

New Hampshire Municipal Association

THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

LEGISLATIVE BULLETIN

Legislative Bulletin 5

2025 Session

February 7, 2025



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Bills Blame Cities and Towns

Practically everyone agrees that New Hampshire doesn't have enough housing units in general, or enough affordable residential and rental property in particular. The lack of affordable housing stems from a combination of complex economic factors, which cannot be addressed through zoning mandates, including low inventory, increasing home prices and monthly rents coupled with higher interest rates, rising construction costs, rising lumber and materials costs, rising labor costs, and limited new developments.

Based on the majority of housing-related bills introduced in 2025, the legislature's overarching response to this multi-pronged issue is to blame the cities and towns to the exclusion of other factors, bulldozing over local control and planning and zoning regulations. It is a simple solution that won't solve a much larger problem. It is also contradictory to recent efforts by the legislature to create a partnership between local governments and the state to address housing through well-considered programs like Housing Champions and InvestNH, which are still only a few years old.

But zoning mandates are even more problematic than that: They also strip voters of their decision-making rights when it comes to local decisions about their communities. A

number of concerning zoning mandates are wending their way through the House and Senate. Here's a summary of a few that will be considered further next week:

On **Tuesday, February 11** beginning at **10:00 a.m.** in **Legislative Office Building (LOB) Room 305**, the [House Housing Committee](#) will hold work sessions on four bills related to zoning mandates opposed by NHMA.

[HB 577](#): Under this bill, municipalities would be mandated to allow either one detached or attached accessory dwelling unit (ADU) by right on single-family lots. NHMA opposes this bill because it requires municipalities and cities to allow detached ADUs, which would put a strain on municipal services and infrastructure. The bill would essentially turn single-family residential zones into two-family residential zones because towns could not limit ADU size. In addition, the bill does not allow municipalities to adopt local ordinances requiring ADUs to be affordable or work-force housing.

[HB 685](#): This bill mandates manufactured housing by right in residentially zoned areas. NHMA opposes this bill because it has many technical defects and could undermine design requirements in local planning codes.

[HB 631](#): This bill mandates multifamily or mixed-use developments as a permitted use by right in certain urban municipalities as defined by the US Census Bureau, lists specific zoning regulations that cannot be imposed on such developments, and provides definitions for key terms. There are approximately 18 communities currently affected by the bill. NHMA opposes **HB 631** because it would greatly impact some communities that want to ensure - for health and safety reasons and to limit stress on city infrastructure - that commercial zones stay commercial.

[HB 382](#): This bill removes the authority of municipalities to regulate mandatory onsite parking requirements. NHMA opposes this bill because it eliminates local control, creates potential planning issues including traffic management concerns, community aesthetic concerns, health/safety concerns, snow removal, and potentially more neighbor disputes, which could require law enforcement presence.

Additional details on why we are opposing these bills is [available here](#).

Municipal officials are encouraged to testify against these attempts to usurp local control or, if that isn't possible, [contact](#) the House Committee on Housing to register opposition. For detailed instructions on how to make your voice heard, on these and all other bills, see the final item in this week's bulletin.

Another bill, **[HB 296](#)** - which NHMA supports - is also part of the Housing Committee's work session. Under this bill, municipalities would receive more flexibility in issuing building permits on private roads when the roads clearly meet existing policies adopted by the governing body. This would improve local government efficiency and better meet the needs of residents who want to build on a private road.

On the Senate side, the [Senate Executive Departments and Administration Committee](#) (ED&A) held a public hearing Wednesday and shortly thereafter recommended [SB 188](#) as ought to pass (OTP) with amendment, 5-0. The bill is on the Senate consent calendar on **Thursday, February 13**.

This bill, which NHMA opposes, is modeled on Florida law and would allow property owners or developers to use licensed, insured private providers for building code plan reviews and inspections related to the New Hampshire state building code and any local technical amendments, excluding fire prevention and fire safety codes. If an owner or contractor retains an independent provider for the purposes of reviewing development documents or providing building inspections, the municipal regulatory authority must reduce the fee charged for such services by the amount of cost savings realized by the regulatory authority.

Most troubling, **SB 188** requires a municipal regulatory body to review and approve, or provide written notice to the independent provider of any specific deficiencies or compliance issues, within a required number of days (3 days or 5 days for code inspections depending on the type of building and 8 days for reviews of development documents and permits). Approvals will be considered granted as a matter of law if the municipal regulatory body fails to respond within the mandated timeframe.

