

LEGISLATIVE BULLETIN

Proposed Budget Bill Provides Municipal Budget Relief

This week, the Senate Finance Committee began amending [HB 1](#) and [HB 2](#) to reflect the priorities of the Senate. The Senate Finance Committee must propose a two-year operating budget within the revenue parameters adopted by the Senate Ways and Means Committee. The Senate Finance Committee will continue to meet next week in order to complete its work by the end of this month so that the full Senate can vote on the budget by the June 8 deadline. Once the Senate adopts its version of the budget, the House will have an opportunity to concur, non-concur, or non-concur and request a committee of conference. It is almost certain that a committee of conference will be formed to work out the differences in both the revenues and the appropriations between the House and Senate budgets.

In [Bulletin #15](#), we highlighted the municipal funding included in the House approved version of the budget. To date, the following amendments have been recommended by the Senate Finance Committee:

- Reduce the InvestNH program appropriation from \$15 million to \$10 million and return to the language of the governor’s proposal, which would allow both municipalities and housing developers to access grants.
- Incorporate the language of [SB 145](#) into [HB 2](#). This language would establish a New Hampshire Housing Champion Program and include a housing production municipal grant program and a housing infrastructure municipal grant and loan program with a \$5 million appropriation.
- Include a \$27.9 million appropriation to fund wastewater state aid grants (SAG) for municipalities and recommend future funding for the SAG program in fiscal year 2026 and 2027 at \$15 million per year.

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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

- Incorporate the language of [SB 138](#) (tabled by the Senate) into **HB 2** and appropriate \$2 million in funding for PFAS remediation to the PFAS remediation loan fund.
- Incorporate the language of [SB 270](#) into **HB 2** and appropriate \$10 million in additional highway block grants for municipal road maintenance and repair and \$10 million for municipally owned bridges.

The Senate Finance Committee is also contemplating additional funding for the highway block program, based on updated revenue projections and a proposed electric vehicle registration surcharge; supporting emergency shelter programs; and supporting workforce housing and affordable housing development.

Stay tuned for updates, and please make sure your senator knows how important all these programs are to your municipality!

Housing: Who Bears the Cost of Affordability?

The House Special Committee on Housing met again this week, continuing to take input from various stakeholders. One of the themes that has emerged is what “affordability” really entails, including the important policy question: Who should bear the cost, and when?

Roads: For example, is it better policy to build roads to town standards (many of which reflect [DOT’s geometric design standards](#)) and have the town (*i.e.*, taxpayers) bear the cost of maintenance, or should towns be dotted with private roads built to whatever standard the developer determines is appropriate? Private roads may cost less to build initially, but they generally don’t last as long before serious maintenance is required and the ongoing cost of maintenance—snowplowing, pothole repair, repaving—falls on a smaller group of individuals, often at a higher cost. In many situations, residents on those roads later seek town acceptance of the road once they have fallen into more serious disrepair.

Public Sewers: If high density leads to cheaper building costs and high density is only possible where public sewers are available (and, to a lesser extent, public water), should the cost of sewer upgrades fall on new builders, or on the whole user base, which is typically a subset of taxpayers? Requiring the whole user base to subsidize the costs of necessary upgrades may help lower the initial build cost of new or renovated homes but will result in higher costs for all sewer users.

Building & Fire Standards: Do requirements that increase the cost to build homes but decrease the cost to operate the homes over time, via heating/cooling, maintenance, and insurance costs, improve affordability, or serve as a barrier? An estimate heard this week was that it may cost an initial \$12,000 more to comply with the insulation and energy sections of the 2023 International Building Code standard, but with the U.S. Department of Energy [estimating](#) that a properly sealed and insulated home sees a reduction in heating and cooling costs of approximately 18 percent per year, additional cost savings through the use of more energy-efficient systems, and the average amount of time spent in a house being [13 years](#), the average owner may see a higher upfront cost, but is almost certain to see a cost savings above the initial extra build cost.

The committee also heard a very interesting anecdote about a manufactured housing park placed for sale. The homeowners in the park were given the opportunity of banding together to purchase the 325 homes, but the outstanding offer from a hedge fund was \$58 million which, to be matched, would require the

homeowners to agree to increasing their lot rent from \$500 to \$900 per month. That was far beyond what the residents could afford. After purchase, the fund has been steadily increasing rent.

How the committee may approach these issues and policy questions is not yet known, but we expect that there will be legislation filed in September for the 2024 legislative session. We are hopeful that the legislation will dovetail with some of the funding that we expect the Senate to provide in [HB 2](#), including creation of the [Housing Champions](#) Program, to maximize funding and collaboration among stakeholders. The housing problems our state faces are [long-running and will not be solved quickly](#)—nor are they unique to New Hampshire—but we think that collaborative approaches will result in positive policy changes that lower costs that can be passed onto home buyers. We’ve already seen that occur this year with the cooperative efforts on bills such as [SB 78](#), altering the statutes relevant to performance bonding, and we look forward to continuing those efforts.

House and Senate Session Updates

As the legislature moves toward the end of session, cannabis legalization, Medicaid expansion, and the biennium budget remain the primary focus. The **House Commerce Committee** will have a hearing at **10:30 a.m. on Tuesday, May 23 in LOB 302-304** on non-germane [Amendment 2023-1892h](#) relative to cannabis legalization and sale, which is proposed to be attached to [SB 98](#). Meanwhile, the Senate passed [Amendment 2023-1930s](#) to **HB 611** which forms a study commission charged with figuring out how the state will legalize and sell cannabis.

On Thursday, the House passed [SB 263](#), reauthorizing New Hampshire’s Granite Advantage Program (Medicaid expansion) after a lengthy debate and numerous (failed) floor amendments. The bill now heads to a second committee for further evaluation.

The Senate also acted on most of the remaining legislation on their schedule, including the following bills of municipal interest:

- [HB 307](#), which would require the governmental entity to bear the cost of resolving gray areas of the Right-to-Know Law if the plaintiff wins, was rereferred.
- [HB 74](#), which would require that an employer pay an employee for unused earned, vacation, or paid-time-off time (but not sick time) upon separation if the employee leaves in good standing or as a result of a layoff, was voted Inexpedient to Legislate.
- [HB 150](#), which would reduce the minimum number of employees required to certify a collective bargaining unit from 10 to 5, was laid on the table.
- [HB 257](#), which would eliminate the “carrier of last resort” (COLR) obligations of telephone companies, leaving some citizens in rural areas without any telephone or broadband service, was rereferred.
- [HB 250](#), which would increase the amount of the state retirement annuity payable upon the accidental death of a retirement system member and provide that future accidental death benefits are funded from state general funds, was rereferred.

- [HB 461](#) was passed with an amendment. The bill would now create a study commission to study the impacts of local staffing decisions on the New Hampshire Retirement System (NHRS).
- [HB 534](#), was passed with an amendment. The bill would create and fund a water assistance fund to be used to repair and replace drinking water treatment sources damaged by natural disasters.

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	
June 1	2023 Local Officials Workshop (Hybrid) – 9:00 a.m.
June 5	Webinar: Federal Funding Opportunities & Coaching – 12:00 p.m.
June 5	Webinar: Developing and Adopting Effective Financial Policies – 5:30 p.m.
June 6	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>	