

State of New Hampshire

Board of Tax and Land Appeals

Michele E. LeBrun, Chair
Theresa M. Walker, Member
Eric J. Wind, Esq., Member

Anne M. Stelmach, Clerk



Governor Hugh J. Gallen
State Office Park
Johnson Hall
107 Pleasant Street
Concord, New Hampshire
03301-3834

February 19, 2025

Representative Dan McGuire, Chairman
Representatives of Division I Finance
House Finance - Division I
107 North Main Street – Room 212
Concord, NH 03301

Re: Fiscal Years 2026/2027 Budget Hearing

Dear Chairman McGuire and Committee Members:

Thank you for the opportunity to provide an overview of the Board of Tax and Land Appeals (“board”) budget for the 2026 and 2027 biennium.

The role of property taxes in New Hampshire is extensive and deeply seeded in history. Given our state’s reliance on it, it is imperative tax administration disputes be handled with both diligence and expertise, and in a manner that is particularly unbiased and transparent. The board was created to do just that, with members experienced in questions of taxation or real estate valuation and appraisal, and staff not just to perform clerical duties, but also perform technical duties. In this way, the board provides an alternative and less formal venue for tax and eminent domain appeals and plays a key statutory role in ensuring proportional and reasonable taxation in furtherance of Part 1, Article 12 and Part 2, Article 5 of the New Hampshire Constitution. The primary goal is such cases be adjudicated by a technically skilled, unbiased, and impartial tribunal.

Today, as property values continue to skyrocket and local governments struggle with funding needs, the burden on homeowners and businesses has created intense economic pressure. Affording Taxpayer’s the fair opportunity to challenge state and municipal decisions regarding appraisal, assessment, exemption qualification, and equalization ratios is both an essential and fundamental component of fair and trustworthy governance. In this way, the board remains a key forum to ensure the constitutional guarantee of proportional taxation is attained. These appeal rights are secured with a fair and impartial, low-cost administrative appeal process where Taxpayers are afforded clear explanations of laws and calculations to pay their fair share.

The board has four key areas of jurisdiction under RSA 71-B:5: 1) to hear and determine all matters involving questions of taxation; 2) to hear and determine appeals by municipalities of their equalized valuation determined by the Department of Revenue Administration; 3) to hear and determine just compensation in eminent domain takings pursuant to RSA 498-A; and 4) to hear all matters relating to the need for reassessments by municipalities. The board has concurrent jurisdiction with the superior court on matters of taxation, sole jurisdiction on matters of appeals of equalized valuation and petitions for reassessment, and initial jurisdiction on eminent domain filings.

The board is seeing an increase in appeal filings, including property tax, exemptions, and reassessments. The continued widening of Interstate 93 has also increased eminent domain filings. This trend is expected to continue in the next biennium with the pressing impact of rising property taxes on households and businesses and the need for infrastructure improvements. Moreover, in the 21st century, review of computer assisted mass appraisal methodologies requires a high degree of technical expertise implicating topics of data analytics, finance, and economics.

The board is a small agency, its largest expenses are directly attributed to salary, benefits, and rent. We run lean. The current staffing includes the three members, an executive director (clerk), two clerical staff, and one review appraiser (presently vacant). To meet the efficiency target of a 4% reduction to its budget, the board would have to either eliminate a position or majority of operating expenses. Either option cripples or significantly reduces the board's ability to carry out its nearly 70 statutory obligations (*see attached*). The board had several discussions with the Governor's budget director over the ability of the board to function should a reduction be made. The Governor agreed that eliminating additional staff will have long-term, detrimental effects on agency services.

When comparing the board's overall requests for Fiscal Years 2026 & 2027 to Fiscal Year 2025, over half the additional request is related to rent expenditures and salary and benefit costs associated with reclassification of positions. The board, instead of focusing on a flat percentage reduction due to its small size, would recommend changes of efficiency that, over time, would reduce costs to Taxpayers. These efficiencies are discussed below.

Eliminating Legislative Mandates

Staffing:

Since the 2008/2009 biennium, the board's support staff has been steadily reduced from seven to three full-time classified employees to satisfy executive orders and budget reductions. The board's duties and jurisdiction have not seen commensurate reductions. Currently, the board is seeing approximately 400 appeals per year. The board has been able to manage this caseload through process efficiencies and has not sought any new positions through the 7-D process.

Currently, the board has one vacant position: Tax Review Appraiser I (position #41676). This position has been challenging to fill due to the shortage of licensed appraisers in New Hampshire. The board simply cannot compete with the salaries being offered to assessors in the private sector in this economic environment. In fact, in the last biennium, the board explored contracting for these services, however, even this proved to be a challenge of timing and cost. After much discussion with the Division of Personnel, the board made the decision and requested the Governor remove this statutory position from RSA 71-B:14 to allow the board to reclassify the position at a lower salary. This flexibility will allow the board to amend the duties of the position to cast a broader net to recruit technical support staff to perform both investigatory responsibilities and other technical roles related to finance and analytics.

RSA 498-A:16:

The board has also sought to remove the following statutory requirement through HB 268-FN: "...each hearing shall be held in the county in which the declaration has been filed unless the parties agree to a hearing elsewhere. To the extent of available space, hearings shall be conducted *in the respective county courthouse*." The board requested this legislation as obtaining court or other free suitable space throughout the state has become near impossible. This results in a delay to hearing these cases.

A change to this statute would be an efficiency to the board's handling these matters in a timelier fashion and would produce a cost savings in travel expenses.

Fees:

Consistently this committee has inquired about raising the cost of appeals that are filed with the board. All fees are \$65.00 except for eminent domain takings which are \$100. The board receives approximately 95% of all property tax appeals filed (the balance is filed with superior court); these reflect the total grievances from the approximately \$3.5 billion of annual property taxes assessed by municipalities and the state. Appeals from the first three responsibilities (taxation, equalization and reassessments) are to the supreme court while eminent domain appeals are *de novo* to superior court.

