CHAPTER 200
SB 102 - FINAL VERSION

03/25/2021 0846s
06/24/2021 2070EBA

2021 SESSION

21-0970
10/08

SENATE BILL ***102***

AN ACT adopting omnibus legislation on property taxation.

SPONSORS: Sen. Perkins Kwoka, Dist 21

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill adopts legislation relative to:

I. A property tax relief program for qualifying residential property in a designated residential property revitalization zone.

II. Allowing towns and cities to adopt a property tax exemption for certain renewable generation and energy storage systems.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT adopting omnibus legislation on property taxation.

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

200:1 Sponsorship. This act consists of the following proposed legislation:

Part I. LSR 21-0865, relative to a property tax relief program for qualifying residential property in a designated residential property revitalization zone, sponsored by Sen. Kahn, Prime/Dist 10; Sen. Watters, Dist 4; Rep. Lynn, Rock. 7; Rep. Porter, Hills. 1.

Part II. LSR 21-1031, allowing towns and cities to adopt a property tax exemption for certain renewable generation and energy storage systems, sponsored by Sen. Prentiss, Prime/Dist 5; Sen. Watters, Dist 4; Rep. Oxenham, Sull. 1; Rep. McGhee, Hills. 27; Rep. McWilliams, Merr. 27.

200:2 Legislation Enacted. The general court hereby enacts the following legislation:

PART I

Relative to a property tax relief program for qualifying residential property in a designated residential property revitalization zone.

1 Commissioner of Revenue Administration; Equalization; Reference Added. Amend RSA 21-J:3, XIII to read as follows:

XIII. Equalize annually by May 1 the valuation of the property as assessed in the several towns, cities, and unincorporated places in the state including the value of property exempt pursuant to RSA 72:37, 72:37-b, 72:39-a, 72:62, 72:66, and 72:70, property which is subject to tax relief under RSA 79-E:4, and property which is subject to tax relief under RSA 79-E:4-a ***or RSA 79-E:4-b***, by adding to or deducting from the aggregate valuation of the property in towns, cities, and unincorporated places such sums as will bring such valuations to the true and market value of the property, and by making such adjustments in the value of other property from which the towns, cities, and unincorporated places receive taxes or payments in lieu of taxes, including renewable generation facility property subject to a payment in lieu of taxes agreement under RSA 72:74 and combined heat and power agricultural facility property subject to a payment in lieu of taxes agreement under RSA 72:74-a, as may be equitable and just, so that any public taxes that may be apportioned among them shall be equal and just. In carrying out the duty to equalize the valuation of property, the commissioner shall follow the procedures set forth in RSA 21-J:9-a.

2 Definition; Qualifying Structure. Amend RSA 79-E:2, II to read as follows:

II.***(a)*** "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business

district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter.

(b) Qualifying structure shall also mean***:***

(1) Historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock.

(2) A one or 2-family home or an attached multi-family home with not more than 4 units located in a residential property revitalization zone designated under RSA 79-E:4-b and which is at least 40 years old.

(c) Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals.

(d) Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

(e) In a city or town that has adopted the provisions of RSA 79-E:4-a, "qualifying structure" also means potentially impacted structures identified by the municipality within the coastal resilience incentive zone established under RSA 79-E:4-a.

3 New Section; Community Revitalization Tax Relief Incentive; Residential Property Revitalization Zones. Amend RSA 79-E by inserting after section 4-a the following new section:

79-E:4-b Residential Property Revitalization Zones.

I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a one or 2-family home or an attached multi-family home with not more than 4 units and which is at least 40 years old, who significantly improves the quality, condition, and/or use of an existing residential structure in a designated residential property revitalization zone.

II. The governing body of a municipality shall designate the area of a residential property revitalization zone in which the tax relief for qualifying structures shall apply. Municipalities may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures for tax relief located within a designated residential property revitalization zone.

III. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, provided that no property may be granted tax relief under this chapter more than once in a 20 year period.

4 Definition; Qualifying Structure. Amend RSA 79-E:2, II to read as follows:

II.(a) "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter.

(b) Qualifying structure shall also mean:

(1) Historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock.

(2) A one or 2-family home or an attached multi-family home with not more than 4 units located in a residential property revitalization zone designated under RSA 79-E:4-b and which is at least 40 years old.

(c) Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals.

(d) Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.

(e) In a city or town that has adopted the provisions of RSA 79-E:4-a, "qualifying structure" also means potentially impacted structures identified by the municipality within the coastal resilience incentive zone established under RSA 79-E:4-a.

(f) In a city or town that has adopted the provisions of RSA 79-E:4-c, "qualifying structure" also means a housing unit or units constructed in a housing opportunity zone established under RSA 79-E:4-c.

