New Hampshire Municipal Association

THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

LEGISLATIVE

Legislative Bulletin 3

2025 Session

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<u>Live Bill Tracker</u> <u>Bill Hearings Schedule</u>

It's getting busy, folks. House and Senate committees had hearings and/or executive sessions on more than 180 proposals this week and more than 250 more sessions are scheduled next week. Fasten your seatbelts ...

Zoning, Development Bills in the Senate...

We are closely monitoring a wave of proposed zoning mandates. These bills, if enacted, could lead to significant changes in how municipalities manage local zoning, planning, and development.

Policymakers and advocates are pursuing an all-hands-on-deck approach to the state's housing crisis, but many of their proposed solutions focus on overriding local decision-making. NHMA is concerned about the loss of local control and the potential negative impacts on municipalities of efforts to promote housing development and zoning regulations through statewide mandates.

On **Tuesday**, **January 28**, beginning at **9:45 a.m.**, the **Senate Commerce Committee** will hold public hearings on a trio of zoning-related bills.

SB 78 (10:00 a.m.): Changes the period for appeals to the Zoning Board of Appeals (ZBA) from a "reasonable time" to 30 days, overriding local rules that allow for more than 30 days. NHMA opposes this bill.

SB 82 (9:45 a.m.): Creates a new option for municipalities to incentivize new development by identifying land held in "reserve" for rezoning for affordable housing. Municipalities and counties would act as developers in building homes in these new zones. The bill includes an appropriation of \$20 million for infrastructure development, which is seen as a positive aspect. However, there are many specific parameters around what homes can be built in these zones, and it is not entirely clear what land is considered "reserve" land. NHMA is monitoring this bill until we have more details.

SB 84 (10:15 a.m.): Mandates zoning ordinances to allow smaller lot sizes for single-family homes, overriding current zoning regulations. The bill also requires municipalities to provide empirical evidence that the sewer system cannot support the lots, which adds a layer of complexity and burden on local governments. NHMA opposes this bill.

These bills could significantly impact municipalities, with **SB** 78 potentially limiting the flexibility of local appeal processes, **SB** 82 introducing new development incentives and infrastructure funding, and **SB** 84 complicating zoning regulations and capacity assessments. We encourage our members to testify or provide testimony on these bills to the committee. **Note**: Refer to the final article in this week's Bulletin for information on how to register your position on a bill, submit testimony, or contact committee members.

Another bill with this committee is <u>SB 90</u>, which permits residential building in commercial zones by right, pushing for mixed-use developments. While promoting urban density, NHMA opposes this bill because it could lead to conflicts over local land use priorities.

On Wednesday, January 29, at 9:00 a.m. in SH Room 103, the <u>Senate Executive</u> <u>Departments & Administration Committee</u> (ED&A) holds a public hearing on <u>SB</u> 94, which prohibits municipal amendments to the state building code. NHMA opposes this bill and encourages local officials to voice their opposition to **SB** 94.

... And in the House

Here's a breakdown of some key zoning and development bills in the House and their potential impacts:

HB 428: Prohibits municipal amendments to the state building code like **SB 94**, albeit with different wording. NHMA opposes both bills. The **House Executive**Departments and Administration Committee (ED&A) held a public hearing Wednesday and has scheduled a subcommittee work session for **Tuesday**, **January 28**, at 10:15 a.m. in **LOB Room 104**.

Hearings have not yet been scheduled for these bills assigned to the <u>House</u> <u>Commmittee on Housing</u>, all of which NHMA opposes because they erode local control over land use decisions:

HB 457: Prohibits municipalities from adopting any ordinance that restricts the number of occupants of any dwelling unit to less than 2 occupants.

HB 459: Mandates certain acreage requirements and zoning regulations for single family properties depending on whether they are serviced by public water and sewer.

HB 382: Removes the authority for municipalities to regulate mandatory on-site parking requirements. This move could lead to more development flexibility but will create significant parking issues.

HB 577: Modifies the definition of Accessory Dwelling Units (ADUs) by mandating detached ADUs by right, similarly to how attached ADUs are currently permitted. This change would reduce planning and zoning requirements for new ADUs, potentially increasing housing supply but also placing additional burdens on municipalities.