NHMA believes this bill creates an entirely new framework for building code plan reviews and inspections in New Hampshire, creates a troubling “building permits by default” model, and would have multiple impacts on municipal revenue and expenses. Note: The amendment to the bill changes the words “improvements to land” to “building code compliance” in one section.

Members are encouraged to reach out to your senator to explain how this bill would impact your ability to manage planning and zoning compliance and inspections.

The **Subcommittee on Housing**, consisting of three members of the [Senate Commerce Committee](#), met Thursday and made recommendations on six bills.

SB 78: Changes the appeal period to the ZBA from a “reasonable time” to 30 days, overriding local rules that allow more than 30 days, which NHMA opposes because it wouldn’t allow municipalities to be more flexible in their rules, which benefits both applicants and local officials. Subcommittee Recommendation: OTP (3-0)

SB 91: Allows owners of residences in industrial/commercial zones to submit a single application for a special appraisal based on current residential use and removes the requirement for annual reapplication, which NHMA opposes. Subcommittee Recommendation: OTP (3-0)

SB 55: Provides temporary exemptions from the land use change tax for qualifying housing projects, which NHMA opposes. Subcommittee Recommendation: Retain (3-0)

SB 84: Requires zoning ordinances to permit smaller lot sizes for single-family homes in certain areas, overriding local zoning rules, which NHMA opposes. Subcommittee Recommendation: OTP (3-0)

SB 81: Increases annual real estate transfer tax revenue contribution and appropriates funds to the affordable housing fund, which NHMA supports. Subcommittee Recommendation: OTP (3-0)

SB 82: Creates a new option for municipalities to incentivize new development, including identifying land for affordable housing and appropriating \$20 million for infrastructure development. Subcommittee Recommendation: Re-refer (3-0)

Please reach out to the Senate Commerce Committee to share your concerns about any/all of the bills recommended OTP.

Stand Up Against Anti-Lobbying Bill

On **Wednesday, February 19**, at **1:00 p.m.** in **LOB Room 203**, the **House Legislative Administration Committee** will hold a public hearing on **HB 314**, which is intended to cut those who represent local governments out of the legislative process.

Because of the threat to your voices, we are asking members to contact anyone on the House Legislative Administration Committee who represents your community now and ask them to vote against **HB 314**. You can also register your opposition online any time before the hearing.

The bill does three things: broadly prohibit a huge number of individuals from engaging in the legislative process, set unnecessarily burdensome segregation of funds requirements, and create criminal and other penalties for engaging in speech.

First, the bill prohibits local officials acting in their official capacity from any form of speech related to legislation or politics. It broadly prohibits any public funds from being used to “to lobby, attempt to influence legislation, participate in political activity, or contribute funds to any entity for the purpose of engaging in the same.” “Public funds” are defined as a “grant or appropriation of a state, county, town, city, village district, unincorporated place, or school district.” An “appropriation” could be anything from the mileage paid to drive to the State House to the stipend paid to an elected or appointed official or the salary paid to an employee of a local government or of the state who testifies at a hearing or calls a legislator to express opinions or give input on how legislation would affect their community. So, what does it all mean? Well, because the speech prohibition is on any “political activity” or “attempt to influence legislation,” which goes well beyond the definition of lobbying in RSA chapter 15, **HB 314** would prevent any local official, whether a paid employee or an elected official receiving a stipend, from any advocacy on behalf of a city or town. It is inconceivable that locally elected leaders would be barred

from—even prosecuted or terminated for—speaking on legislation with local impacts in the Live Free or Die State. And yet, this type of bill has become a perennial effort of certain legislators in New Hampshire.

But it doesn't stop there. The bill would prohibit many others—who would qualify as recipients of public funds—from lobbying. Beyond NHMA, **HB 314** affects every organization of municipal officials, such as building officials, assessing officials, firefighters, or the police chiefs; every state agency and department; and every nonprofit organization that receives state or local funds. In fact, the bill is so broad in its language, it appears to apply to any private corporation that receives payment from a public entity, since the purchase of goods or payment for services constitutes an “appropriation” of public funds.

If the ban itself isn't enough, the bill makes the prohibited speech a Class A misdemeanor, establishes personal liability “equal to 3 times the amount wrongfully paid or expended,” and makes a “knowing violation grounds for discharged of an employee.”

