

HB 1106-LOCAL - AS INTRODUCED

2024 SESSION

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05/10

HOUSE BILL

1106-LOCAL

AN ACT relative to net asset limits under the elderly property tax exemption.

SPONSORS: Rep. Ulery, Hills. 13; Rep. Rochefort, Graf. 1; Rep. Porcelli, Rock. 19

COMMITTEE: Municipal and County Government

ANALYSIS

This bill redefines the definition of net asset and residence for purposes of the elderly property tax exemption and expands the income eligibility threshold and the exemption amount.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Four

AN ACT relative to net asset limits under the elderly property tax exemption.

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

1 Conditions for Elderly Exemption. Amend RSA 72:39-b to read as follows:

2 72:39-a Conditions for Elderly Exemption.

3 I. *In this section:*

4 (a) *"Net assets" means the value of all assets, tangible and intangible, minus the*
 5 *value of any good faith encumbrances. Assets shall not include investment funds not being*
 6 *cashd in or withdrawn except that any disbursements from said investments, including*
 7 *but not limited to required minimum distributions (RMDs), shall be classed as an asset.*

8 (b) *"Residence" means the housing unit, and related structures such as an*
 9 *unattached garage or woodshed, which is the person's principal home, and which the*
 10 *person in good faith regards as home to the exclusion of any other places where the person*
 11 *may temporarily live.*

12 (1) *"Residence" shall not include attached dwelling units and unattached*
 13 *structures used or intended for commercial or other nonresidential purposes.*

14 (2) *"Residence" shall not include real or other property held in a qualified*
 15 *irrevocable trust.*

16 (c) *"RMD" means required minimum distribution as defined by the Internal*
 17 *Revenue Service.*

18 (d) *"Redeemed" means cash disbursement from investment funds of any type.*

19 II. No exemption shall be allowed under RSA 72:39-b unless the person applying therefor:

20 (a) Has resided in this state for at least [3] 5 consecutive years preceding April 1 in the
 21 year in which the exemption is claimed.

22 (b) Had in the calendar year preceding said April 1 a net income from all sources, or if
 23 married, a combined net income from all sources, of not more than the respective amount applicable
 24 to each age group as determined by the city or town for purposes of RSA 72:39-b. Under no
 25 circumstances shall the amount determined by the city or town be less than [~~\$13,400~~]**\$30,000** for a
 26 single person or [~~\$20,400~~]**\$60,000** for married persons. The net income shall be determined by
 27 deducting from all moneys received, from any source including social security or pension payments,
 28 the amount of any of the following or the sum thereof:

29 (1) [~~Life insurance paid on the death of an insured;~~

30 (2) Expenses and costs incurred in the course of conducting a business enterprise;

31 (3) (2) Proceeds from the sale of assets.

(3) Revenue from investment funds redeemed in any given tax year including RMD funds.

(c) Owns net assets not in excess of the amount determined by the city or town for purposes of RSA 72:39-b, excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The amount determined by the city or town shall not be less than ~~[\$35,000]~~ **\$350,000 or median residential property value of the community, whichever is lower.** A city or town may set a combined net assets amount for married persons in such greater amount as the legislative body of the city or town may determine. ~~["Net assets" means the value of all assets, tangible and intangible, minus the value of any good faith encumbrances. "Residence" means the housing unit, and related structures such as an unattached garage or woodshed, which is the person's principal home, and which the person in good faith regards as home to the exclusion of any other places where the person may temporarily live. "Residence" shall exclude attached dwelling units and unattached structures used or intended for commercial or other nonresidential purposes.]~~

~~[H.]~~ **III.** Additional requirements for an exemption under RSA 72:39-b shall be that the property is:

- (a) Owned by the resident; or
- (b) Owned by a resident jointly or in common with the resident's spouse, either of whom meets the age requirement for the exemption claimed; or
- (c) Owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable age requirement for the exemption claimed; or
- (d) Owned by a resident, or the resident's spouse, either of whom meets the age requirement for the exemption claimed, and when they have been married to each other for at least 5 consecutive years.

III. Upon the death of an owner residing with a spouse pursuant to subparagraph II(b) or II(d), the combined net asset amount for married persons determined by the city or town shall continue to apply to the surviving spouse for the purpose of the exemption granted under RSA 72:39-b until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse.

IV. In no event shall the amount of relief granted be greater than \$10,000 or less than \$5,000.

V. In the event of fraud by the applicant, the property tax due shall be due and payable upon adjudication of the complaint in addition to fees and court costs, but shall not accrue to the surviving spouse, descendants or beneficiaries of a trust unless they were adjudged to be culpable in the fraud.