

SB 227-FN – AS INTRODUCED

2012 SESSION

12-2864

05/03

SENATE BILL **227-FN**

AN ACT relative to the status of members of the board of tax and land appeals.

SPONSORS: Sen. Forrester, Dist 2; Sen. Morse, Dist 22; Sen. White, Dist 9; Sen. Luther,
Dist 12; Sen. Barnes, Jr., Dist 17; Sen. Boutin, Dist 16; Sen. Sanborn, Dist 7;
Rep. Accornero, Belk 4

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill provides that members of the board of tax and land appeals shall not be full-time employees but shall receive a per diem and mileage reimbursement.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT relative to the status of members of the board of tax and land appeals.

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

1 1 Board of Tax and Land Appeals; Status of Members. Amend RSA 71-B:1 to read as follows:
2 71-B:1 Board Established. There is hereby established a board of tax and land appeals,
3 hereinafter referred to as the board, which shall be composed of 3 members who shall be learned and
4 experienced in questions of taxation or of real estate valuation and appraisal or of both. **Board**
5 **members shall receive a stipend of \$25 per day and shall be reimbursed for mileage at the**
6 **state employee rate when attending to the duties of the board.** The members of the board
7 ~~[shall be full time employees and]~~ shall not engage in any ~~[other]~~ employment during their terms
8 that is in conflict with their duties as members of the board.

9 2 Salaries; Board of Tax and Land Appeals Board Members Deleted. Amend RSA 94:1-a, I-b by
10 deleting:

- | | | | |
|----|----|-------------------------------|--------------|
| 11 | DD | Board of tax and land appeals | board member |
| 12 | DD | Board of tax and land appeals | chairman |

13 3 Effective Date. This act shall take effect 60 days after its passage.

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Revised 01/05/12

SB 227-FN – FISCAL NOTE

AN ACT relative to the status of members of the board of tax and land appeals.

FISCAL IMPACT:

The Board of Tax and Land Appeals and New Hampshire Municipal Association state this bill will have an indeterminable impact on state revenues, increase state expenditures by \$962,542 in FY 2013, decrease state expenditures by \$133,352 in FY 2014, \$123,836 in FY 2015, and \$113,488 in FY 2016, and may increase local expenditures by an indeterminable amount in FY 2013 and each year thereafter. There will be no impact on county revenues and expenditures or local revenues.

METHODOLOGY:

The Board of Tax and Land Appeals states this bill would change the status of its three full-time board members to per diem board members. The Board assumes this bill's effective date to be July, 1, 2012 and states there would be three active unclassified board members serving terms at that time. The Board states these members would have their salary and benefits protected for the remainder of their term under Part 2, Article 73 of the New Hampshire constitution and RSA 4:1. The Board assumes active board members at the time of this bill's effective date would be paid for the remainder of their terms and newly appointed per diem board members would take their place. The Board estimates total payout to be \$1,104,886. The Board also assumes the change from three full-time board members to three per diem board members would require the hiring of two full-time attorney positions (labor grade 28) to assist with the case load by attending hearings, researching and drafting property tax, exemptions, credits, reassessment, equalized valuation, all state tax decisions and eminent domain reports. The Board projects the following net fiscal impact as a result of this bill:

	FY 2013	FY 2014	FY 2015	FY 2016
<u>Estimated New Costs</u>				
Current Board Member Termination Payouts	\$1,104,886	\$0	\$0	\$0
New Full-Time Employee Salary and Benefit Costs	\$159,696	\$168,688	\$178,204	\$188,552

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(2 Labor Grade 28, Step 1 Positions)				
Per Diem Board Costs (3 Members X \$75 Per Day X 250 Days X 7.65% Payroll Taxes)	\$20,184	\$20,184	\$20,184	\$20,184
Per Diem Mileage Reimbursement (3 Members X 250 Days X 50 Miles Per Day X \$0.555 Per Mile)	\$20,813	\$20,813	\$20,813	\$20,813
Estimated New Costs Subtotal	\$1,305,579	\$209,685	\$219,201	\$229,549
<u>Current Costs</u>				
Board Members Total Salaries and Benefits	\$343,037	\$343,037	\$343,037	\$343,037
Net Cost / (Savings)	\$962,542	(\$133,352)	(\$123,836)	(\$113,488)

The Board of Tax and Land Appeals is funded by approximately 85% general funds and 15% highway funds.

The Board of Tax and Land Appeals states this bill will likely result in an increase in filings at the Superior Courts and a decrease in case filings at the Board of Tax and Land Appeals. The Board states it currently collects \$65.00 per filed appeal and is unsure as to this bill's net impact on state revenue.

The New Hampshire Municipal Association states this bill eliminates the full-time board members of the Board of Tax and Land Appeals and replaces them with per diem members paid at a rate of \$25 per day plus mileage reimbursement. The Association states the Board is an integral part of property tax administration and is relied upon as a cost-effective alternative to full litigation in Supreme Court. The Association states if the effectiveness of the Board is reduced, municipalities and taxpayers may be forced to pursue their respective appeals in Superior Court, where both parties may hire attorneys and undergo more extensive discovery and other formal processes. The Association states appeals through Superior Court are more expensive than those with the Board and this bill would increase local expenditures by an indeterminable amount.

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The Judicial Branch states this bill will have no fiscal impact on its budget.

This bill includes neither authorization nor appropriation for new positions.