promote accountability, equity, and sustainability across the board. HB 425 doesn't align with those values. Instead, it creates an unfair advantage for one type of nonprofit while increasing the financial burden on others. I urge the committee to reject this bill and work toward tax policies that support all nonprofits fairly, ensuring that we continue to build communities where everyone can thrive.

Thank you for your time and consideration.

Katherine Babine

As a member of the community I have witnessed the extreme hoops that a church has to go through to maintain their exemption status. Local offiials have gone to the extremes of walking the premise and making their own determination of what parts of buildings should be considered used for religious purposes. The entire property is being used for religious purposes, if that is what the organization was created for. My church has been in existance for 50 years, and over the past years the local officials have made it harder and harder to be within the community as scripture says.

Then when the church attempts to fight it the transparancy is horrible, along with the communication, and the church is punished for it.

Hon. Betty Gay

This bill wisely explains that renting out religious property that generates income that supports the purpose of the religious organization must not be taxed. One example of the need for this is churches that own a home for the minister, but the minister has a home that more suits their need, or has a mortgage. Typically a church provides a housing allowance. Renting out the house that they own provides income to pay for the housing allowance. It is a simple substitute for a standard benefit. This bill keeps the number of properties down to just one of each, in keeping with the simple exchange, prohibiting more properties from being purchased for rental income.

TOWN OF HUDSON

Office of the Assessor

Jim Michaud
Chief Assessor, CAE
email: jmichaud@hudsonnh.gov

www.hudsonnh.gov

12 School Street · Hudson, New Hampshire 03051 · Tel: 603-886-6009 · Fax: 603-598-6481

House Municipal & County Government Committee
Representative Diane Pauer, Chairman

February 4, 2025

RE: HB 425 – allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.

Dear Chair and Committee Members,

Thank you for the opportunity to provide input on HB 425. This bill proposal is, almost, exactly the same as HB 585 (attached), that bill having a public hearing Wednesday 2/5/25 in front of House Ways & Means.

In regards to HB 426 itself, the bills proposed language indicates that property not only directly used and directly occupied by nominally exempt institutions, religious organizations, would still keep their 100% property tax exemption status even if they rent the property out. That provision already exists in current law. In regards to Lines 8 – 10, the existing law (breakout attached) already allows for that religious tax exemption to be still viable, as according to the following limitation already in law, which very closely mimics that language as proposed in Lines 8-10;

"…occupied and used by another organization described in said paragraphs, but only to the extent that such real estate and personal property would be exempt from taxation under said paragraphs if such property were owned by the organization occupying and using the property..

In regards to Lines 11 -18 (which is exactly the language in HB 585) it becomes clear that if this language passes then that the statutory form required under RSA 72:23 – c – Annual List, as proscribed by the Board of Tax and Land Appeals (BTLA)(attached), would need to be required to have additional required statutory language contained in it. In the public interest of having the proposal administered in a fair, equitable, and consistent manner amongst the 259 jurisdictions, the form would need to be modified to annually inform the municipal assessing officials that;

1. The religious organization is, or is not, renting out a church parsonage (or similar residential real estate (how is that defined in the bill ??) and/or ;

2. That the religious organization is not renting out more than one church parsonage (or similar residential real estate) and/or;

3. That not more than one worship building (how is that building defined in the bill ?) is rented out, and;

4. A statement with documentation that the rental income, if any, is used (or is not used) for;

    a. the religious leader's compensation, and/or
    b. for the maintenance of the worship building or parsonage, and/or
    c. the funding of standard religious programs.

I hope that this information proves useful to the committee members, if I can answer any questions or concerns of the committee relative to this, please advise, and thank you for your consideration.

Jim Michaud, CNHA
Chief Assessor
Town of Hudson

HB 585 - AS INTRODUCED

2025 SESSION

25-0762
07/05

HOUSE BILL ***585***

AN ACT relative to the property tax exemption for religious organizations.

SPONSORS: Rep. Janigian, Rock. 25; Rep. M. Pearson, Rock. 34; Rep. Weyler, Rock. 14; Sen. Abbas, Dist 22

COMMITTEE: Ways and Means

ANALYSIS

This bill grants real estate property exemptions on rental properties owned by religious organizations.

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.

HB 585 - AS INTRODUCED

25-0762
07/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the property tax exemption for religious organizations.

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

1 Taxation; Persons and Property Liable to Taxation; Real Estate and Personal Property Tax Exemption. Amend RSA 72:23 to read as follows:

III.*(a)* Houses of public worship, parish houses, church parsonages occupied by their pastors, convents, monasteries, buildings and the lands appertaining to them owned, used and occupied directly for religious training or for other religious purposes by any regularly recognized and constituted denomination, creed or sect, organized, incorporated or legally doing business in this state and the personal property used by them for the purposes for which they are established.

