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Summary

During the last three years, New Hampshire's population has increased by almost 10 per cent and sent property values soaring.

Now both long-time and new residents complain of having to pay excessive property taxes needed to fund more municipal services and new schools. Taxpayers are filing formal protests of their tax bills in record numbers, and the movement is starting to be described by words like "uprising" and "revolt."

Some claim that the state should share more of its general fund with towns and cities; others are looking to developers to pay some of the costs that their projects create for the community. Newly formed taxpayer organizations are trying to impose caps on spending and are encouraging people to speak out against budget increases at public meetings.

None of these avenues is going to lead New Hampshire back to the good old days of five years ago, when property taxes were half what they are now. Given present circumstances, impact fees and citizen involvement offer the best hope for reining in the increases.

Revenue-sharing inadequate

State revenue sharing provides little relief now for tax-oppressed towns. As the legislature is faced with the prospect of a $15 million state budget deficit, most proposals to increase revenue-sharing programs are virtually guaranteed to fail. The programs that have a chance at passage are too modest to have much impact.

Before 1983, towns and cities divided a percentage of the state's major taxes (business profits, rooms and meals, and motor fuels and licenses), receiving bonuses in good years. But the annual allocation was frozen at $51.4 million in 1983 when the state faced a deficit, and the freeze continued even when times got better.

The New Hampshire Municipal Association (NHMA) is promoting legislation that would tie municipal aid to state fortunes. If the state's revenues increase by seven per cent next year, as they are projected to do by the Commission on Administrative Services, $1.8 million in additional aid would go to towns and cities under the NHMA's plan.

This proposal wouldn't offer much relief to the average taxpayer. According to the calculations of George Bald, Rochester's economic development director, Rochester *alone* would need an additional $1 million in state aid to reduce the property tax bill on a $125,000 home by $129.

State Senator Edward C. Dupont (R-Rochester), at the request of Governor Judd Gregg, is sponsoring an even more cautious proposal. The bill says that if general fund revenues were to increase more than two per cent above a standard cost of living rise, 30 per cent of the surplus would be divided among towns and cities, in addition to the $51.4 million that they already get.

If the state's current revenue projections are fulfilled, this would amount to an increase of exactly *zero* over the next six years, points out John Andrews, executive director of the NHMA.

Says Sen. Dupont, "It's more palatable to put such a bill into place right now," because it won't cost the state government anything until the economy improves.