

HB 1802-FN-LOCAL - AS INTRODUCED

2018 SESSION

18-2215
05/04

HOUSE BILL ***1802-FN-LOCAL***

AN ACT relative to the statewide education property tax.

SPONSORS: Rep. Henle, Merr. 12

COMMITTEE: Ways and Means

ANALYSIS

This bill requires municipalities to remit any excess statewide education property tax to the state for deposit in the general fund.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the statewide education property tax.

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

1 1 New Sections; Adequate Education; Excess Statewide Education Property Tax Payment.

2 Amend RSA 198 by inserting after section 47 the following new sections:

3 198:47-a Excess Statewide Education Property Tax Payment.

4 I. Any excess statewide education property tax shall be remitted to the department of
5 revenue administration on or before March 15 of the tax year in which the excess occurs.

6 II. The commissioner of the department of revenue administration shall collect from the
7 municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the
8 general fund.

9 III. The amount of such excess to be remitted shall not include any income derived from the
10 investment of funds by the municipal treasurers under RSA 41:29 and RSA 48:16. Any funds
11 remaining after full payment of the excess tax required in paragraph I shall become available for
12 unrestricted use by the municipality.

13 198:47-b Forms. The commissioner shall approve and provide forms relative to the reporting
14 and remitting of excess statewide education property tax by the municipalities.

15 2 New Paragraph; Determination of Education Grants and Excess Statewide Education Tax.
16 Amend RSA 198:41 by inserting after paragraph II the following new paragraph:

17 II-a. Notwithstanding paragraphs I and II, any amount collected pursuant to RSA 76:8 in
18 excess of the cost of providing an opportunity for adequate education under RSA 198:40-a shall be
19 excess statewide education property tax to be remitted under RSA 198:47-a.

20 3 Assessment of Education Tax; Commissioner's Warrant. Amend RSA 76:8, II to read as
21 follows:

22 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
23 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
24 December 15 directing them to assess such sum and pay it to the municipality for the use of the
25 school district or districts ***and, if there is an excess statewide education property tax payment***
26 ***due pursuant to RSA 198:47-a, directing them to assess the amount of the excess payment***
27 ***and pay it to the department of revenue administration for deposit in the general fund.***

28 Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such
29 selectmen or assessors of the municipality.

30 4 Effective Date. This act shall take effect July 1, 2018.

HB 1802-FN-LOCAL- FISCAL NOTE
 AS INTRODUCED

AN ACT relative to the statewide education property tax.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2019	FY 2020	FY 2021	FY 2022
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	\$0	\$0	\$0
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

LOCAL:

Revenue	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease	Indeterminable Decrease
Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill requires municipalities to remit any excess Statewide Education Property Tax (SWEPT) to the State for deposit to the State General Fund. The excess required to be remitted to the State is the difference between the SWEPT raised and the municipality's calculated cost of providing an opportunity for adequate education ("adequacy"). Currently, if a municipality's SWEPT is greater than its adequacy cost, it goes to the school district.

While the precise impact of this bill on state and local revenue is unknown as student and tax data is not yet available for future periods, based on FY 2019 preliminary data, this bill would result in a \$29,698,848 increase to State General Fund revenue and a corresponding decrease to local revenue. The table below presents only the affected municipalities using FY 2019 preliminary data:

	FY 2019 Preliminary Data	"Excess"

	Cost of Providing an Opportunity for Adequate Education	Statewide Education Property Tax (SWEPT)	
State Total	\$745,449,462	\$363,099,673	\$29,698,848
Alton	\$2,929,319	\$3,580,236	\$650,917
Atkinson & Gilmanton Academy Grant	\$0	\$1,751	\$1,751
Bartlett	\$1,100,878	\$2,221,528	\$1,120,650
Bridgewater	\$409,625	\$751,109	\$341,484
Cambridge	\$0	\$21,882	\$21,882
Carroll	\$268,978	\$765,882	\$496,904
Center Harbor	\$446,312	\$912,353	\$466,041
Chandler's Purchase	\$0	\$98	\$98
Crawford's Purchase	\$0	\$481	\$481
Dix's Grant	\$0	\$1,954	\$1,954
Dixville	\$7,272	\$20,938	\$13,666
Easton	\$53,523	\$145,098	\$91,575
Eaton	\$81,992	\$225,864	\$143,872
Errol	\$61,535	\$181,346	\$119,811
Erving's Grant	\$0	\$89	\$89
Franconia	\$532,624	\$616,897	\$84,273
Freedom	\$450,243	\$1,066,940	\$616,697
Green's Grant	\$0	\$7,987	\$7,987
Groton	\$232,176	\$296,180	\$64,004
Hale's Location	\$6,836	\$160,722	\$153,886
Hampton	\$6,496,133	\$7,158,182	\$662,049
Hanover	\$4,422,487	\$5,345,839	\$923,352
Harrisville	\$292,752	\$414,036	\$121,284
Hart's Location	\$3,636	\$34,674	\$31,038
Hebron	\$192,668	\$568,662	\$375,994
Holderness	\$996,225	\$1,597,497	\$601,272
Jackson	\$319,698	\$905,960	\$586,262
Lincoln	\$585,266	\$1,813,982	\$1,228,716
Livermore	\$0	\$291	\$291
Meredith	\$3,286,946	\$4,252,522	\$965,576
Millsfield	\$3,636	\$20,693	\$17,057
Moultonborough	\$2,063,177	\$6,415,983	\$4,352,806
New Castle	\$342,769	\$1,603,889	\$1,261,120
New London	\$1,161,073	\$2,555,036	\$1,393,963
Newbury	\$992,428	\$1,580,159	\$587,731
Newington	\$253,060	\$1,300,562	\$1,047,502
North Hampton	\$1,999,416	\$2,582,595	\$583,179
Odell	\$0	\$6,280	\$6,280
Pinkham's Grant	\$0	\$14,358	\$14,358
Pittsburg	\$266,799	\$586,357	\$319,558
Portsmouth	\$9,040,785	\$11,904,407	\$2,863,622
Randolph	\$73,722	\$143,597	\$69,875
Rye	\$2,281,207	\$4,715,140	\$2,433,933
Sandwich	\$530,758	\$875,126	\$344,368
Sargent's Purchase	\$0	\$5,037	\$5,037
Second College Grant	\$0	\$2,957	\$2,957

Success	\$0	\$31,721	<i>\$31,721</i>
Sugar Hill	\$267,835	\$304,606	<i>\$36,771</i>
Sunapee	\$1,520,069	\$2,744,111	<i>\$1,224,042</i>
Thompson and Meserve's Purchase	\$0	\$14,077	<i>\$14,077</i>
Tuftonboro	\$1,132,208	\$2,182,014	<i>\$1,049,806</i>
Washington	\$450,977	\$465,950	<i>\$14,973</i>
Waterville Valley	\$140,061	\$764,494	<i>\$624,433</i>
Wentworth's Location	\$0	\$18,312	<i>\$18,312</i>
Wolfeboro	\$2,975,229	\$4,462,742	<i>\$1,487,513</i>

There will be no increased administration costs to implement the provisions of this bill for either the Department of Education or Department of Revenue Administration.

AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration