

Senate Election Law and Municipal Affairs Committee

Tricia Melillo 271-3077

HB 64-LOCAL, relative to renewable generation facility property subject to a voluntary payment in lieu of taxes agreement.

Hearing Date: April 12, 2021

Members of the Committee Present: Senators Gray, Birdsell, Ward and Perkins Kwoka

Members of the Committee Absent : Senator Soucy

Bill Analysis: This bill clarifies the exclusion of a renewable generation facility's payments in lieu of taxes from a municipality's tax base for the education tax.

Sponsors:

Rep. Aron
Sen. Ward

Rep. Porter
Rep. McGhee

Rep. Steven Smith

Who supports the bill: Senator Ruth Ward, Representative Judy Aron, Representative Marjorie Porter, Jim Grenier, Eric Pauer

Who opposes the bill: None

Summary of testimony presented in support:

Representative Aron

- This bill seeks to fix and clarify a problem within RSA 72:74, Payment in Lieu of Taxes for Renewable Generation Facilities.
- The problem was identified last year by the Lempster town auditor, Jim Grenier.
- The Department of Revenue Administration has been including these facilities into their State Wide Education Property Tax (SWEPT) calculations even though both RSA 76:8 and RSA 83-F:9 make clear they should be excluded.
- These RSAs require that they be taxed as utilities.
- Including them in the SWEPT calculations resulted in a decrease in state education aid to the communities and an increase in property tax.
- In Lempster, the Education Property Tax increased by 40% and caused a \$60-70,000 decrease in adequacy funding for their school.
- After discussing the issue with DRA and the NHMA it was determined that the language in this bill was needed in statute for clarity of the assessments.

- The change to RSA 72:74 II will insert the line “but shall be excluded from the tax base used to determine statewide education property tax in accordance with RSA 76:8, 1(a)”.
- With passage of this bill the DRA can correctly calculate the assessments which impact adequacy funding.

Representative Porter

- The town of Antrim was concerned about this as well.
- She believes it is a simple fix to make sure that municipalities are not shortchanged on education funding.

Summary of testimony presented in opposition: None

TJM
Date Hearing Report completed: April 13, 2021