

# LEGISLATIVE BULLETIN

## Committee Approves Severe Restriction on Municipal Lobbying

On Wednesday, the House Legislative Administration Committee voted to recommend **HB 1033** as Ought to Pass with an Amendment, by a vote of 9-4. (Two amendments were actually adopted that work in tandem to amend the bill, as described below.)

As we wrote in [Bulletin #4](#), **HB 1033** significantly burdens the ability of local, school, and county officials to speak and engage in the legislative process. The amendment makes the bill worse. During the work session that preceded Wednesday’s executive session, representatives on the committee did correctly recognize that the original version of the bill jeopardized the free speech of municipal officials. However, the amended version, presented in part to address that issue, appears to put an additional burden on local officials.

The amendment would now insert a prohibition on the use of funds for lobbying into RSA chapter 24 (for counties), RSA chapter 31 (for towns, cities, village districts, and unincorporated places, although RSA chapter 31 is not the appropriate chapter for city governments), and RSA chapter 195 (for schools). Each new section uses the same language, stating that “no state grant or appropriation” or “funds collected from property taxes” can be used for lobbying by local governments. While the original version of the bill prohibited the “recipient” of funds from using those funds for lobbying, this amended version now prohibits the municipality from using funds for lobbying.

A principal argument in support of the bill was that property taxes should not be used for lobbying, and one committee member even commented that people would be “horrified” if they knew that occurred. The evidence, however, is to the contrary. It is no secret that NHMA and similar organizations actively engage in lobbying, and it is well known that municipal dues are a part of every municipal budget. In most towns, these budgets are approved directly by the voters themselves, and they can easily choose not to include those dues in the budget. In fact, there have been occasional attempts at town meetings to remove NHMA dues from a budget, and those efforts have consistently been defeated.

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### GOVERNMENT AFFAIRS CONTACT INFORMATION

**Margaret M.L. Byrnes**  
Executive Director

**Natch Greyes**  
Government Affairs Counsel

**Katherine Heck**  
Government Finance Advisor

**Timothy W. Fortier**  
Communications Coordinator

**Pam Valley**  
Administrative Assistant



25 Triangle Park Drive  
Concord NH 03301  
Tel: 603.224.7447  
EM: [governmentaffairs@nhmunicipal.org](mailto:governmentaffairs@nhmunicipal.org)  
Website: [www.nhmunicipal.org](http://www.nhmunicipal.org)

Given the choice, local voters have routinely approved budgets that include dues for NHMA and other organizations that lobby on behalf of local government. While some voters may be “horrified” by this, the majority are not. That is why every one of the state’s 234 municipalities is a member of NHMA.

The supporters of **HB 1033** want to take this choice away from local voters. We believe voters should be permitted to make these decisions for themselves—just as the state legislature can decide for itself whether to use taxpayer funds for membership in the National Conference of State Legislatures (NCSL), which lobbies the federal government on behalf of the states.

Under New Hampshire law, municipalities fund their budgets and local functions primarily through property taxes. This includes paying vendors and other individuals and entities for services. Funds are not required to be separated out for any of these services. Some committee members reasoned that municipalities could, instead, fund lobbying and advocacy services through the use of other revenue streams, such as recycling fees or dog license fees. It is important to note that many types of municipal fees are restricted, meaning they can be used only for certain purposes spelled out in statute. And if a few citizens object to using their property tax money for lobbying, why would they be any happier about using their dog license fees for that purpose?

A comment was also made that **HB 1033** was just “house cleaning” because it merely extended a state requirement to local governments. The argument was that since RSA 15:5 prohibits recipients of *state* funds from using those funds to lobby the state, recipients of *local* funds should also be prohibited from lobbying the state.

But this argument is not consistent with the purpose of RSA 15:5, as indicated by the legislative history of SB 206 from 2005, which was not discussed in the work session/executive session. The focus of that legislation, which gave us our current statute, was the ethics of the executive branch. The purpose of RSA 15:5 was to ensure that *state* funds would not be used to lobby the state. **HB 1033** would prohibit a municipality from using *municipal* funds to lobby the state—an entirely different scenario. The use of municipal funds to lobby the state is more analogous to the use of state funds to lobby the federal government, whether through NCSL or directly by state officials who are paid from tax revenues.

Just as the state makes decisions about the state budget through the legislature, municipalities, through their legislative bodies, should be able to make their own decisions about how to spend funds at the local level. Again, every municipal legislative body—in most cases, the town meeting—has the opportunity to decide how it will spend its money. Most political subdivisions have decided that it is more cost effective to contribute to organizations that speak on their behalf, rather than pay to send employees or elected officials to the legislature every week. And while it was suggested that taxpayers shouldn’t fund NHMA because not all residents agree with its positions, the same could be said for any other municipal action.

