THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

# LEGISLATIVE BULLETIN

### "We Call It Local Control"

On Thursday, January 5, Governor Sununu was sworn in for a fourth term and gave his <u>Inaugural Address</u> to a joint session of the House and Senate in Representatives' Hall. Among other items, he praised town moderators and election officials for their commitment to New Hampshire's election process and expressed strong support for our long history of local control:

It's not big government's job to impose its will upon cities and towns, dictating this and mandating that and saying you must and you cannot. In New Hampshire, we distill decision-making down the lowest possible levels of power, empowering individuals to make their voices heard at the local level, where their voice is the greatest.

Here in New Hampshire, we call it local control. We've been doing it for hundreds of years, and we're not going to stop now.

We agree.

# A(nother) Look at Housing

"The lack of housing affordable to a wide range of working households is having a direct, immediate and serious negative impact on the ability of many communities to host new business or to expand existing businesses ... and placing severe burdens on many municipalities in the form of rising costs for emergency housing assistance."

Report of the Interim Study Committee on Funding for Affordable Housing. October 19, <u>2000</u>.

No, that's not a typo. The issue of New Hampshire's housing shortage has persisted since the mid-1990s, and it's not an issue unique to the Granite State. There are many complex factors that contribute to the acute shortage of housing, and, in particular, affordable housing. We've heard a number of legislators speak to the need to address the shortage in recent months, and housing is certain to be a primary focus of the 2023 legislative session. In fact, in this week's calendar, the Speaker of the House announced the appointment of a Special Committee on Housing this year, and we anticipate that a fair number of housing-related bills will be headed there. The committee members are as follows:

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### Special Committee on Housing

Joe Alexander, **Chair** Mark McConkey Scott Wallace Thomas Walsh Josh Yokela Ben Baroody, **Vice Chair** Josh Adjutant Charlotte DiLorenzo Merryl Gibbs Ellen Read

NHMA recognizes the need for diverse and affordable housing in New Hampshire and the responsibility of each municipality to afford reasonable opportunities for the development of diverse and affordable housing. We believe that municipalities should have discretion in determining how to increase affordable housing. To that end, NHMA supports legislation which promotes a collaborative approach between the state, municipalities, and other key stakeholders to address the state's housing shortage and supports legislation that enables municipalities to find innovative ways to ensure an adequate supply of housing. Conversely, NHMA opposes legislation that detracts from existing local authority and that erodes local control over land use decisions.

One bill that we are particularly interested in seeing come to fruition is <u>LSR 2023-1045</u>. Although the language has not-yet-been publicly released, nor has it been given an official bill number, we were fortunate to work with the sponsor, co-sponsors, and a number of interested parties to get an early glimpse at its language. The bill, as drafted, would provide municipalities access to <u>new</u> water, wastewater, and other infrastructure funding in exchange for <u>voluntary</u> changes to local zoning ordinances that promote the building of more housing.

The bill seeks to address some of the largest costs associated with housing. Developers will build the type of dwelling units that the market demands, and what the market demands varies based on where a unit will be located in the state. Urban, urban-adjacent, suburban, and rural areas all have unique characteristics, which makes it impossible to create a one-size-fits-all solution. *However*, all of these areas <u>do</u> share a few characteristics, namely the infrastructure that does or *could* connect them. That infrastructure is very expensive to install and maintain, but the existence of some of that infrastructure does have tangible costs that could translate to lower home prices—specifically, water and sewer infrastructure.

Water lines currently cost between \$1.5 and \$2 million per mile, and basic wastewater infrastructure upgrades cost between \$20 and \$40 million. While that's a significant amount of money – usually too much to justify an extension or capacity upgrade to existing lines – access to those types of infrastructure make housing cheaper to build because the cost of a couple of pipes from a home to a street is significantly less than drilling a well, testing the water, installing whatever contaminant mitigation devices are necessary, and installing a septic system including leach field. The exact same house can cost up to \$50,000 less to build if it has access to that public water and sewer infrastructure as one that must install a well and septic system.

