

Legislative Bulletin 1

2025 Session

January 10, 2025



Live Bill Tracker

And So It Begins...

Things are (finally) under way at the State House.

Convening day, the constitutionally required first meeting of elected leaders in Concord, falls on the Wednesday after the first Tuesday in January, which this year was the latest day possible (Jan. 8).

The biggest news coming out of convening day was on the House side, which took up several proposed amendments to House rules.

A controversial plan to end the practice of having a public hearing on every piece of legislation was tabled after members of both parties spoke out against the change, which was recommended by the Republican majority on the House Rules Committee.

However, two other floor amendments to the rules did go through:

• House Rule 44 was amended to remove the requirement that committee executive sessions to vote on bills following hearings be posted for a specific date and time, enabling committees to hold executive sessions on any day the committee is meeting by a including a notice to the calendar that "executive session may be held

throughout the day." By changing the notice requirement, supporters or opponents of any proposal will have fewer opportunities to make their case to individual legislators in advance of an executive session vote.

• House Rule 20 was amended to eliminate the 3/5ths vote requirement to "special order" legislation in House Session, enabling a simple majority to change the order of bills publicly noticed in the House Calendar. With a lower bar to special order legislation, bills can be brought to a vote whenever the head count in the House chamber appears most favorable to the majority.

As a result of the late start, there aren't many hearings next week, which is mostly taken up with committee orientations. However, public hearings on a few bills of importance to municipalities are scheduled next week (see below).

Additionally, the text of several hundred bills has yet to be released. NHMA staff continues to review bill text as it becomes available and determine whether to support, oppose, or remain neutral on a bill based on our member-approved **2025-2026 Legislative Policies and Principles**.

Please visit our online **<u>Bill Tracker</u>** to get updates on all of the more than 400 bills we are currently following. We will continue updating that tracker as we gather more information and take positions on these bills.

Senate Hearings on Elections, Retirement

On **Tuesday**, January 14, starting at 9:30 a.m. in **State House Room 103**, the **Senate Election Law and Municipal Affairs Committee** will hold hearings on three election-related bills. <u>SB 16</u> would require municipalities to post copies of the "election returns" provided to the secretary of state in a multitude of places: the website, two public places where meeting notices are published, and on all social media accounts. <u>SB 45</u> would modify the statute on where political advertising may be placed. Finally, <u>SB 43</u> would remove "articles of clothing" from the list of "electioneering communications" prohibited within no-electioneering corridors at a polling place under RSA 659:43, VII.

Also on **Tuesday**, **January 14**, at **1:30 p.m.** in **State House Room 103**, the **Senate Finance Committee** will hold a public hearing on <u>SB 20</u>, a bill making the state responsible for 7.5% of local employer New Hampshire Retirement System contributions for teachers, police officers and firefighters.

NHMA supports this legislation and encourages our members to contact the committee to support **SB 20**.

Beginning in 1977, the State paid 35% of the employer contributions for Teacher, Police, and Fire members employed by political subdivisions through 2009, when the statute was amended to reduce the state's share to 30% in FY 2010 and 25% in FY 2011. The 2009

amendment also restored the State contribution to 35% in FY 2012. However, the statute was amended again in 2011 to eliminate the State's percentage share of employer contributions altogether. The net result was to shift pension costs from the State to political subdivisions. In 2022, legislation provided one-time funding for employers in FY 2023, equal to 7.5%. **SB 20** would obligate the state to make that contribution going forward, offsetting municipal retirement costs and, as a result, property taxes.

House Hearings on Municipal Issues

On Monday, January 13, the House Municipal and County Government Committee is holding public hearings in LOB Room 301-303 on a number of bills.

First up at **10:30 a.m.** is **HB 84**. This bill, which NHMA supports, would give towns the green light to charge up to \$200 for each RV that doesn't meet the criteria for being non-taxable real estate in campgrounds.

