

# Senate Ways and Means Committee

*Sonja Caldwell 271-2117*

**HB 696-FN**, exempting electricity generators from the utility property tax and including them under the statewide education property tax, and relative to communications services tax revenues.

**Hearing Date:** April 23, 2025

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

**Members of the Committee Absent :** None

**Bill Analysis:** This bill provides certain electric generating facilities with a temporary exemption from the state education tax while they have an existing payment in lieu of taxes agreement.

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**Sponsors:**

Rep. Vose

Rep. McFarlane

Sen. Watters

Rep. Janigian

Rep. C. McGuire

Sen. Lang

Rep. J. MacDonald

Rep. Ulery

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**Who supports the bill:** Rep. Jordan Ulery, Molly Connors, Madeleine Mineau (Granite State Hydro Assoc.), Evan Oxenham, B. Wedger, Marek Kotelba, Virginia Riege-Blackman, Susan Liebowitz, Margaret Fletcher, Nancy Wood, Lois Cote, Mary Till, Susan Richman, Melissa Marry, Patricia Beffa-Negrini, Wiltrud Mott-Smith, Leane Garland, Sarah Young, Deborah Klein Walker, Micheline Hagan, Beth Potier, Martha McDaniel, Priscilla Benson, Sharon Racusin, Benjamin Stinson, Nancy Kelley, Judith Pettingell, Susan Edwards, Sarah Colombo, Bonnie Bruno, Peg Sheets, April Ingram, Isabeth Gross, Lucy Mink Covello, Alfrieda England, Robert England, Sarah McCarthy, Meredith Morgan, Nancy Miles, A. Thomas, Joanna Andros, Shea Flanagan, Margaret Jernstedt, Helmut Koch

**Who opposes the bill:** Rep. Tom Schamberg, Michael Strong, Kathleen Malsbenden

**Who is neutral on the bill:** no one

**Summary of testimony presented:**

**Rep. Jordan Ulery**

- Rep. Ulery explained that the bill comes from a three-and-a-half-year commission study on electric generators.

- He stated that electricity producers are private businesses, not public utilities. They generate electrons that are distributed through public utility lines.
- The bill reclassifies generators as private businesses, subjecting them to the Business Profits Tax (BPT), Business Enterprise Tax (BET), and Statewide Education Property Tax (SWEPT).
- Currently, some generators have PILOT (payments in lieu of taxes) agreements with towns, including multi-town agreements. These expire in 2031. Since the bill takes effect in 2027, towns have time to switch to standard property tax assessments.
- The change aligns generators with other industrial properties for taxation.
- Once these businesses are paying the SWEPT, other taxpayers' rates will go down and communities will benefit from collecting property taxes on these structures.
- Although there may be a transitional delay, it will ultimately even out.

#### **Molly Connors – NEPGA**

- Ms. Connors said the association owns and operates around 27,000 MW across New England, including 4,300 MW in New Hampshire. They employ 1,500 people and pay millions in taxes.
- She said NEPGA supports an upcoming amendment to the bill.
- Ms. Connors said that power plants should be taxed like manufacturing businesses, not like utility-owned facilities. Utilities can recover costs directly from ratepayers, but independent generators cannot.
- She described the current tax process as inefficient and unfair, requiring generators to go through separate state and local assessments and appeals.
- This system is left over from when utilities owned plants. New Hampshire is the only state with this system.
- The bill follows a three-year commission recommendation to eliminate the Utility Property Tax (UPT) for generators and replace it with SWEPT.
- It changes assessment responsibility from the state to municipalities and brings generators in line with other businesses.
- She noted the bill won't affect the current budget, as it takes effect in 2027.

#### **Madeleine Mineau – Granite State Hydro Power Association**

- Ms. Mineau represents small hydro generators and said her group participated in the commission's study.
- They support the bill.

- She said that local power generators are small businesses and should be taxed like other local businesses.
- Being taxed at both the state and local levels is duplicative and burdensome.
- She said the bill offers a better, more efficient path forward.

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Date Hearing Report completed: April 25, 2025