HB 685: Requires manufactured housing to be allowed in all residential zones.

HB 631: Permits residential building in commercial zones by right, pushing for mixed-use developments. While promoting urban density, it may lead to conflicts over land use priorities and contradicts one of the key purposes of zoning in RSA 674:17: to "consider the character of the area involved and its peculiar suitability for particular uses."

HB 410: Prohibits municipalities from enforcing or adopting any "extraordinary restriction of residential property" unless the ordinance is directly necessary for the health or safety of the community, based on empirical evidence published by a non-partisan source.

Other proposals NHMA is following include:

LSR 25-1089: Prohibits municipalities from denying building or occupancy permits for properties adjacent to class 6 roads under certain circumstances, potentially opening more areas for development.

LSR 25-1142: Relative to road frontage requirements and setbacks for wetlands.

Proposals such as these, as well as those introduced in the Senate, could significantly shift control away from local voters and municipal authorities. Key concerns include:

• Loss of Local Control: Municipalities may lose the ability to manage zoning and planning effectively, impacting the character and development of their communities. This includes loss of voter rights, as voters approve or reject zoning in most New Hampshire municipalities.

- **Increased Administrative Burdens**: New mandates, particularly those allowing more ADUs and high-density developments by right, could increase administrative workloads and costs.
- **Parking and Infrastructure Strain**: Removing parking requirements and promoting high-density developments could lead to parking congestion and overburdened infrastructure.

It's essential for local officials and residents to engage with legislators, share their concerns, and advocate for balanced, practical approaches to zoning and housing development.

Retirement System Bills to Watch

On **Thursday**, **January 30**, beginning at **10:00 a.m.** in **LOB Room 306-308**, the **House Executive Departments and Administration Committee** (ED&A) will hold public hearings on a series of bills related the New Hampshire Retirement System (NHRS).

HB 622: (Hearing at 10:00 a.m.) Increases the annual number of hours an NHRS retiree may work for a participating employer from 1,352 hours to 1,664 hours and eliminates the 28-day break in service in current law. To the extent that the additional hours allow employers to convert existing full-time positions with part-time, there would be an adverse impact on NHRS liabilities and future employer contribution rates. NHMA is monitoring this bill.

HB 536: (11:15 a.m.) Provides a permanent cost-of-living adjustment to anyone who retired on or before July 1, 2020. The fiscal note provided by the NHRS states that this bill would add more than \$100 million to the system's unfunded liability, paid off through increase employer contributions over a 20-year period beginning in fiscal year 2028 – an additional \$3.34 million cost to municipalities. NHMA opposes this bill due to the cost.

HB 581: (2:00 p.m.) Establishes a state retirement plan group for new state employee members of the retirement system. While the plan only impacts state employees, there is a potential impact on future municipal employer contribution costs due a reduced number of state employees participating in NHRS. NHMA is monitoring this bill and waiting to see further analysis from the retirement system.

This week, the <u>House Finance Committee</u> held a public hearing on <u>HB 197</u>, which would create a 7.5% state contribution toward municipal employer contributions to NHRS. Thanks again to members who expressed support for this bill. The bill was referred to Finance Division I for further consideration and is extremely unlikely to pass in the current state fiscal climate (see more below).

Finally, the text of HB 727 landed this week, and it appears to be an updated version of HB 436 from 2023, which essentially reverted police and fire (Group II) pension benefits for anyone who was hired before July 1, 2011, back to pre-2011 levels. These changes would affect less than 30% of current police and fire personnel, but would add more than \$130 million to retirement system liabilities, based on a 2023 fiscal of HB 436 (analysis on the new bill from NHRS has not yet been added to the fiscal note for HB 727). HB 727 does contain recurring state general fund appropriations of \$27.5 million per year through July 1, 2034, to pay for these changes, although it's worth pointing out that the state appropriation can be repealed at any time, leaving municipal employers to absorb a significant contribution increase. The same 2023 analysis of HB 436 estimated a \$10 million increase in municipal employer contributions in fiscal years 2025 and 2026.

The governor has made restoring first responder benefits a priority, so we're expecting to see this addressed in her budget proposal, as well.