When there's access to public water and sewer infrastructure, concerns related to well radii and sufficient land to install a replacement septic system diminish. Therefore, it would be possible to increase the density of building across a variety of dwelling unit types without impacting public health or safety.

LSR 2023-1045 combines these two ideas into one package labeled the "Housing Champions Program." It is a voluntary program that would grant municipalities access to funds for local infrastructure in exchange for changes to local zoning codes that promote the building of more housing. The program would be administered by the Bureau of Economic Affairs (BEA) and the Housing Champions Designation would

occur on a 3-year rolling basis. Rulemaking would occur in advance of the launch of the program to allow the BEA to fill in the details about what sorts of zoning code changes would be necessary to adopt for designation as a "Housing Champion" and how the additional money would be allocated. The bill has yet to go through the legislative process, but we are hopeful that, at least, the initial allocation of \$25 million would be made available for disbursement by BEA.

We hope to see this type of approach on housing embraced.

## Cannabis Legalization Efforts Continue

Fifteen cannabis-related bills have been filed this year, with a number of them pertaining to legalization of cannabis. This year's legislation focuses on anything from complete legalization to legalization and sale by the liquor commission (a redraft of a bill that House members coalesced around last year) to state-regulated retail sale of cannabis. Two options seem most likely to pass the legislature: sale by the liquor commission or state-regulated retail sale.

The idea of the liquor commission selling cannabis may sound familiar because that was the idea behind last year's **HB 1598**, which we summarized in <u>Bulletin #17</u>. Although the bill language is not yet public, in speaking with legislators familiar with both bills, both <u>LSR 2023-70</u> and <u>LSR 2023-516</u> would propose a liquor commission sales approach with some differences, and some differences in how profits from the sale of cannabis will be distributed.

State-regulated retail sale of cannabis appears more likely to pass this year, however. <u>LSR 2023-528</u> has the bipartisan backing of both the House Majority Leader and House Minority Leader – meaning passage in the House is almost certainly assured – along with the support of several senators. Its fate almost certainly rests with the Senate and Governor. Although the bill language is not yet public, in speaking with legislators in both parties in the House familiar with the legislation, it appears that the draft bill would see municipalities receive a distribution of funds similar to, but perhaps more favorable than, last year's **HB 1598**. We have heard from a number of legislators this year that they are concerned with the New Hampshire Retirement System's unfunded accrued liability, and we anticipate intense discussions on how much – rather than whether – to fund that unfunded accrued liability.

NHMA has a detailed policy related to the sale of cannabis. Our Legislative Policy Conference adopted a <u>policy</u> that NHMA <u>opposes</u> legislation that authorizes the sale of cannabis <u>unless</u> the following provisions are included:

- <u>Local opt-in (not opt out)</u>. The legislation must state that the processing, manufacture, refinement or sale of cannabis products in any municipality shall only be permitted after the legislative body of that municipality has adopted the provisions of enabling state legislation permitting such activities ("opt-in," not "opt out").
- <u>Funding</u>. Legislation that legalizes the sale of cannabis must include provisions for adequate and sustained funding to municipalities to address the costs associated with legalization because municipalities will be the governmental entities that will have to directly deal with the impacts of legalization.
- Host Community Agreement. Any legislation allowing for retail establishments for the sale of cannabis or cannabis products shall include a requirement for a host community agreement with

the municipality in which a marijuana establishment is located, which may include provisions such as a community impact fee; a limit on the percentage of sales of total gross receipts that are related to cannabis sales; security measures for premises; agreements to fund police details when necessary; for crowd or traffic control; and termination of business provisions.

We are looking forward to working with legislators to craft legislation that would maintain local control by allowing municipalities to opt-in (not opt-out, as in last year's **HB 1598**), provide funding for municipalities, and provide for host establishment agreements.

