

# LEGISLATIVE BULLETIN

## February Break

It's officially February break next week. There will be no House or Senate session. Some committees will still meet, notably House Election Law and House Labor Law. (See the articles on OSHA standards and funding election equipment, below.) Overall, however, it will be a bit slower than the previous few weeks. We anticipate that the next big wave of activity will occur in advance of the March 8 House session, which will likely see the House consider a number of important bills for municipalities. Please be on the lookout for a special legislative alert if those bills are scheduled for that session.

This week, the House acted on the majority of House bills with potential fiscal impact for municipalities. However, because these bills must now go to a second committee, the work continues in House Ways and Means and all divisions of House Finance.

## Municipal Water Funding on the Table

On Wednesday, two bills NHMA supported met the same fate in the Senate. The Senate adopted the committee's recommendation of Ought to Pass on both [SB 230](#) and [SB 138](#), but then immediately voted to lay both bills on the table. **SB 230** would appropriate \$15 million in non-lapsing funds for each of the 2024 and 2025 fiscal years to fund the state share of eligible and completed wastewater projects under the state aid grant (SAG) program pursuant to RSA 486. (**HB 311**, the House version of **SB 230**, is currently being considered by the House Finance Committee.) **SB 138** would add \$10 million to the existing perfluorinated chemical (PFAS) remediation loan fund. With these important bills still in play, we urge members to continue to contact their senators and representatives to express the critical need for the continuance of this long-standing state and local partnership.

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### GOVERNMENT AFFAIRS CONTACT INFORMATION

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

**Natch Greyes**  
Government Affairs Counsel

**Katherine Heck**  
Government Finance Advisor

**Jonathan Cowal**  
Municipal Services Counsel

**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)

## Update on this Week's House Session

Thursday, February 23 was the last day for the House to act on House Bills (HBs) going to a second committee. In other words, any bills that had a fiscal note—designated by an “FN” following the bill number—had to be acted on yesterday. Now, a hearing will be scheduled in that second committee—either House Finance or Ways and Means—and that committee will consider, basically, whether the policy passed by the House is a good use of money.

Two bills of municipal interest, both of which NHMA opposes, were passed by the House and will now be heard by a second committee:

[HB 74](#), relative to an employee's unused earned time. Passed 187-174. Referred to Finance.

[HB 639](#), relative to the legalization and regulation of cannabis and making appropriations therefor. Passed with amendment 234-127. Referred to Ways and Means.

In addition to the bills that are going to a second committee, the House passed one policy bill that NHMA opposes, which will now head to the Senate:

[HB 252](#), exempting agricultural operations from certain municipal noise ordinances. Passed with amendment 266-84.

Several bills of municipal interest were killed by the House this week:

[HB 63](#), relative to religious use of land and structures. ITL 189-158.

[HB 254](#), relative to remote participation in public meetings under the Right-to-Know Law. ITL on voice vote.

[HB 44](#), relative to permissible residential units in a residential zone. After a contentious debate and several motions, ITL 209-141.

[HB 403](#), relative to the authority of selectmen or assessors to abate taxes. ITL 200-144.

Two bills of municipal interest were laid on the table this week. Traditionally, laying a bill on the table is a polite way of killing a bill—but it's always possible for a bill to come off the table and either be passed or killed. The bills of interest that were voted on this week were:

[HB 123](#), relative to governing body members of the budget committee. Tabled on voice vote, after failed vote to pass 168-176.

[HB 312](#), relative to petitions for warrant articles at a special meeting. Tabled 316-30.

## Retirement System Legislation Update

On Wednesday, the House acted on many of the bills this session that would impact municipal budgets by modifying, changing, or redefining member benefits. *Most* will increase the unfunded liability, employer costs—and, ultimately, local property taxes. NHMA opposes legislation that expands or changes pension benefits resulting in increased employer costs based on our member-enacted policy. Below is a summary of the House actions on these bills.

