

HB 224-FN - AS INTRODUCED

2015 SESSION

15-0001
10/04

HOUSE BILL ***224-FN***

AN ACT repealing the exemption for water and air pollution control facilities from local property taxation.

SPONSORS: Rep. Cushing, Rock 21; Rep. F. Rice, Rock 21; Rep. Rogers, Merr 28; Rep. Kurk, Hills 2; Sen. Stiles, Dist 24; Sen. Fuller Clark, Dist 21

COMMITTEE: Municipal and County Government

ANALYSIS

 This bill repeals the exemption from property taxes for the appraised value of water and air pollution control facilities as determined by the department of environmental services.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT repealing the exemption for water and air pollution control facilities from local property taxation.

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

1 1 Repeal. The following are repealed:

2 I. RSA 72:12-a, relative to the property tax exemption for water and air pollution control
3 facilities.

4 II. RSA 72:12-b, relative to facilities exempted under prior law.

5 III. RSA 83-F:1, V(a), relative to the exclusion of exempt property from classification as
6 utility property.

7 2 Effective Date. This act shall take effect April 1, 2015.

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12/16/14

HB 224-FN - FISCAL NOTE

AN ACT repealing the exemption for water and air pollution control facilities from local property taxation.

FISCAL IMPACT:

The Department of Revenue Administration states this bill, **as introduced**, will increase state education trust fund revenue by \$3,568,000 in FY 2016, \$3,639,000 in FY 2017, \$3,712,000 in FY 2018, and \$3,786,000 in FY 2019. There will be no fiscal impact on state, county, and local expenditures, or county and local revenue.

METHODOLOGY:

The Department of Revenue Administration (DRA) states this bill would eliminate the existing tax exemption for pollution control property, effective April 1, 2015. This change would increase state revenue collected under the Utility Property Tax, and reapportion local tax burdens as it would provide for a higher taxable value for some communities. DRA states the total value of Utility Property Tax property that is currently exempted as pollution control property is approximately \$530,000,000. Assuming the current Utility Property Tax rate of \$6.60 per \$1,000 of assessed value, and a 2% annual growth in the total value of exempt property, DRA estimates state revenue would increase by \$3,568,000 in FY 2016, \$3,639,000 in FY 2017, \$3,712,000 in FY 2018, and \$3,786,000 in FY 2019.

The Department of Revenue Administration, the New Hampshire Municipal Association, and the Department of Environmental Services indicate any changes in locally assessed values would create a reapportionment of local property taxes based on higher assessed values, and have a neutral impact on local revenues.