2025 SESSION

25-0417
07/05

HOUSE BILL ***147***

AN ACT relative to clarifying tax exemptions for properties used by religious, educational, and charitable organizations.

SPONSORS: Rep. Mooney, Hills. 12; Rep. Cordelli, Carr. 7; Rep. Lynn, Rock. 17; Rep. M. Pearson, Rock. 34; Rep. Preece, Hills. 17; Rep. Miles, Hills. 12; Rep. Labrie, Hills. 2; Sen. Abbas, Dist 22; Sen. Avard, Dist 12; Sen. Ward, Dist 8

COMMITTEE: Municipal and County Government

ANALYSIS

This bill clarifies that all lots and buildings used for religious, educational, and charitable purposes are exempt from property taxes.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

25-0417
07/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to clarifying tax exemptions for properties used by religious, educational, and charitable organizations.

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

1 Purpose and Findings. The general court hereby finds that:

I. RSA 72:23 contains language limiting tax exemptions for religious and educational uses to only those lands "appertaining" to and "directly" used for a religious or educational purpose. Such language does not appear to apply to governmental or charitable exemptions in the same statute.

II. Exempt entities have spent many thousands of dollars defending their exemption for such uses as the wooded buffer around a church parking lot or the drainage pond behind a school building. Towns have also spent many thousands of dollars trying to fairly apply the archaic term "lands appertaining" in conjunction with the requirement that it be "directly used." Some towns have determined that religious cemeteries are exempt while others have deemed the land where no one is yet buried as not yet "directly used."

III. Clarifying that the entire lot and the entire building of an exempt entity is exempt will clarify the exemption both for the exempt entities as well as the towns and allow funds to be used for their religious, educational, charitable or municipal purposes instead of wasted on determining what lands are "appertaining" and whether a storage closet in a building is being "directly" used for a charitable purpose.

IV. Therefore, the general court hereby finds it necessary to statutory clarify that regardless of whether use is for religious, educational or charitable purposes, the entire lot and building shall be tax exempt as follows:

2 Persons and Property Liable to Taxation; Real Estate and Personal Property Tax Exemption. RSA 72:23, III-V are repealed and reenacted to read as follows:

III. Houses of public worship, parish houses, church parsonages occupied by their pastors, convents, monasteries, buildings and the lands on the same lot owned, used and occupied for religious training or for other religious purposes by any regularly recognized and constituted denomination, creed or sect, organized, incorporated or legally doing business in this state and the personal property used by them for the purposes for which they are established. The entire building and lot on which religious activities are taking place shall be exempt from taxation under this section.

IV. The buildings and structures of schools, seminaries of learning, colleges, academies and universities organized, incorporated or legally doing business in this state and owned, used and occupied by them directly for the purposes for which they are established, including but not limited to the dormitories, dining rooms, kitchens, auditoriums, classrooms, infirmaries, administrative and utility rooms and buildings connected therewith, athletic fields and facilities and gymnasiums, boat houses and wharves belonging to them and used in connection therewith, and the land on the same lot but not including separate lots of record containing lands and buildings not used and occupied for the purposes for which they are organized or incorporated, and the personal property used by them directly for the purposes for which they are established, provided none of the income or profits are divided among the members or stockholders or used or appropriated for any other purpose than the purpose for which they are organized or established; provided further that if the value of the dormitories, dining rooms and kitchens shall exceed $150,000, the value thereof in excess of said sum shall be taxable. A town at an annual town meeting or the governing body of a city may vote to increase the amount of the exemption upon dormitories, dining rooms and kitchens. The entire building used for an exempt purpose and the entire lot on which educational activities are taking place shall be exempt from taxation under this section.

V. The buildings, lands and personal property of charitable organizations and societies organized, incorporated, or legally doing business in this state, owned, used and occupied by them for the purposes for which they are established, provided that none of the income or profits thereof is used for any other purpose than the purpose for which they are established. The entire building and lot on which charitable activities are taking place shall be exempt from taxation under this section.

3 Effective Date. This act shall take effect upon its passage.