- **[HB 436](#)**: Ought to Pass with Amendment on a roll call vote of 260-103. This bill was significantly amended in committee and would adjust the transition provisions for Group II service retirement adopted in 2011 over a 10-year period until 2033 and make general fund appropriations each year to terminally fund the cost of the benefits. The amendment does not contain an appropriation to fund the policy change or a fiscal note to determine if there will be any increase to employer costs or an impact on the unfunded accrued liability. This bill now heads to the House Finance Committee.
- **[HB 250](#)**: Ought to Pass on a roll call vote of 260-103. This bill would increase the Group II accidental death benefit from 50 percent to 100 percent of member’s annual rate of earnable compensation at the date of the member’s passing. The estimated increase of this legislation on the employer pension rate for police is .25 percent and .28 percent for fire, totaling just over \$1 million in additional employer costs for fiscal year 2024 alone. The New Hampshire Retirement System (NHRS) estimates a \$4 million increase in the actuarial accrued liability (UAAL). This bill now heads to the House Finance Committee.
- **[HB 449](#)**: Retained in Committee. This bill would increase the service retirement and disability retirement annuity multiplier for the first 20 years of service for Group II retirement system members under the transition provisions adopted in 2011. NHRS estimates a \$82.2 million increase in the UAAL increasing employer rates in fiscal year 2024 by 2.94 percent (an estimated \$7.26 million) and 2.41 percent for fire (an estimated \$3.72 million) for an aggregate increase of \$10.98 million.
- **[HB 525](#)**: Inexpedient to Legislate. This bill would have reinstated certain types of earnable compensation and change the calculation of the pension benefit for all members who became vested between January 1, 2012, and December 31, 2013. NHRS estimates an increase of \$124.3 million in the UAAL and the expected fiscal impact to municipal employers across *all* Group I and Group II is estimated at \$9.8 million in fiscal year 2025 and \$10 million in fiscal year 2026.
- **[HB 579](#)**: Inexpedient to Legislate. This bill eliminates the transition provision adopted in 2011 for Group II retirement system members that began service before July 1, 2011, but were not yet vested. The local impact is estimated at \$25.8 million beginning in fiscal year 2026.
- **[HB 571](#)**: Ought to Pass on a division vote of 192-167. This bill would provide a cost-of-living adjustment (COLA) in 2023 to qualified Group II retirees on the first \$50,000 of a retired Group II member's or beneficiary’s allowance. As passed by the House, the cost of this COLA would be paid from the state general fund having *no impact* on municipal employers. This bill now heads to the House Finance Committee.

## **Potential State Funding of Election Equipment**

One of the topics that we’ve been watching closely—and supporting—are legislative efforts to find funding at the state level to purchase election equipment. Two bills were filed this year that started that conversation: **[SB 73](#)** and **[HB 447](#)**. Although **[HB 447](#)** has a hearing on **Tuesday at 11:30 a.m. in LOB 306-308** in front of the **House Election Law Committee**, we are not overly optimistic about its fate, as identical **[SB 73](#)** was recommended as Inexpedient to Legislate, 3-2, in the Senate committee. (No Senate vote has yet taken place, however.)

We are hopeful that the filing of these companion bills means that legislators are seriously considering how to address the cost of replacing the end-of-life AccuVote ballot counting machines. This “**[very old technology](#)**” (according to the New Hampshire Attorney General’s Office) is slated for replacement sometime after the Ballot Law Commission finishes assessing new machines and certifies their use in New

Hampshire's elections. According to the Secretary of State's Office, [195 towns/wards use AccuVote machines](#) and the cost of replacement of each machine is likely to range from \$6,000 to \$8,500. Although some towns/wards use multiple machines, the total replacement cost range is expected to be around \$1.17 million to \$1.65 million for existing adopters. (There are a total of 308 polling locations throughout the state, 113 hand count ballots.)

Additionally, the recent authorization of electronic poll books ("poll pads"), which are used in conjunction with a paper check-in process, has been adopted by municipalities throughout the state. Poll pads cost \$3,325 each, and it is unknown how many municipalities will want to supply their polling locations with electronic poll books in the years ahead. Municipalities which have adopted electronic poll books have indicated that they have helped reduce voter check-in wait times, thus improving voting processes for voters and election officials.

Both **HB 447** and **SB 73** look to the \$12.7 million Help America Vote Act (HAVA) fund to provide grants for these upgrades, but we understand that the secretary of state is concerned about the use of those funds for this purpose. We are hopeful that stakeholders can identify an appropriate use of funding, if the HAVA fund is inappropriate, so that when the Ballot Law Commission certifies new ballot counting machines for use in New Hampshire's elections, our state is ready to transition to those new machines smoothly and quickly.