(b) A religious organization that rents not more than one church parsonage or similar residential real estate, and/or not more than one worship building shall be exempt from taxation on those properties provided that the rental income, if any, is used for the religious leader's compensation, for the maintenance of the worship building or parsonage, or the funding of standard religious programs. In this subparagraph, "religious organization" means a single house of worship, including but not limited to churches, synagogues, mosques, shrines, and temples. An organization shall not claim more than one exemption under this subparagraph.

2 Applicability. This act shall apply to all taxable periods ending after December 31, 2024.

3 Effective Date. This act shall take effect upon its passage.

72:23 Real Estate and Personal Property Tax Exemption. –

The following real estate and personal property shall, unless otherwise provided by statute, be exempt from taxation:

III. Houses of public worship, parish houses, church parsonages occupied by their pastors, convents, monasteries, buildings and the lands appertaining to them owned, used and occupied directly for religious training or for other religious purposes by any regularly recognized and constituted denomination, creed or sect, organized, incorporated or legally doing business in this state and the personal property used by them for the purposes for which they are established.

AND

V-a. The real estate and personal property owned by any organization described in paragraphs I, II, III, IV or V of this section and occupied and used by another organization described in said paragraphs, but only to the extent that such real estate and personal property would be exempt from taxation under said paragraphs if such property were owned by the organization occupying and using the property, as long as any rental fee and repairs, charged by the owner, are not in clear excess of fair rental value.

The State of New Hampshire

List of Real Estate on which Exemption is Claimed

Pursuant to RSA 72:23-c

This form must be completed and filed annually on or before April 15. The **ORIGINAL** list must be filed with the selectmen (assessors) of the municipality in which such real estate property is taxable. A **DUPLICATE** copy should be retained by the applicant. Failure to file this list may result in denial of the exemption.

This is to certify that the information contained in the following responses is true and correct to the best of my knowledge and belief and that I am duly authorized to sign on behalf of the applicant organization.

Date: _____ Signed by: _____
NAME & TITLE

1. Name of applicant organization: _____
(OWNER OF PROPERTY OR PRINCIPAL OCCUPANT – CIRCLE ONE OR BOTH
2. Mailing address and telephone number: _____
_____
3. In what municipality is this exemption claimed? _____
4. Under which section is applicant requesting exemption: (An organization may not claim multiple exemptions under separate provisions of RSA 72:23)
RSA 72:23, III (religious) ☐ RSA 72:23, IV (educational) ☐ RSA72:23, V (charitable) ☐
(Form A-12 must also be filed, if applicant is requesting exemption as a charitable organization.)
5. Is the applicant organized, incorporated, or legally doing business in NH? (Yes ☐ No ☐)
Does it have a principal place of business in this state (Yes ☐ No ☐). If yes, where:
_____
ADDRESS TELPHONE NUMBER
6. State general purpose for which applicant is organized or incorporated: _____
_____
_____
7. If applicant is requesting exemption as a charitable organization under RSA 72:23, V:
(a) What service of public good or welfare is provided? _____
(b) Who are the beneficiaries of this service? _____
(c) Is there a charge for this service? _____ If yes, explain _____
_____
(d) For what purpose is any income used? _____
8. If the applicant is a religious organization, is it a regularly recognized and constituted denomination, creed or sect? _____
If so, give its generally recognized name _____

9. State whether the applicant has been granted exemption from taxation by special act of the legislature since May 7, 1913. _____

   If so, give date. _____

10. Did the municipality where the applicant claims exemption vote prior to April 1, 1958 to grant exemption on property not specifically exempted by Chapter 72 RSA as amended by Chapter 202 of the Laws of 1957? _____

    If so, what is the total amount of the exemption voted? _____

11. List real estate and personal property on which exemption is claimed for this municipality and the purpose of which each item is used. Itemize each building or tract of land separately indicating the approximate area or percentage used for exempt purposes. (See example)

Tax Map & Lot No.	Property Description	Primary Use and its extent or duration	Other Use and its extent or duration

EXAMPLE:

Tax Map & Lot No.	Property Description	Primary Use and its extent or duration	Other Use and its extent or duration
25/6	5 acres of land	Continual support of	
		Smith & Jones bldgs.	
25/6	Smith house	25% science teacher's apt	
		75% dormitory (18 students)	4-H for 6 wks.
25/6	Jones Bldg.	40% apt. rent to public	
		50% student assemble room	Rented to town 4-5 times/yr.
		10% school nurse's office	
35/2	Brown lot-28 acres	Camping and hiking by scouts;	
		150/yr. for 2 wk. period	Logging

Hearing before Municipal and County Government
Tuesday, February 4, 2025, 1:30 p.m.
HOUSE BILL, HB 425, allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission

PRIME SPONSOR: Rep. Mark Pearson,
Rockingham County District 34 = Hampstead, Kingston, East Kingston.
Chairman, Children and Family Law; Chairman, DHHS Oversight Committee

The title of this bill highlights just a small portion of what this bill seeks to do. The far larger part has to do with the rental of what had once been the church's rectory or parsonage.

