

# Senate Ways and Means Committee

*Sonja Caldwell 271-2117*

**AMENDMENT # 2025-2214s, defining pre-sequestration timber tax revenue, establishing a moratorium on carbon sequestration and establishing a commission to study the effects of carbon sequestration in New Hampshire forests upon state and local tax revenue, effective forest management, and the health of New Hampshire's logging industry; and relative to the Pasquaney School District and tax assessment restriction to HB 123, defining pre-sequestration timber tax revenue, establishing a moratorium on carbon sequestration and establishing a commission to study the effects of carbon sequestration in New Hampshire forests upon state and local tax revenue, effective forest management, and the health of New Hampshire's logging industry.**

**Hearing Date:** May 21, 2025

**Members of the Committee Present:** Senators Lang, Murphy and Sullivan

**Members of the Committee Absent :** Senators Rosenwald and Fenton

**Bill Analysis:** This bill:

- I. Defines pre-sequestration timber tax revenue and allows for payment in lieu of taxes on such revenue.
- II. Establishes a moratorium on carbon sequestration contracts.
- III. Establishes a commission to study carbon sequestration programs.

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**Sponsors:**

Rep. A. Davis

Rep. Cole

Rep. Ouellet

Rep. Tierney

Rep. Michael Murphy

Rep. Durkin

Sen. Pearl

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**Who supports the amendment:** Sen. Innis, Russell Holden, Eric Pauer

**Who opposes the amendment:** Curtis Howland, Sarahlynn Williams, Timothy Finney, James Gardner

**Who is neutral on the amendment:** Adam Denoncour (DRA)

**Summary of testimony presented:**

**Sen. Innis**

- Sen. Innis explained that this amendment is specific to a new school district that was formed last year and is needed to alleviate an issue that they ran into with setting the tax rate for this year.
- There is a requirement that taxes by member towns be limited to the prior year's assessed valuation times one half of the previous year's tax rate. In this case, because it is a new district and the equation will be changing dramatically, adhering to that requirement creates a problem.
- The amendment creates an exception to that requirement so they can set a new tax rate, and the residents won't be faced with a normal tax bill now and then a much larger one in December.
- Sen. Innis stated that the Dept. of Revenue Administration is fine with the amendment and has said they can implement it.

**Sen. Lang** summarized the issue saying that last term the legislature allowed Newfound School District voters to vote on whether or not they wanted to split off and form a new district and they chose to do so. He went on to say that breaking up that school district created an issue for when tax rates are set, and this amendment just fixes that problem.

**Sen. Innis** confirmed that was correct.

**Russell Holden** – Superintendent of the Pasquaney School District

- Mr. Holden explained that HB349 passed last year, allowing the towns of Bridgewater, Hebron, and Groton to form a new school district, SAU #108.
- Mr. Holden explained that while working with the three towns and the DRA in September of last year, they realized there was going to be an issue with the tax bill. He said they continued to work with the DRA when their budget was passed, however a deadline was missed.
- Mr. Holden stated that this amendment will allow them to establish a tax rate that will truly represent Pasquaney School District and equalize that tax rate on both halves.

**Adam Denoncour** – Dept. of Revenue Administration

- Mr. Denoncour stated that the DRA helped draft the amendment. They are good with the implementation and can administer it as written. The amendment is needed to change the basis of the first issue rate from what used to be Newfound Regional School District to Pasquaney School District.