

SB 492-FN - AS INTRODUCED

2026 SESSION

26-2057

06/07

SENATE BILL **492-FN**

AN ACT authorizing the department of military affairs and veterans services to license and lease property in which the department holds a property interest.

SPONSORS: Sen. Watters, Dist 4; Sen. Sullivan, Dist 18; Sen. Lang, Dist 2; Sen. Pearl, Dist 17; Sen. Fenton, Dist 10; Sen. Birdsell, Dist 19; Sen. Avard, Dist 12; Sen. Perkins Kwoka, Dist 21; Sen. Prentiss, Dist 5; Rep. Moffett, Merr. 4; Rep. Rollins, Sull. 3; Rep. Mandelbaum, Rock. 21; Rep. Seibert, Hills. 21

COMMITTEE: Executive Departments and Administration

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.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT authorizing the department of military affairs and veterans services to license and lease property in which the department holds a property interest.

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

1 1 New Paragraphs; National Guard Facilities. Amend RSA 110-B:28 by inserting after
2 paragraph VI the following new paragraphs:

3 VII. The department of military affairs and veterans services shall have the authority to
4 license or lease all property under its jurisdiction. However, no lease or license of real property for a
5 term exceeding 7 years shall be executed without the prior approval of the governor and the
6 executive council.

7 VIII. All department property that is leased or licensed by a person, other than the
8 authority or any other entity exempted from taxation under RSA 72:23, shall be taxable by the
9 municipality in which the property is located as though such property were not owned by the
10 department and were held in fee simple. Upon leasing or licensing by the department of any of its
11 property to a non-exempt entity for any use, the municipality in which such property is located shall
12 subject such property to any and all applicable property taxes of the municipality as though such
13 property were not owned by the state or authority and were held in fee simple. Tax payments shall
14 be made as follows:

15 (a) In the case of such property rented from the department, the renter or lessee shall
16 pay, in lieu of real estate taxes, to the municipality in which the property is located an amount equal
17 to the amount that would have been paid as ad valorem taxes in respect to such property, had it
18 been owned by a nongovernmental person.

19 (b) In the case of such property leased from the department, the lessee of such property
20 shall pay all taxes duly assessed against such property no later than the due date. If the lessee fails
21 to pay such duly assessed taxes by the due date:

22 (1) Interest shall accrue on the unpaid taxes at a rate of 18 percent per annum from
23 the due date until such taxes are paid;

24 (2) The municipality in which the leased property is located shall have a lien,
25 subordinate only to any existing lien of the authority or the state, upon any personal property
26 including, but not limited to, equipment owned by the lessee, which lien shall continue in force from
27 the due date until the taxes and accrued interest are paid; and

28 (3) The municipality may bring suit against the lessee in any court of competent
29 jurisdiction for the recovery of any unpaid taxes and interest, together with reasonable attorney's
30 fees and costs.

1 (c) Such tax payments shall be made at the times and in the manner prescribed for ad
2 valorem property taxes for nongovernmental persons and shall be based on the valuation of the
3 property determined by the respective municipality for such purpose, subject to any equalization or
4 proportionality factor to be applied within such municipality. If the lessee or authority determines
5 that any valuation made by a municipality is excessive, it may seek a reduction of the valuation by
6 following the procedures prescribed in RSA 76 for the abatement of taxes.

7 IX. For all the department property that is leased or licensed by a person, other than the
8 department, who is subject to the payment of a municipal services fee in lieu of real estate taxes for
9 the provision of services by or on behalf of the authority which are traditionally provided by the
10 municipality, and to the extent such municipal services fee is based in whole or in part on the
11 valuation of the property by the respective municipality for such purpose, subject to any equalization
12 or proportionality factor to be applied within such municipality, if the lessee or the department
13 determines that any valuation made by a municipality is excessive, it may seek a reduction of the
14 valuation by following the procedures prescribed in RSA 76 for the abatement of taxes.

15 2 New Section; Department of Military Affairs and Veterans Services Fund. Amend RSA 110-B
16 by inserting after section 28-a the following new section:

17 110-B:28-b Department of Military Affairs and Veterans Services Property Fund.

