

HB 1739-FN - AS INTRODUCED

2026 SESSION

26-2699

06/08

HOUSE BILL **1739-FN**

AN ACT relative to energy infrastructure, economic development, and workforce training for large-scale data facilities.

SPONSORS: Rep. Salvi, Hills. 9; Rep. Gregg, Hills. 7; Rep. Spier, Hills. 6; Rep. Booras, Hills. 8; Rep. Kluger, Hills. 6; Rep. Chourasia, Hills. 11; Rep. Manohar, Hills. 9; Sen. Avard, Dist 12

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill establishes incentives, siting procedures, and regulatory requirements to attract data-center campuses and modernize the electric grid through non-gas generation, with enforceable agreements and workforce development provisions.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 relative to energy infrastructure, economic development, and workforce training for large-scale data facilities.

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

1 1 New Chapter; DATA-CENTER INVESTMENTS AND GRID MODERNIZATION. Amend RSA
2 162-U by inserting after chapter 162 the following new chapter:

3 CHAPTER 162-V

4 DATA-CENTER INVESTMENTS AND GRID MODERNIZATION

5 162-V:1 Purpose. The purpose of this chapter is to attract large-scale data-center campuses to
6 New Hampshire, modernize the electric grid through diversified non-gas generation, protect
7 ratepayers from infrastructure costs, deliver local benefits, and strengthen workforce pipelines
8 through partnerships with the university system and community colleges.

9 162-V:2 Definitions. In this subdivision:

10 I. "Data-center campus" means a facility or group of facilities primarily engaged in data
11 processing, storage, and transmission, with minimum capital investment, square footage, and job
12 creation thresholds established by rule.

13 II. "Grid modernization agreement" or "GMA" means a binding agreement between a
14 developer and the department of energy and public utilities commission that includes cost-sharing,
15 energy sourcing, and community benefit provisions.

16 III. "Non-gas generation" means electricity generated from nuclear, hydroelectric, solar with
17 storage, wind, or geothermal sources.

18 162-V:3 Property-Tax Stabilization Agreements. Notwithstanding RSA 72:81, a municipality
19 may offer a phased property-tax stabilization agreement or payment in lieu of taxes ("PILOT") for a
20 qualifying data-center campus. The agreement may phase in full taxation over a period not to
21 exceed 12 years. Eligibility criteria shall include minimum capital investment, facility size, and job
22 creation thresholds, as defined by municipal vote and approved by the department of revenue
23 administration.

24 162-V:4 Transferable Business Tax Credit. A developer of a qualifying data-center campus shall
25 be eligible for a transferable credit against the business profits tax and business enterprise tax equal
26 to a percentage of construction costs, subject to a statewide cap of 20 percent of the total construction
27 costs. The credit may be transferred to other New Hampshire taxpayers. The department of
28 revenue administration shall administer registration, tracking, and transfer of credits.

1 162-V:5 Grid Modernization Agreement Required. As a condition of receiving any incentive
2 under this chapter, a developer shall enter into a GMA with the department of energy and public
3 utilities commission. The GMA shall include:

- 4 I. Full payment of direct interconnection costs and a defined share of network upgrades.
- 5 II. Annual procurement or financing of non-gas generation equal to the facility's annual New
6 Hampshire load.
- 7 III. Enrollment in grid-stabilizing programs, including demand response.
- 8 IV. Enforcement mechanisms and claw-back provisions.

9 162-V:6 Fast-Track Siting. The department of energy, in coordination with municipalities, shall
10 designate eligible industrial and brownfield zones for fast-track permitting. Projects sited in such
11 zones shall be subject to expedited review, provided they comply with environmental standards and
12 local zoning.

13 162-V:7 Community Protections and Benefits. Developers shall enter into host-community
14 agreements that include enforceable noise limits and setbacks, environmental justice screening, and
15 resident bill credits funded by net revenues from on-site power exported to the grid.

16 162-V:8 Workforce Development. Developers shall meet minimum job creation standards,
17 including living wages and apprenticeship opportunities. Developers shall fund partnerships with
18 the university system and community colleges to support certificate programs in data-center
19 operations, power systems, networking, and cybersecurity.

20 162-V:9 Oversight and Enforcement. The public utilities commission and the department of
21 energy shall oversee execution of GMAs, including compliance with cost-sharing, non-gas energy
22 obligations, demand-response participation, workforce commitments, and environmental standards.

23 2 New Paragraph; Data-Center Campus Development Credit. Amend 77-A:5 by inserting after
24 paragraph XVII the following new paragraph:

25 XVIII. There shall be allowed a credit for qualifying data-center campus developers under
26 RSA 162-V equal to a percentage of construction costs, subject to a statewide cap of 20 percent of the
27 total construction costs.

28 3 New Section; Data-Campus Development Credit. Amend 77-E by inserting after 3-f the
29 following new section:

30 77-E:3-g Data-Campus Development Credit. There shall be allowed a credit for qualifying data-
31 center campus developers under RSA 162-V equal to a percentage of construction costs, subject to a
32 statewide cap of 20 percent of the total construction costs.

33 4 Effective Date. This act shall take effect April 1, 2026.

HB 1739-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to energy infrastructure, economic development, and workforce training for large-scale data facilities.

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 Decrease	Indeterminable Decrease	Indeterminable Decrease
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund			
Expenditures*	\$0	\$270,000	\$438,000	\$457,000
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Local Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Local Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill establishes incentives, siting procedures, and regulatory requirements to attract large-scale data-center campuses in New Hampshire. The bill allows municipalities to offer phased property-tax stabilization or PILOT agreements and creates a transferable business tax credit equal to a percentage of construction costs for qualifying data-center developers. The Department of Revenue Administration is required to administer registration, tracking, and transfer of the new credit and approve municipal eligibility criteria connected to local tax stabilization agreements.