NHMA supports the continuing existence of a retirement system for state, municipal, school, and county government employees that is secure, solvent, fiscally healthy, and financially sustainable, and that both employees and employers can rely on to provide retirement benefits for the foreseeable future. However, we oppose legislation expanding benefits that increase current or future employer contribution costs.

Municipal Bills Voted Out of Committee, More on the Way

The <u>House Municipal and County Government Committee</u> took action this week on several bills NHMA is following and will hold an executive session on even more bills on **Thursday**, **January 30**, at 2:00 p.m. in **LOB Room 301-303**.

Bills voted out of committee this week:

<u>HB 101</u> creates a new homestead property tax exemption for elderly residents. The committee recommended Inexpedient to Legislate (ITL), 18-0. NHMA opposed this bill.

HB 84 allows municipalities to collect fees for unregistered recreational vehicles located on campground properties. The committee recommended ITL, 18-0. NHMA supported this bill.

HB 86 increases the cost of service for notice of civil forfeiture of unlicensed dogs to the rate for certified mail. The committee recommended Ought to Pass as Amended (OTP-A), 18-0. NHMA supported this bill.

HB 99, which expands the property tax exemption for disabled veterans, recommended Ought to Pass as Amended (OTP-A), 18-0. NHMA was neutral on this bill.

HB 92, which prohibits an individual from simultaneously serving on the local zoning board and planning board, had its executive session recessed. The committee would like to further amend the bill. NHMA opposes this bill.

These bills will be discussed in executive session next Thursday:

- **HB 139** would allow towns and cities to determine which holidays they recognize and the names of those holidays, giving them more autonomy rather than adhering to statemandated holidays and titles. NHMA supports this bill.
- **HB** 346 increases the fees municipalities can collect for licensure of racetracks, helping to cover the costs incurred during the licensure process. NHMA supports this bill.
- **HB** 165 increases the amount of disaster relief communities can apply for, although it does not provide state funding for the program. NHMA is neutral on this bill because of the lack of funding.
- **HB** 348 allows municipalities to approve a residency requirement of up to 90 days for receiving local welfare and assistance, suggesting certain evidence to establish proof of residency. NHMA is neutral on this bill due to a variety of concerns with the current version of the bill.
- **HB** 173 would prohibit the public body from amending petition warrant articles at deliberative sessions for SB 2 municipalities. NHMA opposes this bill.
- **HB** 453 prevents municipalities from banning the use of grounds maintenance or snow and ice removal equipment powered by internal combustion engines, allowing only a municipal vote to prohibit such equipment. NHMA opposes this bill.
- **HB** 488 imposes new state-defined limitations on municipal office positions, preventing individuals from serving on multiple boards, commissions, or positions within a municipality. NHMA opposes this bill.

We encourage members impacted by any or all of these bills to share their position by emailing members of the Municipal and County Government Committee.

House Judiciary Committee Hears RTK Bills

The <u>House Judiciary Committee</u> held public hearings this week on multiple bills aimed at amending RSA 91-A, New Hampshire's Right-to-Know (RTK) law. Executive sessions on these bills are scheduled for **Thursday**, **January 30**, **2025**, at **10:00 a.m.** in **LOB Room 206-208**, so there is still time for members to share their positions.

Here's a summary of this week's hearings:

HB 66 changes the definition of "citizen" to "person." Additionally, the bill mandates that requests be accepted in person, by mail or electronically and that records must be sent

electronically or by mail (the requestor's choice) – rather than simply being made available for public inspection. NHMA testified in opposition to expanding the definition of requestor to include any "person" and the requirement to send records electronically. Multiple individuals and organizations spoke on this bill; supporters argued that requests are typically responded to regardless of the requestor's ties to NH and opponents highlighted the time and cost burden on municipalities from requests by non-residents of both the municipality and state. **Note**: We asked members for examples of onerous and questionable RTK requests to share with the committee and we got a great response. Thank you!

HB 74 defines the requestor as a "citizen" of New Hampshire, or as press acting to inform NH residents. NHMA supported this bill, stating it aligns with the NH Constitution, Supreme Court case law, and Ombudsman decisions. The bill received mixed testimony due to its competing definition of requestor compared to HB 66. Committee members indicated a desire to resolve these differences.