### Live Bill Tracker



Scan to stay informed on legislation affecting cities and towns!

As we wrote about last week, NHMA has launched a new feature on our website: a <u>live bill tracker</u>. This tracker, run by the software platform FastDemocracy, will enable visitors to our website to see what bills NHMA is following. It also allows visitors to subscribe to daily or weekly (published Fridays) updates on either all the bills that we're tracking or specific bill topics. We have organized the bills into topics based on our member-adopted <u>Legislative Policies and Principles</u>. Visitors can also choose to subscribe to individual bills. Subscribers will get updates as things happen – *e.g.* bills are scheduled for committee hearings, votes, *etc.* – and updates only on the bills which move forward. Visitors will also notice that we will be adding publicly facing notes explaining what the bill does; indicating NHMA's applicable legislative policy; and stating our position. Some of the information we've traditionally published in the *Bulletin* will now be available through our live bill tracker. The benefit of the bill tracker is that members can always have real-time information on bill activity: With a 4-minute delay and automatic updates, the bill tracker will ensure that you know if and when something changes with the bills that interest you.

### **New Bills**

Please <u>click here</u> to find a list of newly published bills that NHMA is tracking. We will be publishing a table every week as new bills are published this year. Please note that publication of bills is occurring about two weeks later this session than in prior sessions. Also, the Senate deadline for final sign offs has been extended from January 12 to January 17.

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# **Upcoming Hearings**

Hearing times and dates are subject to change. Click on any bill below to view the most up-to-date information.

# House Election Law, LOB, Room 306-308

Jan 10, 2023

<u>HB 101</u>	Title: relative to requiring voters declare a party affiliation prior to a state primary election.  Hearing 1:00 PM
<u>HB 116</u>	Title: relative to fees and primary petitions required for primary ballot election access.  Hearing 2:00 PM

House Education, LOB, Room 205-207

Jan 11, 2023

<u>HB 103</u>	Title: relative to school board member qualifications.
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	Hearing 11:25 AM
House Munic Jan 11, 2023	cipal and County Government, LOB, Room 301-303
<u>HB 70</u>	Title: relative to residency requirements for deputy town clerks.  Hearing 10:30 AM
<u>HB 72</u>	Title: relative to the tenure of public librarians.  Hearing 10:45 AM
<u>HB 80</u>	Title: relative to tax exempt status for county real property leased for agricultural uses.  Hearing 2:30 PM
House Education 12, 2023	ation, SH, Room Reps Hall
<u>HB 61</u>	Title: relative to teaching on discrimination in the public schools and discrimination in public workplaces.  Hearing 9:30 AM
	ative Departments and Administration, LOB, Room 306-308
Jan 12, 2023	
<u>HB 30</u>	Title: allowing a county to exempt its chief administrative officer from compulsory participation in the retirement system.  Hearing 10:00 AM
HB 183	Title: relative to employment of retired firefighters at the fire academy.  Hearing 10:45 AM
<u>HB 193</u>	Title: relative to administration of the New Hampshire retirement system.  Hearing 11:30 AM

2023 NHMA UPCOMING MEMBER EVENTS		
Jan. 7	2023 Town & School Moderators (SB 2) Workshop (hybrid) – 9:00 – 1:30	
Jan. 9	Webinar: 2023 Legislative Preview – 12:00 – 1:00	
Jan. 12	2023 Regional Legislative Preview in Lebanon – 6:30 – 8:00	
Jan. 18	2023 Regional Legislative Preview in Dover – 7:00 – 8:30	
Feb. 2	2023 Regional Legislative Preview in Sugar Hill – 6:00 – 7:30	
Feb. 4	2023 Town & School Moderators (Traditional Town Meeting) Workshop (hybrid) – 9:00 – 1:30	
	www.nhmunicipal.org for the most up-to-date information regarding our upcoming events. Events& Training tab to view the calendar.	

For more information, please call NHMA's Workshop registration line: (603) 230-3350.