

CHAPTER 186  
SB 306 – FINAL VERSION

25Apr2012... 1621h  
05/23/12 2348EBA

2012 SESSION

12-2932  
10/03

SENATE BILL           **306**

AN ACT               relative to the commercial and industrial construction property tax exemption,  
and relative to municipal economic development and revitalization districts.

SPONSORS:       Sen. Gallus, Dist 1; Sen. Lambert, Dist 13; Rep. Theberge, Coos 4;  
Rep. M. Tremblay, Coos 4

COMMITTEE:       Ways and Means

---

AMENDED ANALYSIS

This bill makes the application procedure for the property tax exemption for commercial and industrial construction prospective, and permanently extends the authority for the exemption. This bill also expands the municipal budget law to include municipal economic development and revitalization districts.

-----

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 186  
SB 306 – FINAL VERSION

25Apr2012... 1621h  
05/23/12 2348EBA

12-2932  
10/03

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twelve*

AN ACT relative to the commercial and industrial construction property tax exemption,  
and relative to municipal economic development and revitalization districts.

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

1 186:1 Property Tax Exemption; Commercial and Industrial Construction; Procedure. Amend  
2 72:78 to read as follows:

3 72:78 Application for Exemption.

4 I. ~~[On or before March 1 preceding the tax year for which the exemption is claimed, a person~~  
5 ~~qualified for an exemption under RSA 72:76 shall file an application with the selectmen or assessors,~~  
6 ~~on an application form prepared by them, signed by the applicant under penalty of perjury, which~~  
7 ~~contains adequate information to demonstrate that the applicant is qualified for the exemption.~~

8 ~~II. The selectmen or assessors shall notify the applicant of their decision on or before July 1~~  
9 ~~following the date of notice of tax under RSA 72:1 d. The decision shall specify the amount of the~~  
10 ~~exemption, that it is effective beginning the prior April 1, and the number of years for which the~~  
11 ~~exemption applies to qualified construction. The decision of the selectmen or assessors may be~~  
12 ~~appealed in the manner set forth in RSA 72:34-a.~~

13 ~~III. Alternatively]~~ An owner ~~[may]~~ **shall** apply for the exemption **under RSA 72:76** prior to  
14 construction, but ~~[in no case more than 12 months]~~ **not after December 31** before the beginning of  
15 the tax year for which the exemption is sought. In such cases the selectmen or assessors may  
16 anticipatorily grant the exemption, subject to adjustment when the actual increase in assessed value  
17 becomes known. If construction is partially complete on April 1 of any year, the exemption for that  
18 year shall be based on the increased assessed value attributable to the partial construction, but the  
19 duration of the exemption shall be adjusted such that the cumulative amount of exemptions received,  
20 based on the construction as completed, is proportional to that received by other eligible properties.

21 **II. The selectmen or assessors shall notify the applicant of their decision no later**  
22 **than February 28 before the beginning of the tax year for which the exemption is sought.**  
23 **The decision shall specify the amount of the exemption, that it is effective with the new tax**  
24 **year and the number of years for which the exemption applies to qualified construction.**  
25 **The decision of the selectmen or assessors may be appealed in the manner set forth in**  
26 **RSA 72:34-a.**

27 ~~[IV.]~~ **III.** The selectmen or assessors may request such additional or updated information as

**CHAPTER 186**  
**SB 306 – FINAL VERSION**  
**- Page 2 -**

1 is necessary to determine eligibility. If they are satisfied that the applicant has willfully made any  
2 false statement, or has refused to provide information after such a request, they may refuse to grant  
3 the exemption.

4 [V.] **IV.** If the municipality completes a revaluation during the period for which an  
5 exemption has been granted, the amount of the exemption shall be adjusted by the difference in  
6 equalization ratios applicable in the municipality before and after the revaluation.

7 186:2 Repeal. 2008, 224:4, relative to the prospective repeal of the commercial and industrial  
8 construction exemption, is repealed.

9 186:3 Municipal Budget Law; Application. Amend RSA 32:2 to read as follows:

10 32:2 Application. RSA 32:1-13, shall apply to all towns, school districts, cooperative school  
11 districts, village districts, ***municipal economic development and revitalization districts***  
12 ***created under RSA 162-K***, and any other municipal entities, including those created pursuant to  
13 RSA 53-A or 53-B, which adopt their budgets at an annual meeting of their voters, except RSA 32:5-  
14 b, which shall apply only in those towns or districts adopting that section pursuant to RSA 32:5-c.  
15 RSA 32:14-23, concerning budget committees, shall apply only in those towns or districts adopting  
16 that subdivision pursuant to RSA 32:14, I, and shall apply automatically in school districts or village  
17 districts located wholly within towns adopting that subdivision.

18 186:4 Municipal Budget Law; Definitions; District. Amend RSA 32:3, IV to read as follows:

19 IV. "District" includes a school district, cooperative school district, village district, ~~or~~  
20 district created pursuant to RSA 53-A or 53-B, ***or municipal economic development and***  
21 ***revitalization district created pursuant to RSA 162-K.***

22 186:5 Municipal Economic Development and Revitalization Districts; Maintenance and  
23 Operation. Amend RSA 162-K:12 to read as follows:

24 162-K:12 Maintenance and Operation. Maintenance and operation of the systems and  
25 improvements constructed under this chapter shall be under the supervision of the district  
26 administrator. The cost of maintenance and operation of the non-revenue-producing facilities  
27 together with excess of costs of operation and maintenance of revenue-producing facilities, if any,  
28 shall be charged against the development district in which it is located. The charges against each  
29 property within the district shall be in proportion to the benefit to the properties within the district  
30 60 days before the budget submission date. The district administrator shall submit to the governing  
31 body of the municipality the maintenance and operating budget for the following year, and the  
32 prorated share of the budget to be charged to each property in the district. The budget for the  
33 district as approved by the municipality, ***and pursuant to RSA 32***, shall contain necessary  
34 appropriations and provisions for collecting charges against affected properties in the district.

35 186:6 Effective Date. This act shall take effect upon its passage.

36 Approved: June 11, 2012

Effective Date: June 11, 2012