5 New Section; Community Revitalization Tax Relief Incentives; Housing Opportunity Zone. Amend RSA 79-E by inserting after section 4-b the following new section:

79-E:4-c Housing Opportunity Zone. A city or town may adopt the provisions of this section by vote of its legislative body, in accordance with the procedures described in RSA 79-E:3, to establish a housing opportunity zone. To be eligible for tax relief under this section, the qualifying structure and property shall be located within the housing opportunity zone established by the municipality. No less than one-third of the housing units constructed shall be designated for households with an income of 80 percent or less of the area median income as measured by the United States Department of Housing and Urban Development, or the housing units in a qualifying structure shall be designated for households with incomes as provided in RSA 204-C:57, IV. A qualifying structure under this section shall be eligible for tax assessment relief for a period of up to 10 years, beginning upon issuance of the certification of occupancy.

6 Nullification of Prior Legislation; Effective 2022. If this act becomes law, 2021, 81:1 and 81:2 shall not take effect and sections 4 and 5 of Part I of this act shall take effect April 1, 2022.

7 Effective Date.

I. Sections 4 and 5 of Part I of this act shall take effect as provided in section 6 of this act.

II. The remainder of Part I of this act shall take effect 60 days after its passage.

PART II

Allowing towns and cities to adopt a property tax exemption for certain renewable generation and energy storage systems.

1 Procedure for Adoption of Property Tax Exemption. Amend the introductory paragraph of RSA 72:27-a, I, to read as follows:

I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:28-b, RSA 72:29-a, RSA 72:35, RSA 72:37, RSA 72:37-b, RSA 72:38-b, RSA 72:39-a, RSA 72:62, RSA 72:66, RSA 72:70, RSA 72:76, RSA 72:82, [~~or~~] RSA 72:85***, or RSA 72:87***, in the following manner:

2 Application for Exemption; Reference Added. Amend RSA 72:86 to read as follows:

72:86 Application for Exemption. Applications for exemptions under RSA 72:85 ***and RSA 72:87*** shall be governed by the provisions of RSA 72:33, RSA 72:34, and RSA 72:34-a.

3 New Section; Property Taxation; Exemption for Renewable Generation Facilities and Electric Energy Storage Systems. Amend RSA 72 by inserting after section 86 the following new section:

72:87 Exemption for Renewable Generation Facilities and Electric Energy Storage Systems. Each municipality may adopt under RSA 72:27-a an exemption from the assessed value, for property tax purposes, of a renewable generation facility, as defined in RSA 72:73, and of an electric energy storage system, as defined in RSA 72:84, and that (a) is located behind the retail meter of a customer-generator, as defined in RSA 362-A:1-a, II-b; or (b) is a limited producer, as defined in RSA 362-A:1-a, III, operating pursuant to RSA 362-A:2-a; or (c) is operating pursuant to RSA 374-D:2.

4 Duties of Commissioner; Reference Added. Amend RSA 21-J:3, XIII to read as follows:

XIII. Equalize annually by May 1 the valuation of the property as assessed in the several towns, cities, and unincorporated places in the state including the value of property exempt pursuant to RSA 72:37, RSA 72:37-b, RSA 72:39-a, RSA 72:62, RSA 72:66, RSA 72:70, [~~and~~] RSA 72:85***, and RSA 72:87***, property which is subject to tax relief under RSA 79-E:4, and property which is subject to tax relief under RSA 79-E:4-a, by adding to or deducting from the aggregate valuation of the property in towns, cities, and unincorporated places such sums as will bring such valuations to the true and market value of the property, and by making such adjustments in the value of other property from which the towns, cities, and unincorporated places receive taxes or payments in lieu of taxes, including renewable generation facility property subject to a payment in lieu of taxes agreement under RSA 72:74 and combined heat and power agricultural facility property subject to a payment in lieu of taxes agreement under RSA 72:74-a, as may be equitable and just, so that any public taxes that may be apportioned among them shall be equal and just. In carrying out the duty

to equalize the valuation of property, the commissioner shall follow the procedures set forth in RSA 21-J:9-a.

5 Rules; Reference Added. Amend RSA 72:36, I to read as follows:

I. The commissioner's interpretation of RSA 72:28, 72:28-b, 72:28-c, 72:29, 72:29-a, 72:30, 72:31, 72:32, 72:33, 72:34, 72:34-a, 72:35, 72:36-a, 72:37, 72:37-a, 72:37-b, 72:38-a, 72:38-b, 72:39-a, 72:39-b, 72:41, 72:62, 72:66, 72:70; [~~and~~] 72:85***, and 72:87***; and

6 Effective Date. Part II of this act shall take effect 60 days after its passage.

Approved: August 10, 2021
Effective Date:
Part I: I. Sections 4 & 5 shall take effect as provided in section 6.
II. Remainder shall take effect October 9, 2021.
Part II shall take effect October 9, 2021.