Comparatively, court fees for original entry of a civil action are generally \$280 per appeal. While the board's fees could be increased, we believe the current economic struggles of the Taxpayers we were established to serve do not justify such an increase. Moreover, even if fees were to increase to more closely match superior court entry fees, the board would not be net positive to the general fund.

Chairman McGuire
February 19, 2025
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In closing, the board requests your favorable consideration of the Governor's budget so that we can continue to provide the important service to Taxpayers in a lean, efficient and fiscally responsible manner. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Michele E. LeBrun". The signature is written in a cursive style with a long, sweeping underline.

Michele E. LeBrun, Chair

Enclosures:
Matters Appealable to the Board
Chart of Appeals

Matters Appealable to the Board of Tax and Land Appeals

Type of Appeal	Statute	Tax Rule
Appeal of Another's Tax	RSA 71-B:16, I	Tax 208.02
Betterment Assessment	RSA 231:32	PART Tax 201
Business Enterprise Tax	RSA 77-E; RSA 21-J:28-b	PART Tax 209
Business Finance Authority PILOTs	RSA 162-A:24; RSA 162-I:15	PART Tax 209
Business Profits Tax	RSA 77-A; RSA 21-J:28-b	PART Tax 209
Certain Chartered Public School Facilities	RSA 79-H:5	PART Tax 215
Communications Services Tax	RSA 82-A; RSA 21-J:28-b	PART Tax 209
Community Revitalization Tax Relief Incentive	RSA 79-E; RSA 79-A:9	PART Tax 215
Commercial & Industrial Construction Exemption	RSA 72:83	PART Tax 204
Conservation Restriction Assessment	RSA 79-B; RSA 79-A:9	PART Tax 206
Current Use	RSA 79-A	PART Tax 206
Current Use – Reclassification/Appeal of Another	RSA 79-A:12	PART Tax 206
Decertification (of Assessors)	RSA 21-J:14-g, II	PART Tax 209
Deferral for Elderly and Disabled	RSA 72:38-a	PART Tax 204
Discretionary Easement	RSA 79-C	PART Tax 215
Discretionary Preservation Easements	RSA 79-D	PART Tax 215
Eminent Domain	RSA 498-A	PART Tax 210
Equalized Valuation	RSA 71-B:5, II	PART Tax 211
Excavation Tax	RSA 72-B:13	PART Tax 214
Exemptions / Tax Credits (“Personal”) -Veterans (standard & optional) & All Veterans -Optional Tax Credit for Combat Service -Service Connected Disability -Disabled Veterans -Surviving Spouse -Improvements to Assist Person with Disability -Blind or Disabled -Hearing Impaired -Elderly -Solar Energy Systems -Wind-Powered Energy Systems -Wood Heating Energy Systems	RSA 72:34-a RSA 72:28 & 28-b RSA 28-c RSA 72:35 RSA 72:36-a RSA 72:29-c RSA 72:37-a RSA 72:37 & 37-b RSA 72:38-b RSA 72:39-a RSA 72:62 RSA 72:66 RSA 72:70	PART Tax 204
Exemption (“Institutional”) - Educational, Charitable, Religious, County, State/Municipal	RSA 72:23, I, II, III, IV, V	PART Tax 204 Chapter 400
Farm Structures/Land Under	RSA 79-F	PART Tax 206
Interest & Dividends & Other Income	RSA 77:24; RSA 21-J:28-b	PART Tax 209
Land Use Change Tax	RSA 79-A:10	PART Tax 205
Low & Moderate Homeowners Property Tax Relief	RSA 198:60	PART Tax 209
Meals & Room Tax	RSA 78-A; RSA 21-J:28-b	PART Tax 209
Meals & Room License Suspension or Revocation	RSA 78-A:5, II; RSA 21-J:28-b	PART Tax 209
Non-Profit Housing Project Pilot	RSA 72:23-K	PART Tax 204
Pilot for Renewable Generation Facilities	RSA 72:74	PART Tax 204
Prorated Assessments for Damaged Buildings	RSA 76:21	PART Tax 203
Property Tax & Poverty and Inability to Pay	RSA 76:16 & 76:16-a	PART Tax 203
Qualifying Historic Buildings	RSA 79-G:5	PART Tax 206
Railroad Taxation	RSA 82; RSA 21-J:28-b	PART Tax 209
Reassessment Petitions	RSA 71-B:16-a	PART Tax 208
Refined Petroleum Products Tax	RSA 78-C; RSA 21-J:28-b	PART Tax 209
Residence Located in Industrial/Commercial Zone	RSA 75:14	PART Tax 216

Matters Appealable to the Board of Tax and Land Appeals

Sales-Assessment Report Penalties	RSA 21-J:9-a	PART Tax 209
Timber Yield Tax & Classification or Application	RSA 79:8 & 79:9	PART Tax 213
Tobacco License Application	RSA 78; RSA 21-J:28-b	PART Tax 209
Tobacco Tax License Revocation, Suspension/Seizure/Forfeiture & Destruction of Illegal Products	RSA 78:31-a	PART Tax 209
Town Lines and Perambulation of Boundaries	RSA 51:7	PART Tax 203
Transfer Tax on Real Estate	RSA 78-B; RSA 21-J:28-b	PART Tax 209
Unincorporated Towns & Unorganized Places	RSA 81:5	PART Tax 203
Utility Property Tax	RSA 83-F; RSA 21-J:28-b	PART Tax 209

TOTAL APPEALS FILED: JANUARY 1, 2014 - DECEMBER 31, 2024

BOARD OF TAX AND LAND APPEALS

