

HB 1786-FN - AS INTRODUCED

2026 SESSION

26-2921  
06/09

HOUSE BILL **1786-FN**

AN ACT relative to creating a state assessment on non-homestead luxury second homes to fund statewide housing development programs and address housing shortages and making appropriations therefor.

SPONSORS: Rep. Muns, Rock. 29; Rep. Booras, Hills. 8; Rep. de Vries, Rock. 29; Rep. Hegner, Hills. 41; Rep. Howland, Straf. 20; Rep. Lane, Merr. 16; Rep. D. Paige, Carr. 1; Rep. Preece, Hills. 17; Rep. Read, Rock. 10; Rep. Stavis, Graf. 13; Sen. Altschiller, Dist 24; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Housing

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ANALYSIS

This bill:

I. Establishes a framework to expand affordable housing and housing-related infrastructure through financing, tax credits, workforce development, and municipal incentives.

II. Establishes a multi-stakeholder commission to study how to leverage the state's borrowing power to provide below-market financing for housing and infrastructure, including recommendations for a dedicated investment fund.

III. Expands the community development finance authority's investment tax credit program in phased amounts from FY 2026 to FY 2033, exclusively for housing and housing-related infrastructure projects.

IV. Offsets the expanded tax credits by transferring equivalent revenue from a new luxury second home state assessment.

V. Appropriates \$15 million to the state workforce innovation fund to support building trades training, apprenticeships, tuition assistance, and supplemental apprentice wages.

VI. Provides designated municipalities with access to grants, loans, expedited approvals, and financing tools to encourage housing production and infrastructure development.

VII. Creates a nonlapsing fund to support municipal demolition of vacant or dilapidated buildings, administered by the department of business and economic affairs.

VIII. Establishes a fund to assist regional planning commissions in updating housing needs assessments and fair share models.

IX. Imposes a semi-annual assessment on residential properties over \$1 million not used as a primary residence, with proceeds allocated to multiple housing-related programs and planning efforts

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Explanation: Matter added to current law appears in ***bold italics***.

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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 creating a state assessment on non-homestead luxury second homes to fund statewide housing development programs and address housing shortages and making appropriations therefor.

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

1 1 Short Title. This act shall be known as the "Fair Chance for Everyone Housing Development  
2 Act".

3 2 Statement of Purpose. The general court hereby finds that:

4 I. The lack of affordable single-family homes and apartments is generally regarded as one-  
5 if not, the most important – issues facing our state.

6 II. The 2023 Statewide Housing Assessment published by the New Hampshire housing  
7 authority said that based on estimated population growth, we will need an additional 60,000 units of  
8 housing in our state before 2030 and a total of 90,000 units before 2040.

9 III. There are many aspects to the problem and there is not one simple solution. State  
10 government will not “solve” this problem, but it can provide incentives to local authorities and the  
11 private sector to collaborate and address this challenge head on. This act hopes to provide some of  
12 those incentives.

13 3 New Chapter; Fair Chance for Everyone Housing Development. Amend RSA by inserting  
14 after chapter 21-V the following new chapter:

15 CHAPTER 21-W

16 FAIR CHANCE FOR EVERYONE HOUSING DEVELOPMENT

17 21-W:1 Purpose. The purpose of this chapter is to address New Hampshire’s urgent housing  
18 shortage by leveraging state financing capacity, expanding investment incentives, and supporting  
19 municipal and workforce development programs to increase the supply of affordable housing and  
20 housing-related infrastructure.

21 21-W:2 Commission Established; Housing and Infrastructure Financing.

22 I. There is established a commission to study how to fully leverage the borrowing power of  
23 the state to provide below-market financing for housing development and related infrastructure.

24 II. The commission shall consist of:

- 25 (a) Two members of the house of representatives, appointed by the speaker of the house.
- 26 (b) Two members of the senate, appointed by the president of the senate.
- 27 (c) The state treasurer, or designee.
- 28 (d) The executive director of the business finance authority, or designee.
- 29 (e) The executive director of the housing finance authority, or designee.

1 (f) The commissioner of the department of business and economic affairs, or designee.

2 (g) The executive director of the community development finance authority, or designee.

3 (h) The executive director of the municipal bond bank, or designee.

4 (i) The president of the community loan fund, or designee.

5 (j) The commissioner of the banking department, or designee.

