

HB 1763-FN - AS INTRODUCED

2026 SESSION

26-2781

07/09

HOUSE BILL **1763-FN**

AN ACT requiring the department of health and human services to disburse funds to municipalities in an amount equal to the sum of the assessed property values of nonprofit residential facilities in those municipalities.

SPONSORS: Rep. Drago, Rock. 4; Rep. Bennett, Rock. 4; Rep. Ford, Rock. 3; Rep. Nadeau, Rock. 4; Rep. Mazur, Hills. 44; Rep. Perez, Rock. 16; Rep. Bogert, Belk. 5; Rep. Barbour, Hills. 35

COMMITTEE: Health, Human Services and Elderly Affairs

ANALYSIS

This bill requires the department of health and human services to disburse funds to municipalities in an amount equal to the sum of the assessed property values of nonprofit residential facilities in those municipalities.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 department of health and human services to disburse funds to municipalities in an amount equal to the sum of the assessed property values of nonprofit residential facilities in those municipalities.

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

1 1 Short Title. This act may be known and cited as the "Municipal Property Tax Compensation
2 Act".

3 2 Statement of Purpose. The general court finds that this act shall help ensure that
4 municipalities are compensated for property tax revenue lost due to the tax-exempt status of
5 nonprofit residential facilities receiving funding from the department of health and human services.

6 3 New Section; Public Health; Department of Health and Human Services; Compensation for
7 Nonprofit Residential Facilities. Amend RSA 126-A by inserting after section 24 the following new
8 section:

9 126-A:24-a Compensation for Nonprofit Residential Facilities.

10 I. In this section:

11 (a) "Nonprofit residential facility" means a residential care facility, nursing home,
12 shelter, or other residential entity operated by a nonprofit organization exempt from property
13 taxation under RSA 72:23, which receives funding from the department.

14 (b) "Lost property tax revenue" means the amount of property tax revenue a
15 municipality would have collected if the property owned or leased by a nonprofit residential facility
16 were taxable at the municipality's current tax rate and assessed value.

17 (c) "Department" means the department of health and human services.

18 II.(a) Prior to disbursing funds to a nonprofit residential facility, the department shall
19 calculate and disburse to the affected municipality an amount equal to the lost property tax revenue
20 attributable to the facility's tax-exempt status.

21 (b) The compensation shall be based on the assessed value of the property, as
22 determined by the municipal assessing officials under RSA 75, and the municipality's property tax
23 rate for the fiscal year in which the funds are disbursed.

24 III.(a) The nonprofit residential facility shall submit to the department, as part of its
25 funding application, a statement from the municipal assessing officials verifying the assessed value
26 of the property and compliance with all local zoning laws.

27 (b) The department shall verify the calculation of lost property tax revenue with the
28 municipality before disbursing compensation.

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1 (c) Compensation shall be paid to the municipality no later than 30 days prior to the
2 disbursement of funds to the nonprofit residential facility.

3 (d) The department may request additional documentation from the nonprofit
4 residential facility or the municipality to ensure accurate calculation of the compensation amount.

5 IV. The department shall use existing appropriations or seek additional appropriations as
6 necessary to comply with this section. No funds shall be disbursed to a nonprofit residential facility
7 unless the required municipal compensation has been paid.

8 V. The department shall submit an annual report to the governor, the speaker of the house
9 of representatives, the president of the senate, and the fiscal committee of the general court,
10 detailing the total amount of compensation paid to municipalities under this section, the nonprofit
11 residential facilities involved, and the impact on departmental funding.

12 VI. No community living facility certified under this section shall be exempt from state or
13 local zoning ordinances, or exempt from state or local safety ordinances.

14 4 Effective Date. This act shall take effect January 1, 2027.

**HB 1763-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT requiring the department of health and human services to disburse funds to municipalities in an amount equal to the sum of the assessed property values of nonprofit residential facilities in those municipalities.

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	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	\$11.5 million +	\$23 million +	\$23 million +
<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	\$0	\$0	\$0
Local Revenue	\$0	\$11.5 million +	\$23 million +	\$23 million +
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill requires the Department of Health and Human Services to disburse to affected municipalities an amount equal to the lost property tax revenues attributable to the tax exempt status of each non-profit residential facility in the state. A "non-profit residential facility" is defined as a residential care facility, nursing home, shelter, or other residential entity operated by a nonprofit organization that receives funds from the department. The compensation is to be based on the assessed value of the property, as determined by the municipality and the municipality's property tax rate for the applicable fiscal year. The bill prohibits the Department from paying funds to non-profit residential facilities until the affected municipality has been paid.

The Department states that it is unable to determine the non-profit status of all possible organizations contemplated by the broad definition of "non-profit residential facility." The

Department also was not able to survey all affected facilities to determine property tax revenue lost. To determine a rough estimate of property tax revenue lost, the Department selected an example of each type of affected facility, determined the example facility's tax liability based on the applicable tax rate, and multiplied the example facility's tax liability by the number of facilities of the applicable type that the Department expects to have a non-profit status.

Calculation of the tax liability of example facilities is below. The Department was not readily able to secure the assessed value of a domestic violence shelter because domestic violence shelter locations are generally confidential. The Department assumes the tax liability of domestic violence shelters is similar to transitional homeless shelters.

Type of Facility	Example Facility	Town	Assessed Value	Tax Rate per \$1,000	Total Tax
Nursing Facilities	Courville	Nashua	\$ 11,450,000	\$ 15.90	\$ 182,055
Residential Care Facilities	Bedford Falls	Bedford	\$ 11,297,500	\$ 16.49	\$ 186,299
Community Residences	Emerald House	Keene	\$ 406,900	\$ 33.07	\$ 13,456
Transitional Homeless Shelter	Cross Roads House	Portsmouth	\$ 812,700	\$ 11.18	\$ 9,086
Behavioral Residential Treatment	Harbor Care	Claremont	\$ 371,500	\$ 29.26	\$ 10,879
SUD Recovery House	Granite Sober Living	Derry	\$ 1,200,000	\$ 18.69	\$ 22,428
Children's Residential Treatment	Dover Children's Home	Dover	\$ 2,300,000	\$ 18.70	\$ 43,010

The Department calculates the total cost for all facilities as follows:

Type of Facility	Number of Facilities	~Number of Non Profits	Tax of Example Facility	Total Cost
Nursing Facilities	79	47	\$ 182,000	\$ 8,554,000
Residential Care Facilities	138	55	\$ 186,000	\$10,230,000
Community Residences*	70	105	\$ 13,500	\$ 1,417,500
Transitional Homeless Shelter	35	35	\$ 9,000	\$ 315,000
Behavioral Residential Treatment*	27	41	\$ 10,900	\$ 446,900
SUD Recovery House*	40	42	\$ 22,400	\$ 940,800
Children's Residential Treatment*	20	30	\$ 43,000	\$ 1,290,000
DV Shelter	11	11	\$ 9,000	\$ 99,000
Total				\$23,293,200

For facilities with an asterisk, the Department notes that number of non-profit providers was adjusted upwards to account for providers that have multiple facilities under same license.

In addition to the costs above, the Department anticipates needing one full-time and one part-time Business Administrator I to support operations required by the bill. Total costs of the two positions are estimated at \$146,000 for FY 28 and \$153,000 for FY 29.

As the bill has an effective date of January 1, 2027, the Department assumes the cost in FY27 will be half of those for a full fiscal year.

AGENCIES CONTACTED:

Department of Health and Human Services and New Hampshire Municipal Association