18 I. There is hereby established in the office of the state treasurer a fund to be known as the
19 department of military affairs and veterans services property fund, which shall be kept distinct and
20 separate from all other funds. The fund shall consist of such moneys as may be appropriated to the
21 department for each fiscal year relating to department property, department projects, or any activity
22 of the department, as well as any gifts, grants, or donations received for such purpose. All moneys in
23 the department of military affairs and veterans services property fund shall be nonlapsing and
24 continually appropriated to the department.

25 II. Moneys credited to the fund may be expended by the department for the benefit of the
26 department:

27 (a) To purchase, lease, acquire, own, improve, use, sell, convey, transfer, or otherwise
28 deal in and with department property, department projects, or any interest therein, whether
29 tangible or intangible, as authorized under this chapter.

30 (b) To pay the costs of operating, maintaining, improving, and repairing department
31 property and department projects.

32 (c) To pay all administrative and operational expenses of the department authorized by
33 law, including, but not limited to, wages, salaries, benefits, reasonable overhead expenses, and
34 expenses allocated by law or authorized by the adjutant general, including any allocation or
35 reimbursement to other department or authority funds, as permitted by law.

1 (d) To pay the principal of, and premium, if any, and the interest on any outstanding
2 bonds of the state related to department property or department projects, as such obligations become
3 due and payable.

4 (e) To create and maintain reserves as required by any bond resolution or security
5 document relating to such bonds.

6 (f) To pay any payments in lieu of taxes required by law, if any, related to department
7 property or department projects.

8 (g) To pay any and all other expenses incident to the management and operation of the
9 department, its property, or its projects in furtherance of its statutory purposes.

10 IV. Money in this fund shall be paid out on manifests approved by the governor and council
11 in the same manner as other state claims are paid, provided that advances may be made to the
12 treasurer of the department as requested and approved pursuant to this section. Manifests covering
13 advances shall be submitted at the earliest practicable time for regular processing and audit as
14 required by law.

15 V. The department revenues or any other revenues, other than revenues from or associated
16 with the department property or the department projects, received and due to the department shall
17 be retained by the department and shall be used for the department property or the department
18 projects in such manner as the adjutant general may determine consistent with the provisions of this
19 section or as is otherwise provided by law or by the terms and conditions incident to any gift, grant,
20 devise, bequest, trust, or security document.

21 3 New Subparagraph; Department of Military Affairs and Veterans Services Property Fund
22 Established. Amend RSA 6:12, I(b) by inserting after subparagraph (410) the following new
23 subparagraph:

24 (411) Moneys deposited in the department of military affairs and veterans services
25 property fund established in RSA 110-B:28-b.

26 4 Effective Date. This act shall take effect July 1, 2026.

SB 492-FN- FISCAL NOTE
AS INTRODUCED

AN ACT authorizing the department of military affairs and veterans services to license and lease property in which the department holds a property interest.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
<i>Revenue Fund(s)</i>	Property Fund			
Expenditures*	\$0	\$105,000 (General Fund)	\$107,000 (General Fund)	\$112,000 (General Fund)
		Indeterminable (Property Fund)	Indeterminable (Property Fund)	Indeterminable (Property Fund)
<i>Funding Source(s)</i>	General Fund and Property Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill authorizes the Department of Military Affairs and Veterans Services to lease or license property under its jurisdiction, provides that property leased or licensed to non tax exempt entities is subject to local property taxation, establishes lessee responsibility for payment of such taxes, and creates a dedicated, nonlapsing Department of Military Affairs and Veterans Services Property Fund.

The Department of Military Affairs and Veterans Services states this bill would authorize the Department to lease or license property and establish a dedicated, nonlapsing property fund to receive revenues generated from such activity, but the amount of revenues received into that fund is indeterminable. The Department states it does not currently lease or license property to private entities and therefore does not have existing lease or license revenue that would otherwise lapse to the General Fund. The Department states the creation of the property fund would not reduce the need for General Fund appropriations. To implement this bill, the Department requests one new full time position titled Property Manager. The Department estimates the cost of this position at \$105,000 in FY 2027, \$107,000 in FY 2028, and \$112,000 in FY 2029. The bill does not authorize nor appropriate funds to support this position.

The Department states there is no direct fiscal impact on county or local expenditures; however, municipalities may receive property tax revenue when department property is leased or licensed to non tax exempt entities, as provided in the bill.

AGENCIES CONTACTED:

Department of Military Affairs and Veterans Services