

Senate Executive Departments and Administration Committee

Ben Mickens 271-1403

SB 492-FN, authorizing the department of military affairs and veterans services to license and lease property in which the department holds a property interest.

Hearing Date: January 8, 2026

Time Opened: 10:32 a.m.

Time Closed: 10:39 a.m.

Members of the Committee Present: Senators Pearl, McGough, Gannon, Altschiller and Reardon

Members of the Committee Absent : None

Bill Analysis: This bill:

I. Authorizes the department of military affairs and veterans services to lease or license property under its jurisdiction.

II. Clarifies that when department property is leased or licensed to private entities that are not exempt from taxation, the property is subject to local property taxes as though privately owned.

III. Outlines the responsibilities of lessees and licensees to pay taxes, the penalties for nonpayment, and the municipality's authority to enforce collection through liens and legal action.

IV. Establishes a dedicated property fund for the department.

Sponsors:

Sen. Watters

Sen. Sullivan

Sen. Lang

Sen. Pearl

Sen. Fenton

Sen. Birdsell

Sen. Avard

Sen. Perkins Kwoka

Sen. Prentiss

Rep. Moffett

Rep. Rollins

Rep. Mandelbaum

Rep. Seibert

Who supports the bill: Senator Pearl, Senator Watters, Major General David Milolaities, Margaret Peggy Labrecque, Kim MacKay, Kevin Grady, Eric Pauer, Nicole Degilets-Buxley, Tony J. Gagnon

Who opposes the bill: None

Who is neutral on the bill: Ryan Hale – NH Bankers Association, Jim Michaud

Summary of testimony presented in support:

Senator David Watters

- There is an amendment that replaces the first part of the bill which the members should have copies of.
- The amendment makes some corrections to the leasing arrangement, changes requested by the Bankers Association to clarify lean authority.
- This bill authorizes the Department of Military Affairs to lease or license property.
- The purpose is to allow the Department to enter into partnerships with developers and others to create suitable housing for military members.
- Sites would include former barracks in Strafford and a potential site in Pembroke.
- The legislation ensures that if development occurs the entities are subject to local property taxes and outlines responsibilities to pay other obligations.
- The second part of the bill establishes a fund that can be used for these projects.
- He spoke to service members, who state that they are facing the difficulties that come with the housing shortage and housing cost.
- Housing can have a negative impact on recruitment and retention in New Hampshire.
- Making housing available could incentive recruits to come serve in New Hampshire.
- Some service members live an hour to an hour and a half away from the base where they can afford housing.
- This has implications for readiness.
- Providing housing could be a real service, with a big impact for our troops.
- Housing could be provided for single service members and families.
- This legislation is paired with another Senate Bill that is going to propose creating housing at Pease Airforce Base in connection with a joint project with Great Bay Community College.
- They worked with General Mikolaities to be sure they addressed federal requirements and would meet the needs of the National Guard.

Major General David Mikolaities – Adjutant General NH National Guard

- Pease Air National Guard base is not an active-duty base, this means they do not have on post housing as the Portsmouth Naval Shipyard does.

- They have 150 airmen on active duty at Pease to complement the air refueling wing and they have no place to live.
- These active-duty members serve a 3 or 4 year post and are subject to the housing market.
- They are given a housing stipend from the federal government but it does not cover the cost of housing on the sea coast.
- The Junior Airmen now have to commute from farther and farther away.
- This legislation allows the Department of Military Affairs and Veterans Services the ability to pursue this endeavor.
- The second part of the bill is all of the financials and how to account for the funding.
- The goal is to look for ways to use barracks that are underutilized for weekend soldiers and convert them to permanent housing for junior enlisted soldiers and airmen.
- They are trying to tackle affordable housing for New Hampshire's most vulnerable service men.

Mr. Kevin Grady – NH Veterans Advisory Committee

- They are in support of creating affordable housing for our troops.
- Having a long commute to base puts more pressure on our soldiers and airmen, especially in a storm.
- They love the concept and know that others will have to address the specifics of how to get it done.

Summary of Neutral Testimony Presented:

Mr. Jim Michaud

- The language on page 1, line 3-30 and page 2, line 1-14, looks to address how, statutorily, the Department of Military Affairs could lease out some of their properties to non-tax-exempt entities.
- He believes RSA 72:23 already does this.
- This RSA deals with how municipalities address state owned property utilized for non-state, taxable uses.
- RSA 72:23 has a couple of carve outs for NH DOT and UNH and may need a carve out for purposes of this bill.
- They should not replicate in RSA 110 what already exists in RSA 72:23.
- He asked the committee to please consider if the existing statute already gets this legislation where it needs to go.

Senator McGough asked Mr. Michaud to clarify if he was here for the town of Hudson or the office of the Assessor.

Mr. Michaud replied the Hudson selectmen have not voted to take an official position on this legislation and clarified he is not here to represent them.

Senator McGough asked if he was here in his capacity as the Assessor.

Mr. Michaud answered that he is there as the Assessor for the Town of Hudson.

Senator Pearl asked if he believes the existing law will cover what this legislation wants to accomplish.

Mr. Michaud replied yes, with the caveat that there may be other specific goals that he is not aware of that the new language addresses.

Senator Reardon asked if it is possible for tax-exempt entities to house employees on their land without paying property taxes.

Mr. Michaud answered that he was unsure if that situation would be tax exempt.

Senator Reardon asked if it would be tax exempt if it was part of the employee's compensation.

Mr. Michaud stated that he is still unsure and added that new housing adds costs at the local level and property taxes help redress this.

Mr. Ryan Hale - NH Bankers Association

- The Association had one concern that the amendment addresses.
- They believed there was some ambiguity about possible loans, but the amendment would address the concerns.

Senator David Watters

- He has not seen RSA 72:23 but believes the reason it would not work with this legislation is because it addresses state-owned property and the tax-exempt issues around that.
- He believes that since RSA 110:b is under military affairs this language should be in there.