<u>HB 80</u> replaces "not reasonably practicable" with "unavoidable" regarding reasons for board members not to attend meetings in person. NHMA opposed this bill, which also bans remote voting. The sponsor argued in-person attendance is essential. NHMA and organizations like the Disabilities Rights Center opposed the bill, highlighting potential exclusion of individuals with disabilities and the importance of full remote participation for robust representation.

<u>HB 114</u> eliminates the collection of fees for compiling RTK requests. The bill also removes protection for staff handling RTK requests, raising concerns about liability for inadvertent disclosures during extensive redaction processes. NHMA opposed the elimination of fees for voluminous RTK requests, citing significant resource costs for municipalities. Opponents argued this would increase property taxes due to unrecovered expenses and argued that requestors should not pay any fees for records.

HB 313 amends non-public session rules regarding "reputation," allowing the subject of the session to be notified and request a public meeting. NHMA testified against this bill. Others testifying in opposition referenced *Sivalingam v. Newton*, in which the NH Supreme Court ruled there was no right to attend or receive notice of such sessions held under RSA 91-A:3, II(c). Concerns were also raised about the logistics of notification and handling multiple individuals in the same situation. The sponsor acknowledged the need for revisions.

NHMA encourages members to contact committee members to share their concerns about administrative burdens, resource diversion, costs, and privacy and security risks associated with these bills, particularly **HB 66** and **HB 114**. Your input is vital in protecting municipal interests.

House, Senate Hear "Sanctuary City" Bills

The **House Criminal Justice and Public Safety Committee** drew a large crowd when it heard **HB** 511 on Wednesday.

The bill, titled, the "Anti-Sanctuary Act," prohibits state and local entities from adopting sanctuary policies that hinder federal immigration law enforcement. It defines key terms and allows the attorney general to seek legal action against violators. It also protects crime victims and witnesses from being reported to immigration authorities. NHMA submitted written testimony opposing this bill as a clear intrusion on local control, usurping the authority of municipalities and local police departments to make decisions about how staff and resources should be allocated. There are also several ambiguities in the bill, some of which may be addressed with an expected amendment.

The **Senate Commerce Committee** held hearings on <u>SB 62</u> and <u>SB 71</u>, also related to immigration enforcement and "sanctuary cities."

SB 62 creates a new statute allowing local law enforcement to collaborate with ICE through the federal 287(g) program. It prohibits state and local entities from impeding such agreements. However, there may be an unintended issue with the wording of the bill, as it appears to allow a law enforcement agency to make the decision about the program even over any objections or opposition from local governing bodies. NHMA opposes this bill as it seems to be overriding local control, while at the same time, the wording appears to prohibit a local governing body from having input about their local police department's participating in the federal program.

SB 71, known as the "Anti-Sanctuary City Act," bans local governments from enacting policies that obstruct state or federal enforcement of immigration laws. It allows the attorney general to take legal action against violators, with fines up to 25% of state funds. The sponsor indicated that this bill would eliminate the local control that currently allows municipalities to set policies such that they are considered sanctuary cities. NHMA opposes this bill.

The hearings for these two bills did not draw the same crowd as **HB 511**, but the arguments remained consistent between the two. There seemed to be a balance of those supporting and those opposing. Those supporting the bill cited statistics indicating that those entering the country illegally are significantly more likely to be criminals, while those opposed challenged those statistics and questioned if immigration reform or enforcement was able to be regulated by the state since it is generally under the control of the federal government. The questioning from the Committee indicated that the bills would likely be passed based on party lines.

Executive sessions on these bills have not been scheduled.

Mark Your Calendar: Anti-Lobbying Bill Hearing Set

On **Wednesday**, **February 19**, at **1:00 p.m.** in **LOB Room 203**, the <u>House Legislative Administration Committee</u> will hold a public hearing on <u>HB 314</u>, this year's version of the anti-lobbying bill.

