

HB 1380-LOCAL - AS INTRODUCED

2026 SESSION

26-2918

07/08

HOUSE BILL            ***1380-LOCAL***

AN ACT                requiring the assessment of real property and land be based on replacement or cost-based value.

SPONSORS:            Rep. Potenza, Straf. 19; Rep. Burnham, Straf. 2; Rep. DeRoy, Straf. 3; Rep. Grote, Rock. 24; Rep. Osborne, Rock. 2; Rep. Wheeler, Hills. 33

COMMITTEE:          Municipal and County Government

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ANALYSIS

This bill requires that the assessment of real property and land be based on its replacement- or cost-based value.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty-Six*

AN ACT requiring the assessment of real property and land be based on replacement or cost-based value.

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

1 1 Short Title. This act may be cited as the "Replacement Value Property Assessment Act."

2 2 Statement of Purpose. The general court hereby finds that:

3 I. Basing property tax assessments on speculative market prices can result in unfair tax  
4 burdens, especially during rapid fluctuations in the real estate market.

5 II. Assessments for both improvements and land ought to be based upon replacement or  
6 cost-based value, not fair market value, with protections for taxpayers and municipalities during the  
7 transition period beginning with December 2026 assessments.

8 3 Taxation; Appraisal of Taxable Property; How Appraised. RSA 75:1, I-III is repealed and  
9 reenacted to read as follows:

10 I. Except as otherwise provided by law, the selectmen shall appraise all taxable real  
11 property, including both improvements and the underlying land, at its replacement or cost-based  
12 value rather than at estimated fair market value.

13 (a) For buildings and other improvements, "replacement value" means the cost, at the  
14 time of appraisal, to reconstruct or replace the property with materials of like kind and quality, less  
15 depreciation.

16 (b) For land, "replacement or cost-based value" means the value derived from the  
17 objective costs of preparing comparable land for its existing use, including infrastructure and  
18 permitted improvements, and shall not include speculative premiums or inflated market prices.

19 II. The commissioner of the department of revenue administration shall adopt rules under  
20 RSA 541-A to establish uniform standards and methodologies for determining replacement or cost-  
21 based value for both improvements and land, including approved cost manuals, depreciation  
22 schedules, and land-preparation cost factors.

23 III. All references in state law or local ordinance to "fair market value" for purposes of  
24 property tax assessment shall be deemed to mean "replacement or cost-based value" after July 1,  
25 2026.

26 4 New Sections; Transition to Replacement or Cost-Based Value. Amend RSA 75 by inserting  
27 after section 1-a the following new sections:

28 75:1-b Transition to Replacement or Cost-Based Value.

29 I. For the tax assessments used to produce the December 2026 final tax bills, each  
30 municipality shall assess taxable real property using a blended value consisting of:

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- 1 (a) 50 percent of the assessment under the former fair market value method, and  
2 (b) 50 percent under the replacement or cost-based value method described in RSA 75:1.
- 3 II. For the 2027 tax year:
- 4 (a) First-half 2027 tax bills: 50 percent fair market value / 50 percent replacement or  
5 cost-based value;
- 6 (b) Second-half 2027 tax bills: 25 percent fair market value / 75 percent replacement or  
7 cost-based value.
- 8 III. Beginning with all assessments for the 2028 tax year and thereafter, property shall be  
9 assessed solely under the replacement or cost-based value system.
- 10 75:1-c Revenue Neutrality. No municipality shall increase its total property-tax levy solely due  
11 to the change in assessment methodology required by RSA 75:1 or 75:1-b. Any increase in total  
12 property-tax revenue during or after the transition must result from duly adopted budgetary, rate,  
13 or levy actions under existing law.
- 14 75:1-d Taxpayer Appeal Rights. Any taxpayer who believes the replacement or cost-based  
15 assessment of their property has been improperly calculated may appeal such assessment under the  
16 same procedures and deadlines established under RSA 75 and RSA 76. The department of revenue  
17 administration shall develop and publish a standard appeal form and guidance for use during the  
18 transition period and thereafter.
- 19 5 New Section; Annual Report. Amend RSA 75 by inserting after section 1-d the following new  
20 section:
- 21 75:1-e Annual Report. Beginning in the 2028 tax year, the commissioner of the department of  
22 revenue administration shall submit an annual report to the speaker of the house of representatives  
23 and the president of the senate, and publicly post the report on the department's website. The  
24 report shall include:
- 25 I. The number and outcome of taxpayer appeals under the replacement-value system;
- 26 II. The average changes in assessed value compared to what those values would have been  
27 under the former fair market value system; and
- 28 III. Any recommendations for adjustments or improvements to the replacement or cost-  
29 based value assessment methodology.
- 30 6 Applicability. Section 3 through 5 of this act shall apply to assessments used to produce  
31 December 2026 tax bills and all subsequent tax bills.
- 32 7 Effective Date. This act shall take effect July 1, 2026.