6 (k) One representative each from the New Hampshire Bankers Association, Housing  
7 Action NH, New Hampshire Homebuilders Association, New Hampshire Municipal Association, and  
8 New Hampshire Business and Industry Association.

9 (l) Up to 3 municipal finance professionals from academia or the investment industry,  
10 appointed jointly by the speaker of the house of representatives and the president of the senate.

11 III. The commission shall:

12 (a) Evaluate the allocation and use of the state's private activity bond cap.

13 (b) Identify other low-cost or tax-exempt funding mechanisms.

14 (c) Assess the feasibility of a Housing and Infrastructure Development Investment  
15 Fund, including but not limited to:

16 (1) Recommend fund structure, how private housing and infrastructure developers  
17 will access the fund, repayment mechanisms, and administrative oversight.

18 (2) Analyze impacts on state debt affordability and credit ratings.

19 (3) Recommend statutory changes needed to implement the fund.

20 IV. The commission shall hold its first meeting within 45 days of the effective date of this  
21 act, called by the first-named house member. The commission shall elect a chair from among its  
22 members.

23 V. The commission shall report its findings and any recommendations for proposed  
24 legislation to the speaker of the house, president of the senate, house clerk, senate clerk, governor,  
25 and state library on or before August 1, 2027.

26 21-W:3 Community Development Finance Authority; Investment Tax Credit Expansion.

27 I. The community development finance authority may allocate additional investment tax  
28 credits as follows:

29 (a) \$2,500,000 in fiscal years 2026–2027, to a total of \$10 million.

30 (b) \$5,000,000 in fiscal years 2028–2029, to a total of \$12.5 million.

31 (c) \$7,500,000 in fiscal years 2030–2031, to a total of \$15 million.

32 (d) \$10,000,000 in fiscal years 2032–2033, to a total of \$17.5 million.

33 II. The additional credits shall be used exclusively for housing or housing-related  
34 infrastructure projects.

35 III. Credits shall be equal to 75 percent of the amount paid in business profits tax, business  
36 enterprise tax, or insurance premium tax.

1 IV. To offset the revenue reduction, equivalent amounts shall be transferred from the luxury  
2 second home state assessment established in RSA 76:22.

3 21-W:4 Luxury Second Home State Assessment. The luxury second home state assessment  
4 established in RSA 76:22 shall be used to fund the housing programs described in this chapter.

5 21-W:5 Workforce Development.

6 I. The sum of \$15,000,000 is hereby appropriated to the state workforce innovation fund  
7 established in RSA 12-O:45 for the following purposes:

8 (a) \$2,500,000 to expand building trades training at regional career and technical  
9 centers and community colleges.

10 (b) \$2,500,000 to support apprenticeship programs within building trades unions and  
11 housing contractors.

12 (c) \$5,000,000 for tuition assistance and loan forgiveness for students entering the  
13 trades.

14 (d) \$5,000,000 for supplemental apprentice wages.

15 II. The department of business and economic affairs shall administer tax credits for  
16 apprentice program sponsors.

17 21-W:6 Housing Champion Incentives.

18 I. Municipalities designated as housing champions shall be eligible for:

19 (a) Housing production and infrastructure grants under RSA 12-O:73.

20 (b) Property tax assessment holidays under RSA 79-A.

21 (c) Expedited state approvals and priority for projects requiring state approvals.

22 (d) Additional funding if they collaborate with other neighboring housing champion  
23 designated communities on housing and/or infrastructure initiatives.

24 (e) Access to low-cost financing and CDFA tax credits.

25 II. Municipalities that have not already applied to be designated as housing champions:

26 (a) Shall immediately qualify for a grant under the housing planning regulation grant  
27 program established in RSA 12-O:72 to assist with their application. Priority shall be given to  
28 communities that, within the past 3 years, have adopted a land use regulation that scores on the  
29 housing champions scoring matrix.

30 (b) The criteria for housing champion designation shall be grandfathered once a  
31 municipality submits an application.

32 (c) Developers of workforce housing in applicant communities shall retain eligibility for  
33 state assistance during the application period.

34 (d) Municipalities receiving planning grants shall submit a complete application within  
35 2 years.

36 (e) The department of business and economic affairs shall review housing champion  
37 applications within 90 days and issue final determinations within 180 days.



