

LEGISLATIVE BULLETIN

Debt Ceiling Negotiations in Washington

On Tuesday, NHMA participated in a meeting hosted by Senator Jeanne Shaheen, where local leaders spoke eloquently on the devastating consequences that a default—or that significant cuts and claw backs—would have on local governments and their residents. Many expressed concerns about the impact on borrowing and the weakening of the dollar, which would wreak havoc on the economy.

With respect to claw backs, we were assured that the American Rescue Plan Act (ARPA) State and Local Relief Funds (SLFRF) will be safe from any proposed claw blacks. However, the latest update is that there are approximately \$56 billion of unobligated money from the six other Covid relief bills that could be clawed back, according to the Congressional Budget Office. The House Appropriations Committee minority staff prepared a [breakdown of the major programs](#) that might be affected.

The failure to act would initiate a catastrophic ripple effect throughout the economy. Our federal delegation, and the National League of Cities (NLC), are advocating to avoid a default, raise the debt ceiling, and protect the federal funding that both the state and local governments rely on to move local policy priorities forward.

Time is running out for a deal before June 1, the date Treasury Secretary Janet Yellen has said is a “hard deadline.” The most recent news that we’ve seen is that a deal is likely to be reached before that deadline, and we are hopeful that congressional leaders will find a compromise that minimizes the impact on municipalities.

Weekly Update

It was another busy week at the legislature. Most of the action took place in the Senate Finance Committee, which is scheduled to finish its work on the budget next week. As we stated [last week](#), we expect that the Senate will pass the budget recommended by the Senate Finance Committee, and

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then the House will non-concur and ask for a committee of conference. It is very likely that there will be significant shifts in what programs are included and funded by the budget several times during that process.

Also this week, the House Municipal and County Government Committee held an executive session on two bills. The first, [SB 47](#), establishing a commission to study barriers to increased density of residential development in New Hampshire, was recommended Ought to Pass with a committee amendment. The second, [SB 132](#), prohibiting cities and towns from adopting sanctuary policies, heads to the floor of the House without recommendation.

We anticipate that next week will see a flurry of activity in the House as it looks to respond to the actions likely to be taken by the Senate when the budget comes up for a vote. In anticipation of the vote, we have prepared a [spreadsheet](#) of our budget priorities.

The Buzz on Marijuana Legalization

One of the big items this week was the House Commerce Committee holding a hearing on non-germane amendment [2023-1892h](#) to [SB 98](#). That amendment would create a state-run retail cannabis program and, importantly, includes municipal regulatory authority via a two-step process. The first step is an opt-in option which will be determined via a vote in November 2024. The second step, if a municipality’s voters opt-in, is for the municipality to consider what, if any, zoning provisions should apply to “cannabis establishments”—including where they may be located, their hours of operation, etc. That language was included at our request to ensure that the local regulatory provisions of the law, if enacted, would reflect our [member-adopted policy](#) on cannabis. We anticipate that the House Commerce Committee will recommend adoption of non-germane amendment 2023-1892h.

As a reminder, last week the Senate also adopted [Amendment 2023-1930s](#) to [HB 611](#) forming a study commission charged with figuring out how the state will legalize and sell cannabis, and passed the amended bill.

It is not yet clear what will happen with cannabis this session. We have been busy touching base with leadership in both the House and Senate to ensure that they are aware of our [member-adopted policy](#) on cannabis and to garner support for its continued inclusion in any discussion about legalization and sale. Whether—and what—legislation may pass this year remains to be seen, but sale and legalization of marijuana are certain to remain high on the legislative agenda.

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. – 4:00 p.m.
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.	