

**HB 1365 - AS INTRODUCED**

2022 SESSION

22-2816

05/10

HOUSE BILL            **1365**

AN ACT                allowing towns and cities to tax residential and non-residential property at different rates.

SPONSORS:            Rep. Abramson, Rock. 37

COMMITTEE:          Municipal and County Government

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ANALYSIS

This bill allows municipalities to adopt a requirement for separate tax rates for residential and non-residential property.

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Explanation:          Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struck through.]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Two*

AN ACT allowing towns and cities to tax residential and non-residential property at different rates.

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

1 1 New Subdivision; Adoption of Separate Non-residential and Residential Property Tax Rates.

2 Amend RSA 72 by inserting after section 87 the following new subdivision:

3 Adoption of Separate Non-residential and Residential Property Tax Rates

4 72:88 Local Option to Adopt Separate Tax Rates for Non-residential and Residential Property.

5 I. A city or town may adopt, pursuant to this subdivision, the requirement for a separate tax  
6 rate to apply to property based on whether it is classified by the selectmen or assessors as residential  
7 property or non-residential property. Non-residential property shall include any property used for  
8 commercial, industrial, or other business purposes. Residential property shall include any property  
9 containing one or more units for human habitation.

10 II. The selectmen or assessors shall classify all property in the city or town as either  
11 residential or non-residential property. The municipality may shift a portion of the tax burden from  
12 residential property owners to non-residential property owners by directing the department of  
13 revenue administration to increase the rate for non-residential property by up to \$1 per \$1,000 of  
14 assessed value. Pursuant to RSA 21-J:35, the commissioner of revenue administration shall  
15 establish 2 property tax rates for the municipality, one for residential property and one for non-  
16 residential property, based on the rate differential adopted by the municipality. The authorization  
17 for the department of revenue administration to use the rate differential shall apply for 3 property  
18 tax years following the date of adoption.

19 III. For mixed-use property where at least 30 percent of the floor space is usually occupied  
20 for residential use, the non-residential floor space and parking shall be taxed at the rate for non-  
21 residential property and the remainder shall be taxed at the rate for residential property.

22 IV. Any town or city may adopt the provisions of this section in the following manner:

23 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the  
24 question shall be placed on the warrant of a special or annual town meeting, by the governing body  
25 or by petition pursuant to RSA 39:3.

26 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, the  
27 legislative body may consider and act upon the question in accordance with its normal procedures for  
28 passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of  
29 such municipality may vote to place the question on the official ballot for any regular municipal  
30 election.

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1 (c) The question put to the voters shall be: "Should the town of \_\_\_\_\_ separate its  
2 property tax into a residential rate and non-residential rate, where the non-residential rate is held  
3 at \$ \_\_\_\_\_ per thousand higher than the current rate for 3 years, and where residential property  
4 taxpayers pay the remaining costs for the town, school, and county portion of the property tax?"

5 V. If a majority of those voting on the question vote "yes," the authorization for 2 property  
6 tax rates, one for residential property and one for non-residential property, shall take effect within  
7 the town or city, on the date set by the governing body, or in the tax year beginning April 1 following  
8 its adoption, whichever shall occur first. The authorization for 2 rates shall apply for the next 3 tax  
9 years, unless modified or rescinded in the same manner as their adoption.

10 2 New Paragraph; Department of Revenue Administration; Property Tax Rates; Reports  
11 Required. Amend RSA 21-J:34 by inserting after paragraph IV-b the following new paragraph:

12 VI-c. For municipalities that have adopted a requirement for separate tax rates for  
13 residential and non-residential property, the rate differential adopted by the municipality under  
14 RSA 72:88.

15 3 Effective Date. This act shall take effect 60 days after its passage.