Local Option Public Safety Assessment Fee

On **Monday, February 10**, at **10:20 a.m.**, the **House Municipal and County Government Committee** will hold a public hearing on **HB 544**, which would allow municipalities to adopt a local option fee on no more than \$2 per day to be assessed on hotel occupancies for municipal public safety services, helping offset the cost burden of services associated with increased tourism and transient traffic. The bill is materially similar to a 2024 bill that was indefinitely postponed, except that a provision was added allowing the owner/operator of the hotel to retain up to three percent of a collected daily charge for hotel maintenance and service-related purposes. This bill represents a long-standing NHMA policy.

With the pressure to minimize the property tax burden, increased attention is being focused on the amount and type of locally estimated revenues, including “charges” and “user fees.” Municipalities in New Hampshire may assess charges and user fees only as permitted by state statute.

Currently, no state law authorizes municipalities to assess and collect a local option hotel occupancy fee to support public safety services. While **HB 544** may not be of interest to all municipalities, the municipal officials who testified last year in support of the previous bill made compelling arguments as to how a hotel occupancy fee would help ease the financial burden placed on their property taxpayers by added public safety and costs associated with tourists or with significant growth in their daily “population” from serving as a regional economic hub. A similar local option is already in effect in Vermont.

The committee also has public hearings on three other bills we are following:

[HB 569](#) (10:00 a.m.), which NHMA opposes, allows a county to establish a county-wide communications district, that towns and cities would need voter approval to opt-out of. NHMA opposes the bill only because it requires municipalities to vote to opt out, rather than opt in, to a county-wide district.

[HB 123](#) (1:00 p.m.), which NHMA supports, allows municipalities to tax standing timber that's on land used for carbon sequestration, which would make up for any lost timber tax revenues that towns and cities would have otherwise received if the timber was cut.

[HB 247](#) (1:30 p.m.), which NHMA supports, requires municipalities and cities to receive voter approval for historic horse racing machines to be allowed at charitable casinos. If the bill became law, it seems all communities that would like to allow or prohibit historic horse racing machines would be required to have a vote.

Please contact the committee to register your position on these bills.

Bills Negatively Impacting Town Meeting

The [House Municipal and County Government Committee](#) will hold executive sessions **Monday, February 10, at 2:00 p.m. in LOB Room 301-303** on several bills, including two bills that NHMA opposes, [HB 407](#) and [HB 149](#).

HB 407 proposes an exceptionally high threshold for approving appropriations. According to the bill, “no warrant article relative to the adoption of town or school spending items shall pass unless such measure receives votes from at least 15 percent of the registered voters in the town and a majority of those voting.” This threshold is seen as nearly impossible to meet, given that it is not uncommon for less than 15% of registered voters to even attend town meetings or participate in elections. The term “spending items” would encompass budgets and any other warrant article or ballot question involving appropriations. NHMA believes this bill is anti-democratic, as it empowers non-participants over those who actively engage in local governance. The bill could ultimately make local government less efficient by creating barriers to passing budgetary measures.

HB 149 introduces a form of ranked choice voting for town meeting ballots in “SB 2” towns. It mandates that both the original and amended warrant articles be included on the ballot. This approach would create confusion among voters, particularly those who did not attend the deliberative session. Additionally, it would result in longer ballots and a more cumbersome ballot counting process for local election officials. NHMA believes HB 149 contradicts the purpose of the deliberative session and dilutes the authority of the voters, who serve as the legislative body at town meetings. The bill also stands in contrast to the state’s legislative process, where amendments are final and not subjected to a similar ranked choice voting system.

Please contact committee members to express opposition to these bills.

House Advances Accessible Voting Bill, Others

The House met Thursday and acted on several bills of municipal interest. Unless otherwise indicated, adopted bills will be referred to the Senate. NHMA's position on these bills, if any, is noted.

HB 67, makes permanent last year's pilot program regarding Accessible Voting Systems, ensuring that the state provides accessible voting systems through agreements with municipalities. Under this bill, municipalities would continue to be responsible for programming costs. **Passed**. NHMA supported. Referred to House Finance Committee.

HB 84, allowing municipalities to collect fees for certain recreational vehicles located on campground properties. **Inexpedient to legislate (ITL)**. NHMA supported.

HB 86, increasing the cost of service for notice of civil forfeiture of unlicensed dogs to the rate for certified mail. **Passed with amendment**. NHMA supported.

