

LEGISLATIVE BULLETIN

What's Up With the State Budget?

Bulletin 21 - 2017 Session
May 19, 2017

The Senate Finance Committee continues its work on the budget next week, after meeting almost daily this past week. So far, the committee has been sticking fairly close to the Governor's budget, which is the foundation from which it is working given the House's failure to pass a budget bill.

The Senate Ways and Means Committee has not yet determined the Senate version of revenue projections for the coming biennium, but it will meet on Monday, May 22, for that purpose. We understand that the Senate will receive a "surplus statement" early next week from the Legislative Budget Assistant's Office, essentially a reckoning of projected revenues and recommended appropriations, which will allow the Finance Committee to see where things stand and to make further budget adjustments before completing its work. The legislature is required to pass a balanced budget, so at this time of year, close attention is paid to these surplus statements.

Additional funding for municipalities continues to be discussed in separate, off-budget legislation, such as **SB 38** relative to roads and bridge infrastructure monies, and **SB 57** relative to state aid grants for water and wastewater projects (see article on next page). These funds are slated to come from the fiscal year 2017 surplus. The House Finance Committee had included \$25 million in each year of the biennium for property tax relief, but that has not (yet?) appeared in the Senate discussions. The House committee did not reinstate the meals and rooms tax catch-up formula, which would return up to \$5 million in additional revenues each year, and that also has not (yet?) been included in Senate discussions.

Although we are getting closer to the end of the session, there is still much work to be done on the budget. The Senate Finance Committee must make its recommendation, then the full Senate must act. Ordinarily, the next step would be a committee of conference for the House and Senate to resolve their differences, but the House has no formal position. We have heard talk of a variety of ways there may still be a conference committee, and if there is, then both bodies must vote on the final product. So all things budget are still very much up in the air. Stay tuned . . .

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Committee Approves Amended Voter Domicile Bill

The House Election Law Committee voted on Tuesday to recommend an amended version of [SB 3](#), the voter domicile bill. The vote was 11-9, straight down party lines, with all Republicans voting in favor and all Democrats voting against.

To the committee's credit, the amendment fixes many of the mechanical problems NHMA identified in the bill—but not all of them. One section of the bill still requires supervisors of the checklist to immediately begin the process of removing a voter's name from the checklist if the voter has registered on election day by acknowledging an obligation to provide domicile evidence and subsequently fails to provide that evidence, while a different section requires the supervisors to make an independent effort to verify the voter's domicile before initiating removal. And one section of the bill states that the election day registration form "shall require the voter to identify and provide evidence of a verifiable action he or she has taken carrying out his or her intent to make the place claimed on the voter registration form his or her domicile." That is not accurate, as the proposed election day registration form allows a person to register without providing such evidence, as long as domicile is verified subsequently.

In short, the bill is much improved, but not enough. These inconsistencies will create confusion for election officials. Further, we continue to have concerns about the complex election day registration form that will likely require election officials to spend much more time explaining the form and the process to voters. At a polling place where hundreds of new voters register during a presidential election, this will either result in much longer lines or require many more poll workers.

Again, our objections are based not on the policy of the bill to make the domicile requirements stricter, but on the increased work and time that will be required of election officials. Of the moderators, clerks, and supervisors we have talked to, none are in favor of the bill, and many are strongly opposed.

The next House session is not until June 1. We encourage election officials and others to talk to their representatives before then and express their concerns with **SB 3**. It is now too late for the committee to retain the bill, as we have suggested, so the only acceptable and practical resolution is to vote it Inexpedient to Legislate.

SAG Funding and Transportation Aid

As we have been reporting for several weeks, two important Senate bills (**and NHMA policy bills**) dealing with municipal aid are currently in the House Finance Committee. This week, Division I recommended an amendment to [SB 57](#), which appropriates state aid grant (SAG) money for 19 municipal water and wastewater projects that were eligible for grants prior to July 1, 2013. The amendment fine-tunes the dollar amount of several grants based upon updated figures from the Department of Environmental Services and adds language capping the fiscal year 2018 and 2019 payments at those amounts. Division I unanimously recommended Ought to Pass on the amended version of **SB 57**, which will go to the full Finance Committee for a vote next Wednesday.

On Tuesday, Division II discussed an amendment requested by the Department of Transportation (DOT) to [SB 38](#), which provides an additional \$30 million in highway block grant funding and an additional \$6.8 million in municipal bridge aid. The amendment addresses the allocation of Department betterment funds to the various DOT highway districts around the state. Division II is expected to review the amendment and vote on it next Tuesday. Along with **SB 57**, the bill will then go to the full committee on Wednesday.

Troubling Amendment on Short-Term Rentals

The Senate yesterday passed [HB 654](#), relative to vacation rentals and short-term rentals. Unfortunately, the Senate made a significant change that limits municipal authority to regulate these operations.

As originally filed in the House, the bill would have imposed very strict limits on a municipality's authority to regulate vacation and short-term rentals, such as those offered through companies like Airbnb and HomeAway. The House recognized that the proposed limits were too extreme and amended the bill to create a committee to study the regulation and taxation of these rentals. The House committee report stated, "Though the bill represents a good effort, there are still too many conflicts regarding how these issues should be resolved. The committee believes that continued work within a chartered study committee will achieve the resolution necessary."

In the Senate, the bill was referred to the Ways and Means Committee, because the issues with short-term rentals involve taxation as much as land use regulation. Because of a packed legislative calendar, no one from NHMA was able to attend the committee hearing, but there seemed little danger from a bill that merely established a study committee. We were surprised, then, when the bill was reported out of the committee last week with a proposed amendment that sharply limits municipal authority. Although there was nothing improper about the process, we were disappointed that such a significant amendment was approved without a hearing or notice, and with no input from municipalities.

Under the amendment, a municipality is prohibited from "requir[ing] a certificate of occupancy or other license for a short-term or vacation rental." Local officials may enter the premises to make inspections, but only upon "an individualized showing of probable cause that a particular dwelling is unfit for human habitation sufficient to support issuance of a search warrant by a court of competent jurisdiction." That is a higher standard than already exists in the housing standards statute, so a municipality would have *less* authority to inspect a property used for regular short-term rentals than to inspect an ordinary residential dwelling.

The bill as passed by the Senate still creates a committee to study, among other things, "municipal regulation of vacation rentals or short-term rentals by ordinance, enforcement of housing standards, or adoption of land use regulations," and "the enforcement of ordinances and regulations by entry and examination." The amendment, however, usurps much of the committee's responsibility by legislating on precisely the matters the committee is supposed to study.

The bill now goes back to the House. We hope that chamber will recognize that the Senate version is premature and will not concur.

HOUSE CALENDAR

TUESDAY, MAY 23, 2017

ELECTION LAW, Room 308, LOB

9:30 a.m. Public Hearing on non-germane amendment #2017-1854h to **SB 248**, establishing a committee to study the rescheduling of elections. The amendment adds provisions that clarify the signature verification requirements for absentee ballots. Copies of the amendment are available in the Sergeant-at-Arms office, Room 318, State House.

SENATE CALENDAR

There are no hearings on bills of municipal interest in the Senate this week.