## OSHA Standards for Local Government

On **Wednesday, March 2, at 10:00 a.m.**, in **LOB 305-307**, a subcommittee of the **House Labor, Industrial and Rehabilitative Services Committee** will conduct a second work session on [HB 232](#), which would adopt the [1910 OSHA standards for the public sector workforce](#) in New Hampshire—meaning the state and all local governments would need to comply with these federal standards. (1910 refers to a particular set of standards, as OSHA has more than one set of standards.)

Currently, the New Hampshire Department of Labor enforces state safety rules ([LAB 1400](#)), promulgated through the administrative rulemaking process. As we understand it, these rules address almost every area that the OSHA rules address, absent much of the administrative oversight and burden. These rules have provided a framework for safe work practices in New Hampshire's public sector for almost 30 years. **HB 232** would be a substantial change.

The fiscal note of the bill states the following:

"The Department of Labor indicates this bill would increase state, county and local expenditures by an indeterminable amount. These costs would be driven by adjustments that may have to be made by government entities in order to become compliant."

NHMA, and our local officials, have expressed serious concerns about these costs. Coming into compliance with a new body of federal regulations will inherently create additional costs for legal advice, staff time, implementation, new or additional equipment, staff training, and likely even some infrastructure costs. Unfortunately, the extent of these expenses cannot be known until the work is done. The bill does not contain an appropriation for additional costs that will be incurred by the state or local officials.

For these reasons, NHMA is opposing **HB 232** based on the cost-related burdens it would create for our members. Local officials who wish to weigh in on this issue are encouraged to attend the subcommittee session or provide written testimony. NHMA staff can provide your testimony to the committee if it is sent to [governmentaffairs@nhmunicipal.org](mailto:governmentaffairs@nhmunicipal.org) at least 24 hours in advance of a hearing, work session, or executive session.

## Hotel Occupancy Fee Up for Senate Vote

It is no secret that the bulk of municipal budgets come from property taxes. Municipalities have been struggling over the past couple of years to continue to provide the same services in the face of persistent inflation and have been looking for alternative revenue streams to property taxation. Unfortunately, without additional authority from the state legislature, municipalities are limited in their ability to explore revenue streams that would not result in levying additional money from their residents.

One option for additional revenue that was brought forward this year was **SB 262**, allowing municipalities to collect a local option occupancy fee of up to \$2 from operators of local room rentals. As drafted, **SB 262** would allow the legislative body to consider adoption of that fee, drawing direct revenue from tourists (primarily), which would offset municipal service costs.

Unfortunately, **SB 262** was recommended Inexpedient to Legislate by the Senate Ways and Means Committee in a 4-1 vote. The bill will head to the floor for a full Senate vote on March 9. We urge our members to [contact their senator](#) and explain how this option would allow residents to decide whether to offset municipal costs by local adoption of the local occupancy fee.

## Hearing Schedule

Please [click here](#) to find a list of hearings next week on bills that NHMA is tracking. Please note that the linked PDF only covers hearings scheduled for the next week. For the most up-to-date information on when bills are scheduled for a hearing, please use our [live bill tracker](#).

<b>2023 NHMA UPCOMING MEMBER EVENTS</b>	
Mar. 1	2023 Regional Legislative Preview in Keene – 6:00 p.m.
Mar. 1	<b>Webinar:</b> How to Stay Out of the Principal’s Office – 12:00 – 1:00
Mar. 15	<b>Webinar:</b> Cybersecurity for Government Leaders – 12:00 – 1:00
Mar. 29	<b>Webinar:</b> Transportation Safety – 12:00 – 1:00
Apr. 5	<b>Webinar:</b> Succeeding at Tax Deeding – 12:00 – 1:00
Apr. 6	Local Officials Workshop ( <b>hybrid</b> ) – 9:00 – 4:00
Please visit <a href="http://www.nhmunicipal.org">www.nhmunicipal.org</a> for the most up-to-date information regarding our upcoming events. Click on the Events& Training tab to view the calendar.	
For more information, please call NHMA’s Workshop registration line: (603) 230-3350.	