HB 86, which proposes upping the cost of notifying dog owners about civil forfeiture for unlicensed dogs to the certified mail rate, will be heard at **10:45 a.m.** It turns out the current mailing cost exceeds the revenue brought in, so this change would bring the fee up to match market rates. Town Clerks are asking for this, and NHMA supports it.

The hearing on **HB 92**, which prohibits an individual from simultaneously serving on the local zoning board and planning board, begins at **11:00 a.m.** This aims to ensure a separation of powers but could make it harder in small towns to fill all the seats, which is why NHMA opposes the bill.

Next up, at **11:20 a.m.**, is **HB 99**, which would allow municipalities bump up the optional disabled veterans' tax credit to cover 100% of property tax. NHMA is neutral on this bill because it provides a local option, albeit one that would shift the tax burden to other property owners.

HB 101, which introduces a new homestead exemption for people aged 72 and older who have lived in New Hampshire for at least 10 years, is scheduled for **1:00 p.m.** NHMA opposes this bill under its member-adopted policy to oppose legislation that directly or indirectly increases property taxes, including new or expanded mandatory exemptions or credits, or changes in the process for valuing, assessing, or taxing specific classes of properties. Instead, NHMA's policy is to support a study commission of local enabling legislation to allow for a uniform homestead exemption for resident owners on the principal place of residence.

We encourage stakeholders to opine on these bills through the House <u>online testimony</u> <u>submission system</u>, which lets you indicate your position on a bill with an option to attach testimony.

The Elephant in the Room: The State Budget

With slumping state revenues and the sunset of more than \$2 billion in federal aid, incoming Gov. Kelly Ayotte is looking at a vastly different revenue picture than her predecessor.

December revenue data released by the state last week came in \$20.4 million below estimates, primarily due to lagging business tax collections that were \$23.4 million less than expected. On the positive side, lottery sales and tax revenues from insurance, rooms and meals, and interest and dividends (which was repealed Jan. 1), generated surpluses.

Through the first half of the state's fiscal year, taxes and fees brought in \$1.17 billion, which is 3.4% (\$41.2 million) less than lawmakers projected when they developed the current two-year state budget. Compared to 2023, the first six months of this fiscal year brought in 7.6% less (\$96.1 million).

One longtime House Finance Committee member told the New Hampshire Union Leader that the revenue numbers will make it harder to put together the next state budget.

In addition to lagging state revenues, the state is potentially facing 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.

In her <u>inaugural remarks</u> on Thursday, Ayotte tried to set expectations: "We've got to tighten the belt here in Concord. Just like any family...what's going out, needs to match what's coming in. So, we are going to have to make reductions and recalibrate from the higher spending of the last few years."

Of course, with campaign priorities including increasing housing access, expanding eligibility for education freedom accounts, and pension improvements for first responders to pay for, the big question is: Which belt gets tightened?

It's too early to say for sure as the governor's budget proposal won't be released until February, but municipalities could be facing cuts to state aid, which would put pressure on municipal budgets and lead to property tax increases.

This wouldn't be the first time.

During the years immediately following the Great Recession, state aid to municipalities significantly decreased between 2010-14 as the state struggled to balance its own budget. Several state aid programs were suspended or eliminated. For example, state revenue sharing was suspended from 2010 to 2025, and the state retirement normal contribution for political subdivision employers was repealed. Cuts to state aid, are, in effect, tax increases on property owners.

NHMA will support/defend current state aid municipalities get, and fight against cuts in any form, but it's never too early for our members to impress upon their local legislators that cutting state aid is really a new tax on property taxpayers.

Alert: Anti-Lobbying Bill is Back

You've heard this before, but the anti-lobbying bill is back for yet another go-around.

HB 314 is essentially the same as last year's **House Bill 1479**, which 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: police chiefs association, fire chiefs association, town clerks association, tax collectors association, health officers association, planners association, managers association, public works association—and the list goes on.