HB 314, which is essentially the same as last year's **House Bill 1479**, is intended to cut those who represent local governments out of the legislative process (i.e., NHMA) and would affect any organization that supports, opposes, or even expresses an opinion about legislation at the State House or to legislators on behalf of the public officials or the employees it represents.

While NHMA will be speaking against this bill, there is strength in numbers, so we are asking members to come testify, register your opposition online, and/or reach out to any members of the House Legislative Administration Committee who represent your municipality and ask them to vote **HB 314 Inexpedient** to Legislate. (Please remember to cc: governmentaffairs@nhmunicipal.org on any correspondence for our records.)

The Elephant in the Room: The State Budget, Part 3

Why are we talking about the state budget every week, even though the governor's initial spending proposal is still a few weeks away?

Well, we're concerned – no, downright scared – that state aid to cities and towns will be in the crosshairs when the state tries to make its number match.

The latest shudder-inducing news this week comes in a new report indicating the state has paid out \$125 million in abuse settlement agreements with 242 adult survivors who reported being physically and/or sexually abused at the state's Youth Development Center in Manchester as children.

The state put aside \$175 million to settle claims, but there are more than 600 claims still pending!

A few days later, Governor Kelly Ayotte took steps to head off a potential state budget shortfall by instituting a hiring freeze across state government, exempting law enforcement and other essential areas.

The upstream funding pressure will impact funding downstream, including state aid to municipalities. It is understood that NHMA will do everything in its power to defend the current level state aid to municipalities and fight against cuts, but it's never too early for our members to respectfully impress upon their local legislators that cutting state aid simply passes along existing costs to local property taxpayers.

While the budget is still in development, the House Finance Committee held hearings on bills with appropriations this week, including **HB 197** (see above) and **HB 97**, an NHMA-supported bill which appropriates \$15 million for each of the 2026 and 2027 fiscal years to fund the state share of eligible and completed wastewater projects under the State Aid Grant (SAG) program pursuant to RSA 486. Both bills were referred to **House Finance Division I** for further review.

Follow Bills That Matter Most to You Online

In addition to our weekly *Legislative Bulletin*, NHMA provides members access to FastDemocracy, an online bill tracking platform, for efficient, real-time updates to legislative activity of interest to members. This tool can help ensure that you know when the bills that you care about most are scheduled for public hearing or votes.

Visit our online <u>Bill Tracker</u> page to learn more and feel free to subscribe to weekly or daily updates on subjects and bills of interest.

How to Make your Voice Heard

The adage goes that "life is all about showing up." The same can be said for legislative advocacy. If a bill is of importance to your municipality, it's always best to make your case – for or against – in person. Every Friday, NHMA posts a **Bill Hearings Schedule** for the upcoming week. However, if you can't make it to Concord, you can use the Legislature's online portal to put your position on the hearing record.

The House has an <u>online testimony submission system</u> that allows you to indicate your position on the bill with an option to attach testimony. If you want to email all the members of a House committee, you will have to copy their email addresses individually from the <u>committee page</u>.

The Senate has <u>a remote sign-in sheet</u> where you can indicate whether you are supportive of a bill, opposed, or neutral. Written testimony can be submitted via the "Email Entire Committee" link found on the **Senate committee** page.

If you have time to follow along, livestreams of <u>House</u> and <u>Senate</u> sessions and committee meetings are available on YouTube. Prior sessions and committee meetings are also archived.

Finally, if you just want to contact your local legislators, there are <u>Contact a Senator</u> and <u>Contact a Representative</u> links on the <u>General Court</u> website.

Reminder: Sharing is Caring ... About Good Public Policy!

If you know of anyone who may benefit from the NHMA Legislative Bulletin feel free to pass this email along and encourage them to sign up!

Members can subscribe to the Bulletin through our member portal at: https://nhmunicipal.weblinkconnect.com/portal

Once you are logged in, click "edit this profile" and "newsletter management." You can sign up for the *Legislative Bulletin, Newslink*, and *Town & City* magazine in one place! (If you are having trouble logging into your account, <u>follow these steps</u>.)

Nonmembers can email <u>info@nhmuniciapl.org</u> to be added to our email list for the *Legislative Bulletin*.

NHMA Events Calendar 2024 Final Legislative Bulletin

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