

LEGISLATIVE BULLETIN

Negotiation Season

While there might not be much to report for hearings, there is plenty going on at the State House, particularly with regard to negotiations over both policy and budgetary items. It is important for our members to keep in mind that as both House and Senate leadership consider how to best get the other body to vote to pass their priorities that a number of amendments—some of which may not seem “germane” to the underlying bill—will be offered. Whether an amendment is “germane,” *i.e.* on the same subject matter, is a matter for the chair of the committee to decide. In previous years, we have seen chairs take the position that anything passed by the full body that originally went through their committee is germane to any bill being considered by their committee. Therefore, we are busy reading every amendment that we see published and chasing every rumor of an amendment that we hear while at the state house.

What’s up with the State Budget?

The Senate Finance Committee continued its work on the budget this week, after meeting almost daily this past week, with plans to do so again next week. So far, the committee has held briefings with all state departments and agencies, which is the foundation from which both the governor and the House build their version of the budget. At the same time, the Senate Ways and Means Committee, which is responsible for generating revenue projections that will be used in the Senate’s version of the state budget, continues to analyze revenue projections for the coming biennium. This week, the Senate Ways and Means Committee estimated that state revenue will be fairly flat, in most cases, but did forecast higher revenues than both the House and the governor’s estimates. Accordingly, the Senate Finance Committee will have more revenue to work with when adjusting budget recommendations and enacting Senate policy priorities.

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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
Website: www.nhmunicipal.org

The Senate Ways and Means Committee will continue to receive “surplus statements” 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, we pay close attention to these surplus statements.

A Potpourri of Legislation Passed by the Senate

Yesterday, the Senate acted on many of the House bills that we have mentioned this session in past *Legislative Bulletins* impacting a variety of municipal functions (see list below). Bills that had a fiscal note—designated by an “FN” following the bill number—will now head to a second committee for a hearing. The second committee—either the Senate Finance Committee or Ways and Means Committee—will consider whether the proposed policy is an efficient and effective use of state or local funds.

HB 461-FN, as amended and passed by the Senate, would now create a study commission to study the impacts of local staffing decisions on the New Hampshire Retirement System (NHRS). The original bill would have required municipal employers to obtain an analysis from NHRS when eliminating or transferring a Group I or II position from full-time to part-time. Additionally, the original bill would have imposed a costly requirement on the employer to continue to make contributions to the NHRS in perpetuity unless the position is restored to full-time status. The newly proposed **HB 461** study commission would explore the fiscal impact of this proposal, the cost to a municipality that changes its staffing structure to better suit the needs of its citizens, and whether those decisions negatively impact the retirement system.

HB 197 would prorate the amount of an individual’s fractional interest in a property that is eligible for a property tax exemption for the blind, disabled, deaf or severely hearing impaired, or elderly. The Senate passed **HB 197**.

HB 174 would enable a logging operation to begin a cut upon the expiration of 15 days after filing of an intent to cut with a municipality, if the municipality does not act within that statutorily prescribed 15-day period. This bill further makes it a violation for assessing officials to fail to forward a notice to cut to the Department of Revenue Administration in a timely fashion. The Senate passed **HB 174**.

HB 247-FN, relative to well radii, would remove encroachment waivers, require the use of a setback reduction form, and remove certain requirements for amended septic system plans with the intent of simplifying the application process. The Senate passed **HB 247**.

HB 252, which would exempt agricultural operations from certain municipal noise ordinances, passed the Senate with an amendment. As amended, the bill would *not* exempt agritourism from noise ordinances and would apply to other farming activities only.

HB 534-FN would appropriate \$5 million over the next biennium budget for the creation of a water assistance fund to be used to repair and replace drinking water treatment sources damaged by natural disasters. The Senate passed **HB 534**.

HB 555-FN was laid on the table by the Senate. This bill would appropriate state general fund surplus toward the retirement system unfunded accrued liability by requiring that the state transfer 25 percent of the biennial surplus to NHRS to reduce the retirement system’s unfunded actuarial accrued liability (UAAL)

determined under RSA 100-A:16, II, to the extent the surplus meets or exceeds certain financial conditions. For fiscal year 2022, NHRS reported an unfunded liability of \$5.69 billion in the actuarial valuation. Current actuarial valuations estimate that the unfunded liability accounts for more than 75 percent of current employer rates, borne solely by the participating employers. We encourage our members to continue to reinforce the positive impact this policy proposal would have by providing local tax relief through decreasing municipal employer costs.

Help for Financing Broadband in Communications Districts

This week, the House Municipal and Country Government Committee recommended [SB 222](#) as Ought to Pass. This bill would allow communications districts formed under RSA 53-G to finance broadband through revenue bonds. This bill would enable municipalities participating in a communications district to expand broadband in unserved and underserved areas through tax exempt financing paid back through funds generated by the project’s revenues, rather than the taxpayers. Some rural New Hampshire communities still lack access to adequate broadband. Since 2018, New Hampshire has supported municipal efforts through enabling legislation and appropriating federal and state funds for the build out of this essential public utility service and infrastructure. We are hopeful that the House will follow the committee’s recommendation and pass this bill.

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](#).

2023 NHMA UPCOMING MEMBER EVENTS	
May 17	2023 Hard Road to Travel Workshop (Hybrid) – 9:00 a.m.
June 1	2023 Local Officials Workshop (Hybrid) – 9:00 a.m.
June 5	Webinar: Developing and Adopting Effective Financial Policies – 5:30 p.m.
June 5	Code Enforcement Workshop (Hybrid) – 9:00 a.m.
June 8	Municipal Trustees Workshop (Hybrid) – 9:00 a.m.
<p>Please visit www.nhmunicipal.org for the most up-to-date information regarding our upcoming events. Click on the Events & Training tab to view the calendar.</p> <p>For more information, please call NHMA’s Workshop registration line: (603) 230-3350.</p>	