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Overtaxing utility poles hits NH consumers

Another View - D. Maurice Kreis

UTILITIES DON'T PAY PROPERTY TAXES. Utility customers pay them.

Taxes incurred by a public utility are a recoverable operating expense. In other words, the taxes imposed on utilities end up included in the rates each of us pay in our energy bills each month.

Which brings me to House Bill 324, an effort to implement a fair and consistent method of assessing, and ultimately taxing, property owned by utility companies.

Under the current system, New Hampshire's Department of Revenue Administration assesses utility property for the purposes of the statewide utility property tax. Separately, each town also assesses this same property for municipal property taxes.

All too often these assessments end up much higher on the local level than by the state. Some communities have actually doubled and tripled their utility property taxes over the course of just a year or two.

If your community suddenly doubled your property tax bill, without you adding any new property, you'd know something was very wrong. HB 324 would have the Department of Revenue Administration's assessments used to determine the municipal taxes.

When one town unjustly drives up taxes, that cost is passed on to all ratepayers. This acts as a hidden tax on the consumers and artificially drives up the prices everyone pays. Power consumers across the system end up subsidizing the towns that jack up their local taxes.

Worse, the utility property being over-assessed at the municipal level has led to many lawsuits with the towns.

Ironically, the residents of each community where there is litigation end up paying both sides' legal costs, first as a taxpayer and then as a utility customer.

The financial burden of higher taxes and higher legal fees ends up adversely impacting the families and small businesses that end up paying higher electric bills. This is bad news for a state deeply concerned about its electric rates.

The lack of a statewide standard has created a chaotic system that is directly contributing to unnecessarily increased energy costs on the customers. HB 324 would correct that.

Everything that is wrong with the current system New Hampshire uses to assess utility property throughout our state was on prominent display at the House Science, Technology, and Energy Committee hearing in Concord on the morning of Jan. 25. As a consumer advocate who thinks customers deserve safe and reliable electricity at the lowest possible cost, I testified before the committee in favor of this legislation.

As I told the committee, House Bill 324, if adopted, will assure a fair and consistent process that would give the residential utility customers, many of whom struggle to make ends meet, a reason to be confident that this slice of their utility bills has been determined in a fair and reasonable manner.

I did my best to undermine the false impression that wealthy owners of utility stock, rather than struggling payers of utility bills, are bearing the brunt of this unfairness.

Not surprisingly, the committee heard from town officials who rely on the current system to bring in these additional tax dollars from unjustifiably high assessments. They also heard from lawyers and assessors who are paid by these towns (actually, paid by the local taxpayers) to come up with these sometimes creative, bloated assessments. Unfortunately, as is all too often the case, the committee did not hear much from ratepayers. I attended, listened, and offered testimony as the Granite State's consumer advocate, tasked with representing the interests of residential utility customers. But I am just one face and one voice.

The people whom we send to Concord to represent us need to hear from you, the ratepayers, if House Bill 324 is going to have a chance of becoming law. I assure you these same representatives are hearing from the assessors and town managers who rely on the current system to collect more of your hardearned dollars.

D. Maurice Kreis serves as New Hampshire's consumer advocate before the Public Utilities Commission.

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