

HB 669-FN-LOCAL – AS INTRODUCED

2013 SESSION

13-0431  
10/03

HOUSE BILL            ***669-FN-LOCAL***

AN ACT                relative to nonpayment of property taxes on current use land.

SPONSORS:            Rep. Hansen, Hills 22

COMMITTEE:          Municipal and County Government

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ANALYSIS

This bill provides that the nonpayment of property taxes on land assessed under current use within 120 days of the due date shall result in the property considered to be changed in use and assessed the land use change tax.

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                                Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

AN ACT                   relative to nonpayment of property taxes on current use land.

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

1           1 New Subparagraph; Land Use Change Tax; Nonpayment of Current Use Property Taxes.  
2 Amend RSA 79-A:7, IV by inserting after subparagraph (c) the following new subparagraph:

3                   (d) The owner fails to fully pay property taxes assessed on the open space land assessed  
4 at current use values within 120 days of the date of notice of tax as defined in RSA 76:1-a, provided  
5 that this subparagraph shall not apply to working farms, as defined in RSA 21:34-a. The imposition  
6 of tax under this subparagraph shall not preclude the owner from applying for reclassification under  
7 the provisions of this chapter when all outstanding taxes are paid.

8           2 Effective Date. This act shall take effect April 1, 2013.

**HB 669 FISCAL NOTE**

AN ACT                    relative to nonpayment of property taxes on current use land.

**FISCAL IMPACT:**

The Department of Revenue Administration states this bill, **as introduced**, will increase local revenues by an indeterminable amount in FY 2014 and each year thereafter. The New Hampshire Municipal Association states this bill will have an indeterminable impact on local revenue in FY 2014 and each year thereafter. There will be no impact on state, county, and local expenditures, or state and county revenue.

**METHODOLOGY:**

The Department of Revenue Administration (DRA) states this bill removes land from current use status when the property owner fails to fully pay property taxes within 120 days of the date of the tax notice. Upon the change of land use, a 10 percent Land Use Change Tax is assessed on the property's market value. The DRA states property taxes are billed and collected at the local level, and therefore, it does not have any information regarding how many property owners would be affected by this bill. The DRA states this bill will increase local revenues by an indeterminable amount.

The New Hampshire Municipal Association states this bill is likely to reduce revenue generated from the Land Use Change Tax by an indeterminable amount because the Land Use Change Tax would be assessed on a much lower market value of the property when compared to the assessment at the time of development or subdivision. However, such land removed from current use will then be assessed property taxes at market value, rather than current use. The Association is unable to determine the net impact on local revenue at this time.