Proponents of these recurring efforts to silence your voice will claim the bill is needed to save taxpayers money, but this is a red herring. Aside from the First Amendment implications of banning entire groups from speaking, the potential impacts of this bill on municipalities includes higher costs and property tax impacts through harmful legislation and reductions to state aid (if local officials or their representatives can't advocate, the state will downshift more and pass down more unfunded mandates!) and potential loss of other services from organizations who serve local governments.

Additionally, the bill's broad speech prohibitions extend far beyond local government organizations—even though that is the target of the bill—as the language applies to any organization that receives "an appropriation" from local, federal, or state sources. Most nonprofits and many private corporations will fall under this ban.

NHMA will coordinate the effort with our many partner organizations to stop the effort to prevent local officials from having a voice in the legislative process and will share more information when the bill is scheduled for a hearing.

You've heard this before, too, but we ask you to contact all your House members and ask them to vote against **HB 314**, which has been assigned to the House Legislative Administration Committee. Although that committee has not yet scheduled a hearing, it is not too soon to start contacting the members of that committee via email or phone or an in-person meeting and asking them to vote **HB 314** Inexpedient to Legislate. (Please remember to cc: <u>governmentaffairs@nhmunicipal.org</u> on any correspondence for our records.)

On the Horizon: Right-to-Know Bills

Another topic NHMA is seeing a lot of activity on is proposed changes to the Right-to-Know (RTK) law. Most of these changes could have negative impacts on municipalities.

First off, there's a proposed change to the definition of "citizen" or "person." (**HB 66**) Right now, the law uses "citizen," but switching to "person" would open up RTK requests to anyone, regardless of their connection to New Hampshire. This means that anyone, anywhere, could request access to municipal documents. While this might seem like a win for transparency, it could also lead to a flood of requests from people with no ties to the state – or even AI-generated bots – potentially overwhelming local governments.

HB 66 also includes provisions for electronic requests and responses. This could be a double-edged sword. On the one hand, it makes the process more convenient and accessible. On the other hand, it could expose municipalities to security risks and make it harder to confirm that the requestor is who they say they are. Plus, not all municipalities have the resources to handle electronic requests efficiently, which could create additional challenges.

Another big change on the table is the elimination of fees for responding to RTK requests by repealing last year's HB 1002. (**HB 114**) Currently, municipalities can charge fees to cover the costs of compiling and providing the requested information – which are already the lowest in New England. Removing these fees could lead to increased administrative burdens and costs, as municipalities would have to handle more requests without any financial compensation.

So, what could all this mean for municipalities? Well, it could lead to higher administrative costs, resource diversion, and increased security risks. It could also make it harder for municipalities to manage and respond to RTK requests effectively.

NHMA supports the intent of the Right-to-Know Law. NHMA also supports measures to make the law clearer and compliance with public access requirements easier and less burdensome for public officials and employees and less costly for taxpayers.

Most of the bills we are following have been referred to the House Judiciary Committee. It's crucial for municipalities to start speaking with legislators now about the potential impacts of these bills. By raising awareness and sharing their concerns, municipalities can help shape the legislation in a way that balances transparency with practicality.

On the positive side (yes, that side actually exists), **HB** 74 defines the term citizen as a citizen of New Hampshire, which could reduce the volume of requests. The bill also includes the press in the definition of citizen, and provides for disclosure of preliminary drafts circulated to a quorum or majority of a public body.

The only bill currently scheduled for a public hearing is <u>HB 111</u>, which extends the state position of Right-to-Know Law Ombudsman for another two years. The hearing is scheduled for **Wednesday**, **January 15**, at **2 p.m.** in **Legislative Office Building 206-208**. Ideally, NHMA would like to see the statute authorizing this position to be amended to give municipalities the ability to directly petition to the RTK Ombudsman.

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. 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.

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 <u>Senate committee page</u>.

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>.)

Bill Hearings Schedule <u>NHMA Events Calendar</u> 2024 Final Legislative Bulletin Editorial Staff: Margaret M.L. Byrnes, Executive Director Marty Karlon, Editor in Chief, Policy & Research Analyst Sarah Burke Cohen, Legislative Advocate Brodie Deshaies, Legislative Advocate

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