HB 99, increasing the maximum allowed optional property tax credit for disabled veterans from \$4,000 to \$5,000 and preventing the "stacking" of other tax credits for which a veteran may qualify. **Passed**.

HB 101, relative to exempting certain elderly homeowners from paying property taxes. **ITL**. NHMA opposed.

HB 105, creating a new conservation license plate - "Love NH Lakes" - and directing the additional fee, minus production and administrative costs, to the cyanobacteria mitigation loan and grant fund. This bill creates the license plate. **Passed**. NHMA supported.

HB 134, updating the state building code to include the 2023 electrical code, as amended by the building code review board, and incorporating other code amendments approved since the last ratification in May. **Passed**. NHMA supported.

HB 164, relative to creating a state repository and funding a local records officer position in the Division of State Archives to provide a database for municipal records. **Passed**. NHMA supported. Referred to House Finance Committee.

HB 340, banning and creating a misdemeanor-level offense for public employees who, in the performance of their official duties, act in "any way designed or having the effect of influencing the vote of a voter on any question or office." **Passed**. NHMA opposed.

HB 399, establishing a commission to study the New Hampshire zoning enabling act. **Passed**.

HB 511, prohibiting state and local entities from adopting sanctuary policies that hinder federal immigration law enforcement. **Passed with amendment**. Although NHMA

opposed **HB 511**, amendments did improve some of the ambiguity in the original bill. Referred to House Finance Committee. **Note:** A related immigration bill, **SB 71**, is going to the Senate floor next Thursday with an ought to pass (OTP) recommendation.

Conflicting Visions on Ambulance Billing Reform

A trio of House bills regarding ground ambulance service reimbursement rates and the elimination of “balance billing” will be workshopped by the **House Commerce and Consumer Affairs Committee** on **Wednesday, February 12**, at **1:15 p.m.** in **LOB Room 302-304**.

The elimination of balanced billing – i.e. billing a patient for the difference between the full cost of the service and the amount their insurance plan pays - coupled with inadequate reimbursement rates could negatively impact town and city budgets, potentially reducing the number of ambulance providers, particularly in rural areas.

HB 316 would eliminate balance billing and set a reimbursement rate for non-Medicare/Medicaid health insurance carriers at approximately 200% above the current Medicare reimbursement rate. NHMA opposes this bill because in many cases the proposed rates are much lower than the actual cost of providing services, which, coupled with the elimination of balance billing, would put significant financial strain on municipal-run ambulance services.

HB 185, which NHMA supports, mandates that insurance carriers pay the rate set by the ambulance provider in full if no negotiated agreement exists, which would de facto eliminate balance billing.

HB 725, which had a hearing on Wednesday, is somewhere in between the other two bills, eliminating balance billing but setting the reimbursement at 325% above the current Medicare reimbursement rate. NHMA believes **HB 725** does the best job of striking a balance between competing interests.

Municipal ambulance services are essential services and not profit-driven; thus, appropriate reimbursement rates are crucial for their sustainability.

Regardless of what the House does with its bills, there are also two Senate bills addressing this issue that are being heard by the **Senate Health and Human Services Committee** on **Wednesday, February 12**, beginning at **10 a.m.** in **LOB Room 101**.

SB 245 and **SB 130** both appear to contain similar provisions as **HB 725**. These bills, which NHMA support, aim to eliminate balance billing for ground emergency ambulance services, although co-pays would still apply. Additionally, the reimbursement rate for these services would be set at 325% of the current urban, rural, or super-rural Medicare rates, depending on the geographic area where the ambulance service originated. Notably, under these proposals, patients would not be required to seek pre-authorization before

using ambulance services. These measures are intended to provide greater transparency and protection for patients in emergency medical situations.

For municipal officials whose communities provide public ambulance service, now is the time to reach out to committee members in the House and testify in the Senate regarding these bills.

Workplace Safety Rules Bills Retained

The [House Labor, Industrial and Rehabilitative Services Committee](#) voted Tuesday to retain [HB 303](#) in committee.

The bill mandates that the New Hampshire Department of Labor (DOL) adopt rules that are at least as effective as the standards set forth in OSHA 1910. Municipal, county, and state public employees are not covered under OSHA, but are subject to state DOL rules.

NHMA, while in favor of providing a safe working environment for municipal employees, opposed this bill due to the anticipated financial burden on local governments.

A Tale of Two Chambers ...

The Senate and House finance committee took action this week on parallel bills introduced in both bodies.