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1 (a) The sum of \$7,500,000 for the fiscal year ending June 30, 2027, and the sum of  
2 \$14,500,000 annually thereafter, to be allocated to the affordable housing fund established under  
3 RSA 204-C:57.

4 (b) The sum of \$2,500,000 for the fiscal year ending June 30, 2027, and the sum of  
5 \$5,000,000 annually thereafter, to be allocated to the housing infrastructure municipal grant  
6 program established under RSA 12-O:73.

7 (c) The sum of \$1,250,000 for the fiscal year ending June 30, 2027, and the sum of  
8 \$2,500,000 annually thereafter, to be allocated to the housing planning and regulation grant  
9 program established under RSA 12-O:72.

10 (d) The sum of \$1,250,000 for the fiscal year ending June 30, 2027, and the sum of  
11 \$2,500,000 annually thereafter, to be allocated to the partners in housing program established under  
12 RSA 12-O:72-a.

13 (e) The sum of \$1,250,000 for the fiscal year ending June 30, 2027, and the sum of  
14 \$2,500,000 annually thereafter, to be allocated to the housing production municipal grant program  
15 established under RSA 12-O:73.

16 (f) The sum of \$1,250,000 for the fiscal year ending June 30, 2027, and the sum of  
17 \$2,500,000 annually thereafter, to be allocated to the municipal demolition grant program.

18 (g) The sum of \$250,000 for the fiscal year ending June 30, 2027, and the sum of  
19 \$500,000 annually thereafter, to be allocated to the regional planning commissions.

20 (h) The sum of \$468,750 for the fiscal year ending June 30, 2027, and the sum of  
21 \$937,500 annually thereafter, to be deposited into the general fund to offset CDFA tax credit  
22 expansion.

23 II. The governor is authorized to draw a warrant for said sums out of any money in the  
24 treasury not otherwise appropriated, for the purposes specified in this section.

25 7 Effective Date. This act shall take effect January 1, 2027.

**HB 1786-FN- FISCAL NOTE**  
AS INTRODUCED

AN ACT relative to creating a state assessment on non-homestead luxury second homes to fund statewide housing development programs and address housing shortages and making appropriations therefor.

**FISCAL IMPACT:** This bill does not authorize new positions.

<b>Estimated State Impact</b>				
	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>Revenue</b>	\$0	\$0	Indeterminable Increase (estimated at \$31,000,000+ per FY)	
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund and Various Dedicated Funds			
<b>Expenditures*</b>	\$0	\$32,355,750	\$31,692,000	\$31,722,000
<i>Funding Source(s)</i>	Various Dedicated Funds and General Fund (see breakdown below)			
<b>Appropriations*</b>	\$0	\$30,718,750	\$30,937,500	\$30,937,500
<i>Funding Source(s)</i>	General Fund			

\*Expenditure = Cost of bill

\*Appropriation = Authorized funding to cover cost of bill

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

**METHODOLOGY:**

This bill establishes the Fair Chance for Everyone Housing Development Act, which introduces a new assessment on residential properties valued over \$1 million that are not used as a primary residence for at least 183 days per year. It also creates a commission to explore leveraging the state's borrowing power to provide below-market financing for housing and infrastructure development. In addition, the bill expands Community Development Finance Authority (CDFA) tax credits and appropriates general funds to several dedicated housing-related programs. Appropriation allocations are detailed in the table below.

<b>Allocation of Appropriation</b>	<b>FY 2027</b>	<b>FY 2028 &amp; Annually Thereafter</b>
Affordable Housing Fund	\$ 7,500,000	\$ 14,500,000

Housing Infrastructure Municipal Grant Program	\$ 2,500,000	\$ 5,000,000
Housing Planning and Regulation Grant Program	\$ 1,250,000	\$ 2,500,000
Partners in Housing Program	\$ 1,250,000	\$ 2,500,000
Housing Production Municipal Grant Program	\$ 1,250,000	\$ 2,500,000
Municipal Demolition Grant Program	\$ 1,250,000	\$ 2,500,000
Regional Planning Commissions	\$ 250,000	\$ 500,000
General Fund (to offset CDFA Tax credit expansion)	\$ 468,750	\$ 937,500
Workforce Innovation Fund*	\$ 15,000,000	\$ -
<b>Total</b>	<b>\$ 30,718,750</b>	<b>\$ 30,937,500</b>