Speaking of legislative history, there was also discussion about the legislative history of bills similar to **HB 1033**. With respect to previous, similar legislation, all these anti-local government lobbying bills were recommended Inexpedient to Legislative by overwhelming margins: HB 1560, 17-0 (2014); HB 233, 13-1 (2017); and SB 158, 5-0 (2020). Nothing has changed in the last few years that warrants a different result this time.

The bill will go to the full House at its next session. Despite the committee’s report, we believe this bill can be defeated on the floor, but it will require a lot of communication with legislators before then. ***Please contact your representatives as soon as possible.*** Explain to them why the lobbying efforts of NHMA and similar organizations are so important and ask them to ***kill HB 1033.***

## Senate Break

Next week (February 26 – March 1), the Senate will be on its annual break. Currently, there are no committee meetings scheduled for next week, and we do not anticipate any additional meetings being scheduled.

Although not officially on a break, the House has few meetings scheduled for next week. The majority of those scheduled are executive sessions or committee work sessions on bills that have already had their hearings. The full House will convene on March 10.

## House Municipal & County Government Executive Sessions

No, we aren't repeating ourselves from [last week](#). On **Monday** and **Tuesday**, the **House Municipal & County Government Committee** will hold executive sessions on a number of bills of municipal interest **beginning at 9:00 a.m.** on each day. These are the last scheduled executive sessions for that committee for the foreseeable future and will see the committee make recommendations on the remainder of the bills for which it has already had hearings.

Some bills that will be voted on by the committee [on Monday](#) include:

- [HB 1268](#), limiting the authority for city council bylaws and ordinances.
- [HB 1272](#), limiting the authority of town health officers.
- [HB 1289](#), relative to applications for abatements and authority to abate prior years' taxes for certain homeowners.
- [HB 1307](#), modifying the authority and duties of the housing appeals board.
- [HB 1365](#), allowing towns and cities to tax residential and non-residential property at different rates.

Some bills that will be voted on by the committee [on Tuesday](#) include:

- [HB 1342](#), relative to municipal charter provisions for tax caps.
- [HB 1375](#), relative to the definition of veteran.
- [HB 1406](#), authorizing municipalities to collect compost.
- [HB 1617](#), relative to housing projects of the community development finance authority and establishing a committee to prevent state subsidies for housing development that is not income-sensitive.
- [HB 1667](#), relative to the standard and optional veterans' tax credits and the all veterans' tax credit.

Members should be aware that many committees are granting considerable flexibility to amendments, including considering amendments brought forward by original bill sponsors as well as those proposed by committee members. Members who have not yet expressed their opinion on the bills being voted on by the committee on Tuesday and Wednesday should contact members of the [Municipal & County Government Committee](#) before the vote occurs to express their opinion.

## “Active Spreadsheet Format” for Municipal Budget Committees

On Wednesday, the **Municipal & County Government Committee** recommended [HB 1026](#) Ought to Pass. This bill would allow a municipal budget committee to request that the governing body provide budget recommendations in full line-item detail in active spreadsheet format.

If this bill seems familiar, it should. The committee heard a similar bill last year. This version is different from prior iterations in its length and detail, but still uses the language “full line-item detail in active spreadsheet format” to describe the information being obtained by the municipal budget committee. Importantly, however, the bill does not require that every budget be prepared in full line-item detail in active spreadsheet format, as previous versions did. Rather, it merely allows the *budget committee* to require that the governing body’s budget be prepared in this manner. Thus, the legislation is enabling because it allows the budget committee to make this decision. For this reason, NHMA has taken no position on the bill.

## Update on Bills to Expand Tax Credits and Exemptions

This year, there are bills creating new property tax exemptions or credits to veterans, disabled persons, active military personnel, people over 60, and people over 75 because generally, they have no children in school. On Tuesday and Wednesday, the **Municipal & County Government Committee** voted to recommend *all* credit and exemptions bills in the committee Inexpedient to Legislate: [HB 1055](#), [HB 1056](#), [HB 1057](#), and [HB 1183](#). The committee determined that in the absence of a fiscal note on all four bills, it could not recommend any of them as Ought to Pass.

Members of the committee stated that it was necessary to understand what the shift in tax burden would be from the exempt individuals to the non-exempt general tax base. For example, [HB 1057](#) would expand the elderly exemption to persons over 60 years of age, increase the minimum income requirements, and reduce the residency requirements. Questions of how many more people would potentially become eligible, and how much in actual tax dollars would have to be re-allocated could not be answered without in-depth information and analysis. NHMA opposed the new and expanded state-mandated exemptions and credits created by these bills. Municipalities should have local options to decide how best to issue credits and exemptions, and we appreciate the committee’s almost unanimous recommendation on all four bills.

## Get Involved in NHMA’s Legislative Policy Process

NHMA’s biennial legislative policy process is getting underway. As a first step, we are recruiting volunteers to serve on our three legislative policy committees. These committees will review legislative policy proposals submitted by local officials and make recommendations on those policies, which will go to the NHMA Legislative Policy Conference in September.