The [Senate Finance Committee](#) voted unanimously Tuesday to recommend [SB 240](#), an NHMA-supported bill, as Ought to Pass when the Senate meets next **Thursday, February 13**. **SB 240** 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. Historically, the legislature has, by law, expressly authorized the SAG program to provide grants to municipalities of 20% to 30% of the principal and interest payments on completed and eligible environmental infrastructure projects. However, sufficient funding for the grants had not been included in the state budget for years, until the current biennial budget was passed – thus the need for a separate funding bill.

The following day, [House Finance – Division I](#) voted recommend retaining the House version of the same bill, [HB 97](#), in committee.

It is normal for the Senate to pass and table these kind of appropriations bills, as opposed to the House, as the Senate gets the second stab at the budget later in the session when revenues will be more concrete. However, there was some conversation in Division I surrounding funding in the current biennial budget to be used in 2026 and 2027. While it is true that HB 2 from 2023 does appropriate \$15 million in the fiscal year ending 26 and \$15 million in the fiscal year ending 27 “for the purpose of making payments to communities for projects that have **previously been awarded state aid grant**

funding for eligible and completed wastewater infrastructure projects ... **Any remaining funds not used for making payments on existing grants may be used to award new grants.**” While this was a great win for cities and towns, without additional funding being included in the upcoming budget, there would no funding for *new* projects in the pipeline once the \$30 million has been exhausted for already approved projects *and the* newly completed ones that will seek their 20-30% over the next couple of years. This creates uncertainty for municipalities that have recently begun their projects or are considering new, big projects that would be eligible for funds and are trying to plan out the costs. Unlike many other grants, SAG is an “after the fact grant” that requires municipalities to complete their projects and then await approval. Therefore, the key is to continue to include nonlapsing appropriations for new projects in each state budget so that municipalities can reasonably rely on future grant funding for completed projects.

House Finance Division I also voted unanimously to recommend retaining [HB 197](#), restoring a 7.5% retirement state subsidy for local employer contributions for police, firefighters and teachers. (The Senate version of this bill, [SB 20](#), was already passed and tabled.) Although the House vote was unanimous for retaining, more than one member of the committee spoke favorably of the bill and how it would take pressure off local budgets.

The Elephant in the Room: The State Budget, Part 5

Every other February, the governor presents a two-year budget proposal by February 15. This year, first-term Gov. Kelly Ayotte will unveil her vision for state spending on **Thursday, February 13** at a joint session of the legislature. Once that proposal hits the public eye, a grueling four-month marathon begins and the House gets busy drafting its version of the state budget (**HB 1** and **HB 2**). After they wrap things up in April, the Senate takes its turn to weigh in. If the House and Senate can't see eye to eye – which is often the case - they hash out their differences in a committee of conference. After all that, the budget lands back on the governor's desk for either approval or rejection sometime before the state fiscal year ends on June 30.

This is a precarious time to build a budget. The state is looking at a deficit in the second year of the current biennium along with potential increased liabilities from pending school funding lawsuits and the growing cost of settlements tied to abuse at the state's youth detention center decades ago.

Then there are campaign priorities to pay for, including increasing housing access, expanding eligibility for education freedom accounts, immigration enforcement, and pension improvements for first responders. On that final note, representatives of police, fire and state corrections unions asked the [House Executive Departments and Administration \(ED&A\) Committee](#) on Wednesday to retain [HB 727](#) - a bill

adjusting New Hampshire Retirement System (NHRS) benefits for less than 1,600 “middle-tier” public safety members (Group II) – because their understanding is the governor will be addressing the issue in her budget. Before the committee voted to retain the bill, a representative from the NHRS testified that the bill, as introduced, would increase the retirement system’s unfunded liability by \$110 million.

Over the first six weeks of the year, the term “belt-tightening” has become a mantra of state policymakers, which means municipalities could be looking at cuts to state aid, which would put pressure on municipal budgets and lead to property tax increases. NHMA will support/defend current state aid municipalities get and encourages members to chant their own mantra: “Cutting state aid is really a new tax on property taxpayers.”

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 [online testimony submission system](#) 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 [committee page](#).

The Senate has [a remote sign-in sheet](#) 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 [House](#) and [Senate](#) sessions and committee meetings are available on YouTube. Prior sessions and committee meetings are also archived.

Finally, if you want to contact your local legislators, there are [Contact a Senator](#) and [Contact a Representative](#) links on the [General Court](#) 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!

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