**\*The \$15,000,000 appropriation to the Workforce Innovation Fund doesn't specify the funding source nor does it specify an appropriation date. The table assumes the appropriation will be made from the General fund and is assumed to be deposited on January 1, 2027, the effective date of the bill.**

The Department of Business and Economic Affairs states this bill would increase state expenditures beginning in FY 2027. The Department indicates the Office of Workforce Opportunity would receive a one time appropriation of \$15,000,000 in FY 2027 to expand building trades training, support apprenticeship programs, provide tuition assistance and loan forgiveness, and supplement apprentice wages. In addition, the Department states the Division of Planning and Community Development would be responsible for administering a new municipal demolition grant program, which would require program development, rulemaking, and fund administration. To manage the \$15,000,000 for the expansion of the building trade training and the new municipal demolition grant program, the Department anticipates the need for at least two new full time positions (13-1110 Management Analysis-2 – SOC 13, pay band 5; step 1), with estimated costs of \$174,000 in FY 2027, \$182,000 in FY 2028, and \$190,000 in FY 2029. The Department notes the bill does not clearly identify funding for program administration, which may limit implementation.

The Department of Revenue Administration (DRA) indicates an indeterminable increase in state revenues beginning in FY 2028 due to the new Non-Homestead Property Assessment (NHPA). The newly established NHPA is \$2.50 per \$500 of assessed value in excess of \$1,000,000, applicable to residential properties with an assessed value over \$1,000,000 that are not used as a primary residence for at least 183 days per year. Property owners would be entitled to file a homestead declaration with DRA to be exempted from the assessment. DRA estimates potential

revenue of approximately \$31 million+ annually from the NHPA, based on 2024 property data and second-home ownership rates. See breakdown in the table below.

Total Home Count	Average Assessed Value	Total Assessed Value	% 2nd Homes	Estimated Count of 2nd Homes	Estimated Total Assessed Value of 2nd Homes	Taxable Value	Revenue at \$2.50 per \$500 of Taxable Value
35,004	\$1,707,182	\$59,758,181,553	17.3%	6,064	\$12,266,870,143	\$6,202,870,143	\$31,014,351

DRA states there are significant implementation challenges, including the need for a new property tax billing and collection system as the DRA currently only provides support to municipalities in administering property taxes and does not directly perform billing or collection itself, seven new staff positions (3 Tax Examiner II's, 3 Tax Examiner III's, and 1 Collections Officer II), as well as annual mailing costs at \$38,500 beginning in FY 2028. While DRA estimates an approximate cost of \$1,200,000 for system upgrades the request for a true estimate is still pending. Therefore the total estimated costs for DRA are \$1,463,000 in FY 2027, \$572,500 in FY 2028, and \$594,500 in FY 2029. See the cost breakdown below.

<b>ESTIMATED FISCAL IMPACT (ROUNDED)</b>			
	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Tax Examiner II's Equipment/Salary and Benefits (3 positions)	\$105,000	\$213,000	\$222,000
Tax Examiner III's Equipment/Salary and Benefits (3 positions)	\$114,000	\$231,000	\$240,000
Collections Officer II Equipment/Salary and Benefits (1 position)	\$44,000	\$90,000	\$94,000
RIMS System Upgrades	\$1,200,000	\$0	\$0
Mailing Costs	\$0	\$38,500	\$38,500
<b>Total Estimated Cost</b>	<b>\$1,463,000</b>	<b>\$572,500</b>	<b>\$594,500</b>

Additionally, DRA states even with immediate funding, the system likely wouldn't be operational until summer 2027, with revenue collection beginning in FY 2028 due to the timing of equalization studies, exemption processing, and billing. DRA also notes ambiguity regarding fund allocations and the Community Development Finance Authority (CDFA) tax credits as well as the Workforce Innovation Fund tax credits, making a precise fiscal impact estimates difficult. DRA notes however, that CDFAs tax credits would not likely be useful to municipalities, who do not pay the taxes against which those credits may be claimed.

The New Hampshire Municipal Association (NHMA) notes that municipalities may experience increased costs from expanded housing development, including greater demand for public services and potential appeals of high-value property assessments. While municipalities could receive new revenue through grants and incentives, the overall fiscal impact is considered indeterminable because the timing of municipal participation, housing growth, and associated service demands will vary across communities.

**AGENCIES CONTACTED:**

Department of Business and Economic Affairs, Department of Revenue Administration, and New Hampshire Municipal Association