

CHAPTER 179
HB 316 - FINAL VERSION

1Jun2017... 2028-EBA

2017 SESSION

17-0435
10/03

HOUSE BILL **316**

AN ACT relative to a statewide property tax exemption for commercial and industrial construction.

SPONSORS: Rep. F. McCarthy, Carr. 2; Rep. Cordelli, Carr. 4; Rep. Buco, Carr. 2; Rep. Avellani, Carr. 5; Rep. Crawford, Carr. 4; Rep. Comeau, Carr. 5; Rep. Hill, Merr. 3; Rep. Hynes, Hills. 21; Rep. Emerick, Rock. 21; Sen. Bradley, Dist 3

COMMITTEE: Ways and Means

ANALYSIS

This bill establishes a local option commercial and industrial construction exemption from property taxation applicable statewide.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT relative to a statewide property tax exemption for commercial and industrial construction.

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

1 179:1 Procedure for Adoption; Reference Added. Amend the introductory paragraph of RSA
2 72:27-a, I to read as follows:

3 I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:28-b, RSA 72:29-a,
4 RSA 72:35, RSA 72:37, RSA 72:37-b, RSA 72:38-b, RSA 72:39-a, RSA 72:62, RSA 72:66, RSA 72:70,
5 [~~or~~] RSA 72:76, **or RSA 72:82** in the following manner:

6 179:2 New Subdivision; Commercial and Industrial Construction Exemption Statewide. Amend
7 RSA 72 by inserting after section 79 the following new subdivision:

8 Commercial and Industrial Construction Exemption Statewide
9 72:80 Definitions.

10 I. In this subdivision:

11 (a) "Commercial uses" shall include all retail, wholesale, service, and similar uses.

12 (b) "Eligible municipality" shall mean any city or town in the state.

13 (c) "Industrial uses" shall include all manufacturing, production, assembling,
14 warehousing, or processing of goods or materials for sale or distribution, research and development
15 activities, or processing of waste materials.

16 II. An eligible municipality adopting a property tax exemption pursuant to RSA 72:81 may,
17 in lieu of the definitions in this section, adopt by reference the definitions of similar terms as may be
18 contained in that town's or city's zoning ordinances.

19 72:81 Property Tax Exemption. An eligible municipality may, by vote of the local legislative
20 body pursuant to RSA 72:82, adopt a new construction property tax exemption for commercial or
21 industrial uses, or both. The intent of the exemption is to provide incentives to businesses to build,
22 rebuild, modernize, or enlarge within the municipality. The exemption shall apply only for
23 municipal and local school property taxes assessed by the municipality which shall exclude state
24 education property taxes under RSA 76:3 and county taxes assessed against the municipality under
25 RSA 29:11, and shall be a specified percentage on an annual basis of the increase in assessed value
26 attributable to construction of new structures, and additions, renovations, or improvements to
27 existing structures, but which shall not exceed 50 percent per year. The exemption may run for a
28 maximum period of 10 years following the new construction. Once adopted by the local legislative
29 body, the percentage rate and duration of the exemption shall be granted uniformly within that

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1 municipality to all projects for which a proper application is filed.

2 72:82 Procedure for Adoption.

3 I. A municipality desiring to adopt the provisions of RSA 72:81 shall do so in accordance
4 with the procedures set forth in RSA 72:27-a. The vote shall specify the percentage of new assessed
5 value to be exempted, the number of years duration of the exemption following new construction,
6 and a reference to zoning use category definitions, if applicable. The exemption shall take effect in
7 the tax year beginning April 1 following its adoption.

8 II. A vote adopting RSA 72:81 shall remain in effect for a maximum of 5 tax years;
9 provided, however, that for any application which has already been granted prior to expiration of
10 such 5 tax year period, the exemption shall continue to apply at the rate and for the duration in
11 effect at the time it was granted.

12 72:83 Application for Exemption.

13 I. An owner shall apply for the exemption under RSA 72:81 prior to construction, but not
14 after December 31 before the beginning of the tax year for which the exemption is sought. In such
15 cases the selectmen or assessors may anticipatorily grant the exemption, subject to adjustment
16 when the actual increase in assessed value becomes known. If construction is partially complete on
17 April 1 of any year, the exemption for that year shall be based on the increased assessed value
18 attributable to the partial construction, but the duration of the exemption shall be adjusted such
19 that the cumulative amount of exemptions received, based on the construction as completed, is
20 proportional to that received by other eligible properties.

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

26 III. The selectmen or assessors may request such additional or updated information as is
27 necessary to determine eligibility. If they are satisfied that the applicant has willfully made any
28 false statement, or has refused to provide information after such a request, they may refuse to grant
29 the exemption.

30 IV. If the municipality completes a revaluation during the period for which an exemption
31 has been granted, the amount of the exemption shall be adjusted by the difference in equalization
32 ratios applicable in the municipality before and after the revaluation.

33 179:3 Subdivision Heading Amended; Coos County. Amend the subdivision heading preceding
34 RSA 72:75 to read as follows:

35 Commercial and Industrial Construction Exemption *in Coos County*

179:4 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 29, 2017

Effective Date: August 28, 2017