For centuries next to houses of worship were dwellings where the clergy members lived. The clergy members and, in some cases, their families with them lived there rent free as part of their compensation. These buildings were considered an extension of the church or synagogue.

Roughly fifty years ago this began to change. Many of the houses of worship with attendant rectories, parsonages, and the like, were downtown. Over the years, most people in those areas moved out. Clergy members wanted to live outside such areas, for them and their families, if any, to live with other people nearby. In addition, because clergy members lived in housing that was provided for them but not owned by them, they built up no equity in a house and often, upon retirement, were faced with the question of where to go.

The change effected to address these circumstances was the creation of a clergy "housing allowance," sometimes referred to as a "parsonage allowance." Each month, the clergy member was given a sum of money for rent or mortgage payment, for property-tax payment, for upkeep and for the payment of utility bills.

What to do with the buildings next to the houses of worship? Many religious organizations rented them out and used the income to fund that housing allowance. It was, financially speaking, a wash.

What happens, however, when a religious society owns multiple properties and gains rent from them? Here's one example: Trinity Church, Wall Street, New York City derives a huge income from owning most of the buildings on Wall Street, but they pay property tax on them consistent with other commercial buildings. This is the wide-spread custom.

In a recent New Hampshire Court case, the claim of a town against a religious society for asserting their multiple buildings should be granted property-tax exemption was upheld. The town prevailed, not the church.

With the whole question of tax-exemption for various non-profit organizations being put into play, many towns revisited the whole property-tax exemption question. Many understood that a religious society deriving rental income from the former clergy house to pay a clergy member's housing allowance was the wash I spoke of. The former clergy house was still deemed property-tax exempt. However, other properties owned by the religious society and providing income were deemed non-exempt. To me, that is quite fair for everyone.

But a few towns did not see it that way. They wanted to tax the old rectory even if the income was used to fund the clergy housing allowance. More lawsuits are being considered. The goodwill that once existed between a religious organization and its town is being threatened. I have received requests from officials of a few towns and leaders of a few churches to get enacted a law that is fair and equitable for all.

As for a conflict-of-interest disclaimer, I have none to declare. My church does not own a rectory. I get a housing allowance, and I pay local property tax as any other citizen would.

HB 425 - AS INTRODUCED

2025 SESSION

25-0302
07/05

HOUSE BILL ***425***

AN ACT allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.

SPONSORS: Rep. M. Pearson, Rock. 34; Rep. B. Boyd, Hills. 12; Rep. DeSimone, Rock. 18; Rep. Cordelli, Carr. 7; Rep. Janigian, Rock. 25; Rep. Cambrils, Merr. 4; Rep. Terry, Belk. 7; Sen. Gannon, Dist 23

COMMITTEE: Municipal and County Government

ANALYSIS

This bill:

I. Grants property tax relief to certain religious organizations who rent facilities to organizations that share similar missions or goals.

II. Grants property tax exemptions to religious organizations that rent property, so long as any rental income is put towards certain functions.

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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.

HB 425 - AS INTRODUCED

25-0302
07/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT allowing tax-exempt entities to keep their tax-exempt status while renting facilities or property to entities that share their mission.

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

1 Taxation; Persons and Property Liable to Taxation; Real Estate and Personal Property Tax Exemption. Amend RSA 72:23 to read as follows:

III.(***a***) Houses of public worship, parish houses, church parsonages occupied by their pastors, convents, monasteries, buildings and the lands appertaining to them owned, used and occupied directly for religious training or for other religious purposes by any regularly recognized and constituted denomination, creed or sect, organized, incorporated or legally doing business in this state and the personal property used by them for the purposes for which they are established.

(b) A religious organization that rents any church parsonage or similar residential real estate to another organization that shares a similar mission or goal shall be exempt from taxation on those properties.

(c) A religious organization that rents not more than one church parsonage or similar residential real estate, and/or not more than one worship building shall be exempt from taxation on those properties provided that the rental income, if any, is used for the religious leader's compensation, for the maintenance of the worship building or parsonage, or the funding of standard religious programs. In this subparagraph, "religious organization" means a single house of worship, including but not limited to churches, synagogues, mosques, shrines, and temples. An organization shall not claim more than one exemption under this subparagraph.

2 Applicability. This act shall apply to all taxable periods ending after December 31, 2025.

3 Effective Date. This act shall take effect April 1, 2026.