The Department of Energy states this bill requires the Department to enter into and oversee grid modernization agreements with qualifying data center campuses as a condition of receiving

tax incentives. These agreements include requirements related to cost sharing for grid upgrades, procurement of non gas generation, participation in grid stabilization programs, workforce commitments, and environmental standards. The Department states these responsibilities exceed its current scope of work and would require one full time utility analyst, one full time environmental engineer, and one full time attorney beginning January 1, 2027. These positions would be responsible for negotiating and monitoring grid modernization agreements, enforcing workforce and environmental commitments, and designating eligible industrial and brownfield zones for fast track permitting. The Department estimates the cost of these positions to be \$154,000 in FY 2027 (part-year), \$284,000 in FY 2028, and \$297,000 in FY 2029.

Positions Requested by Dept. of Energy	FY 2027	FY 2028	FY 2029
Environmental Engineer x 1 (17-2050 CIVIL ENGINEERS-4 - SOC 17, pay band 5; step 1)	\$46,000	\$83,000	\$87,000
Utility Analysts x 1 (13-1190 MISC BUS OPS SPECS-7 - SOC 13, pay band 8; step 1)	\$59,000	\$111,000	\$116,000
Attorney x 1 (23-1010 LAWYERS-4 - SOC 23, pay band 5; step 1)	\$49,000	\$90,000	\$94,000
Total Salary, Benefits and Operating Expenses	\$154,000	\$284,000	\$297,000

This bill does not provide funding or authorize the requested positions, and the Department states it does not have an existing funding source to support these costs, which would require a General Fund appropriation.

The Department of Revenue Administration states this bill allows municipalities to offer phased property-tax stabilization agreements or PILOT agreements to data-center campuses that meet certain investment, square-footage, and job-creation thresholds. These thresholds must be “established by rule,” but the bill does not identify which agency is responsible for adopting those rules. The bill also requires municipal eligibility criteria to be approved by the Department, yet provides no standards for that approval. The Department notes that additional statutory guidance and explicit rulemaking authority would be needed if the Department is intended to define or approve eligibility criteria for data-center campuses.

The bill also creates a new Data-Campus Development Credit (DCD credit) against the Business Profits Tax and Business Enterprise Tax. The credit is equal to a percentage of construction costs and subject to a statewide cap of 20 percent of total construction costs, and credits may be transferred to other New Hampshire taxpayers. The Department states it is unclear how the credit is intended to function, how the statewide cap is to be applied, or how transfers are to be managed. For purposes of analysis, the Department assumes a developer may claim up to 20 percent of qualifying construction costs, limited by business tax liability, and may transfer the credit to any taxpayer paying business taxes in New Hampshire. The Department further

assumes the credit may be taken against both business taxes independently and is not cascading. These assumptions require clarification. The Department states the fiscal impact of the DCD credit would be an indeterminable decrease in General Fund and Education Trust Fund revenues, because business taxpayers using the credit would reduce their BPT and BET liabilities. The Department is unable to estimate the decrease because it lacks information regarding how many data-center campuses may qualify, the value of construction expenditures, or the extent to which credits may be transferred and fully utilized.

The Department also explains that the bill requires the Department to administer registration, tracking, and transfer of credits, which has not previously been done for any business tax credit. To implement this requirement, the Department would need to modify its revenue information management system (RIMS) to create a registry capable of recording earned credits and subsequent transfers. Paper processes and manual intervention may be necessary for non-electronic filers and for adjustments arising from amended returns or audits. Rulemaking authority would be required to fully implement this structure and clearly establish the audit responsibilities of both credit earners and credit purchasers. To administer the credit, the Department requires two Tax Examiner III positions beginning January 1, 2027. The cost for these positions is \$76,000 in FY 2027 (part-year), \$154,000 in FY 2028, and \$160,000 in FY 2029, plus \$40,000 in one-time programming costs.

The Department further states that the fiscal impact of the proposed local property-tax agreements would be an indeterminable increase in local revenues, and potentially also in local and county expenditures. To the extent that data-center campuses are developed, municipalities may see increased property-tax base while also necessitating provisions for new or expanded local and county services.

The Department also notes that the bill's effective date of April 1, 2026 appears intended to align with the property-tax year, but does not align with typical business-tax filing periods. The Department suggests that separate applicability language may be needed for the DCD credit to clarify when it may first be claimed.

The Public Utilities Commission states this bill will not result in a fiscal impact to the Commission. The Commission explains that although the bill assigns oversight responsibilities relating to grid modernization agreements and non-gas generation commitments, these duties fall within its existing regulatory framework and can be completed using current resources.

The New Hampshire Municipal Association (NHMA) states this bill will have an indeterminable impact on municipalities. NHMA explains that data-center projects may involve substantial electricity usage, water demand, and infrastructure strain, which could increase local utility costs or require system upgrades. The Association notes that water usage is not addressed in

the bill and could lead to significant future municipal expenses. NHMA states that allowing municipalities to offer phased property-tax stabilization agreements or PILOTs would shift the property-tax burden within a community. Municipalities may also incur administrative costs related to negotiating tax stabilization agreements, host-community agreements, and coordinating with the Department of Energy on designating eligible industrial and brownfield zones for fast-track permitting. NHMA is unable to estimate local revenue or expenditure impacts because the effects depend on the location, scale, and number of projects.

AGENCIES CONTACTED:

Department of Energy, Department of Revenue Administration, Public Utilities Commission, and New Hampshire Municipal Association