***If you are a municipal official in an NHMA member municipality and are interested in serving on one of the policy committees, please contact the Government Affairs staff at 603-224-7447 or [governmentaffairs@nhmunicipal.org](mailto:governmentaffairs@nhmunicipal.org).***

Each of the committees deals with a different set of municipal issues. The committees and their subject areas are as follows:

- Finance and Revenue – budgeting, revenue, tax exemptions, current use, assessing, tax collection, retirement issues, education funding.
- General Administration and Governance – elections, Right-to-Know Law, labor, town meeting, charters, welfare, public safety.
- Infrastructure, Development, and Land Use – solid/hazardous waste, transportation, land use, technology, environmental regulation, housing, utilities, code enforcement, economic development.

When you contact us, please indicate your first and second choices for a committee assignment. We will do our best to accommodate everyone's first choice, but we do need to achieve approximately equal membership among the committees. We hope to have 15-20 members on each committee.

There will be an organizational meeting for all committees on **Friday, April 1**. After that, each committee will meet separately as many times as necessary to review the policy proposals assigned to it—typically three to five meetings, all held on either a Monday or Friday, between early April and the end of May.

## **HOUSE CALENDAR**

### **THURSDAY, MARCH 3, 2022**

#### **WAYS AND MEANS, Room 202-204, LOB**

1:00 p.m. **HB 1598-FN**, legalizing the possession and use of cannabis.

## **SENATE CALENDAR**

### **MONDAY, March 7, 2022**

#### **ELECTION LAW AND MUNICIPAL AFFAIRS, Room 100, SH**

1:00 p.m. **HB 87**, relative to the definition of electioneering.

1:15 p.m. **HB 144**, relative to absentee ballot request forms.

### **TUESDAY, MARCH 8, 2022**

#### **JUDICIARY, Room 100, SH**

1:15 p.m. **HB 481-FN-A**, establishing the office of the right-to-know ombudsman and making an appropriation therefor.

2:00 p.m. **HB 579**, requiring notice to the public before immigration checkpoints are conducted.

### **WEDNESDAY, MARCH 9, 2022**

#### **WAYS AND MEANS, Room 100, SH**

9:10 a.m. **HB 355**, relative to Keno.

9:20 a.m. **HB 364**, revising the definition of charitable organizations relative to games of chance.

## **Senate Floor Action**

Thursday, February 24, 2022

**SB 203**, relative to the state minimum hourly rate. **Interim Study.**

**SB 244**, relative to non-conforming structures and variances. **Interim Study.**

**SB 245**, establishing a committee to study agreements between developers and municipalities on municipal trash removal fees paid by condominium owners and renters. **Passed.**

**SB 246**, relative to qualified private communities. **Passed with Amendment.**

**SB 247**, relative to broadband infrastructure bonds. **Interim Study.**

**SB 250**, enabling municipalities to adopt a tax credit for qualified private community property owners. **Interim Study.**

**SB 252**, relative to information on property tax bills. **Inexpedient to Legislate.**

**SB 255**, establishing redistricting criteria. **Interim Study.**

**SB 259**, relative to the definition of “municipal host” for purposes of limited electrical energy producers. **Passed with Amendment.**

**SB 261**, relative to net metering participation. **Passed.**

**SB 298**, repealing the law relative to certain discrimination in public workplaces and education. **Inexpedient to Legislate.**

**SB 300-FN**, relative to the state commission for human rights. **Interim Study.**

**SB 302-FN**, establishing the personal privacy protection act. **Passed with Amendment.**

**SB 304**, relative to discrimination in public workplaces and education. **Inexpedient to Legislate.**

**SB 322**, relative to remote meetings under the right-to-know law. **Laid on Table.**

**SB 325**, relative to local organization for emergency management and first responders. **Passed with Amendment.**

**SB 366-FN**, requiring an audit of ballots cast in the 2022 primary and general election. **Passed.**

**SB 370-FN**, allowing the university system and community college system to be municipal host electric customer generators. **Interim Study.**

**SB 377-FN**, relative to the diagnosis of post-traumatic stress disorder in state troopers. **Passed with Amendment.**

**SB 410**, relative to school district transparency. **Passed with Amendment.**

**SB 419-FN**, relative to public health networks. **Passed with Amendment.**

**SB 422-FN**, establishing an adult dental benefit under the state Medicaid program. **Passed with Amendment.**

### 2022 NHMA UPCOMING MEMBER EVENTS

Mar. 4	<b>Webinar:</b> Federal Funding Opportunities for NH Towns and Cities– 11:00 – 12:00
Mar. 15	<b>Webinar:</b> Unite with US NH: A Coordinated Care Network– 12:00 – 1:00
Apr. 1	NHMA’s Legislative Policy Process Organizational Day: 9:00 a.m.
Please visit <a href="http://www.nhmunicipal.org">www.nhmunicipal.org</a> for the most up-to-date information regarding our upcoming virtual events. Click on the Events and Training tab to view the calendar.	