

Senate Election Law and Municipal Affairs Committee

Jessica Bourque 271-2104

HB 426, relative to property tax exemptions for charitable organizations for the prior tax year.

Hearing Date: April 8, 2025

Time Opened: 10:19 a.m.

Time Closed: 10:30 a.m.

Members of the Committee Present: Senators Gray, Lang, Rochefort, Perkins Kwoka and Long

Members of the Committee Absent: None

Bill Analysis: This bill permits a charitable organization to request a property tax exemption for the 2024 tax year if they demonstrate to the selectmen that they were prevented by accident, mistake, or misfortune from filing the statement of financial condition before June 1, 2024, and provides for appeal of the decision to the board of tax and land appeals or the superior court.

Sponsors:

Rep. J. MacDonald
Rep. Peternel

Rep. Maggiore
Rep. Rung

Rep. Crawford
Rep. Lynn

Who supports the bill: Rep. Mark Pearson, Peggy Hennelly-Maniates, Salvatore Prizio, John MacDonald, Tom DeRosa

Who opposes the bill: No one

Summary of testimony presented:

Representative John MacDonald, Carroll-District 6

- This bill seeks to be a bridge for nonprofit organizations that inadvertently filed their tax-exemption paperwork late between June 1, 2024, and April 2025.
- The legislature passed a bill last year that ensured municipalities could accept nonprofit organizations' late filings based on accident, mistake, or misfortune. The bill had an effective date of April 1, 2025.
- This will help nonprofit organizations that provide our citizens with educational, health, and social services.
- Worked with the Board of Tax and Land Appeals; they can't testify today due to ongoing litigation.

Senator Rochefort asked if Rep. McDonald knew how many of these nonprofits would be affected, given that this is retroactive.

- Said in his community there are two that would be affected.

Representative Mark Pearson, Rockingham-District 34

- Thinks line 5 is the key: “accident, mistake, or misfortune”; these organizations do their best, and these groups are primarily made up of volunteers who don’t necessarily know how to do this type of thing.
- It is part of the job of town employees to track these forms.
- Nonprofit organizations do a lot for towns; Rep. Pearson believes the towns should give them some help.

Peggy Hennelly-Maniates, Executive Director, Wright Museum of World War II

- The Wright Museum of World War II has been a nonprofit organization for over 30 years and attracts over 18,000 people to the Wolfeboro area yearly.
- For many years, the museum has filed the forms correctly. Still, in June 2024, the staff member responsible for filing had a serious family medical issue, and the museum had a seasonal worker who was out as well. Because of this, full-time staff had to cover the admission desk in addition to their regular duties, and the deadline was inadvertently missed.
- Under appeal, the Wolfeboro Selectboard was sympathetic. However, the town attorney was not and cited the April 1, 2025, effective date of HB 1055 (2024). As a result, the town lost its tax-exemption for a year at a cost of over \$50,000, which is 10% of the museum’s entire budget.

Salvatore Prizio, Executive Director, Capital Center for the Arts

- Mr. Prizio also serves on the New Hampshire Center for Nonprofits policy committee.
- In June 2024, the Capital Center for the Arts (CCA) filed five days late due to extenuating circumstances. Mr. Prizio was out of town at a conference, and his assistant was with her spouse, who had just suffered a heart attack. When his assistant realized the forms needed to be filed, Mr. Prizio couldn’t sign the paperwork because he was out of town. He signed them when he returned to town, but the forms were 5 days late.
- They appealed to the City of Concord, but as of now, CCA owes the City \$150,000 in taxes.
- Even at the federal level, if you are late with your taxes, there is a penalty percentage owed, not the whole 100% of the amount owed.
- CCA understands organizations’ responsibilities but feels that this is incredibly punitive and damaging to organizations like CCA.
- CCA brings over 100,000 people to Concord yearly and represents a lot of economic activity in the city.
- If they must pay \$150,000, it will vastly affect a lot of the community outreach they usually do.