

LEGISLATIVE BULLETIN

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2014 Session

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Happy Trails

The legislature finished the bulk of its work for the legislative session this week by taking action on all committee of conference reports. There were no surprises--except, perhaps, for the absence of surprises. All committee of conference reports of interest to municipalities were adopted by both houses, so those bills as amended will soon be on their way to the Governor for signature.

This is the last weekly *Legislative Bulletin* until December. We will publish the *Final Legislative Bulletin* as soon as all of the 2014 session laws are available. You can see all bills as they become law at the [2014 Chaptered Final Version](#) page on the legislature’s website (listed under “General Court News and Hot Links”).

Some interim study subcommittees will begin meeting this month. This week’s [House Calendar](#) includes a list of all bills that have been sent to interim study in House committees. You can follow the schedule for any interim study bill on the legislature’s website. We do not have a list of bills sent to interim study in the Senate; but, frankly, interim study bills tend not to get a whole lot of study in the Senate.

We will miss publishing the weekly *Bulletins* almost as much as you will miss reading them. Local officials who need a fix can get one next week by tuning into our Legislative Wrap-Up webinar (see the last page of this *Bulletin*). And please don’t forget about our [legislative policy process](#), including the Legislative Policy Conference on **Friday, September 26**.

Charter Bill Goes to Governor

Among the committee of conference reports approved this week was one on **HB 422**, an **NHMA policy bill** that modifies the process for a municipality to adopt, revise, or amend a charter. The story of this bill’s two-year odyssey, and especially its last two months, could easily fill an entire *Legislative Bulletin*, or several—but we’ll save that for the book. Suffice it to say that passing the bill, which merely simplifies and improves the charter process, was much more difficult than it should have been.

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Charter Bill - continued

Choosing to accentuate the positive, we thank the [House Municipal and County Government Committee](#) and the [Senate Public and Municipal Affairs Committee](#) for their efforts to get this bill passed. We especially thank the chairs of those committees for their persistence and their bipartisan cooperation in maneuvering the bill around a number of roadblocks. Municipalities have been extremely well served by these legislators over the past two years.

The bill is now on its way to the Governor. Whether there will be further efforts to derail it remains to be seen.

In Other News . . .

As mentioned above, the House and Senate adopted all of the committee of conference reports on bills of municipal interest—so all of the matters we reported on in [last week's Bulletin](#) played out as expected. These include the new zoning notice requirements in [HB 1210](#), the allowance for earlier processing of absentee ballots under [SB 271](#), removal of municipalities from the veterans' preference bill, [HB 498](#), and elimination of the NHRS reporting requirement relative to elected officials under [HB 1494](#). The one matter that was unresolved at press time last week was flood control reimbursement for municipalities in the Merrimack and Connecticut Rivers Flood Control Compacts under [HB 1282](#). The committee of conference compromised between the House and Senate positions on that issue, providing full reimbursement for fiscal year 2012, but not for 2013. Both houses adopted that recommendation.

Challenges on the Horizon

There are a few major issues on the horizon that could potentially have significant financial impacts for municipalities:

Retirement Litigation: The first is the pending litigation regarding the retirement reforms that were enacted in 2011, specifically the increases in the employees' contribution rates. The New Hampshire Supreme Court recently heard oral arguments on that case (for which NHMA filed an [amicus brief](#)). In mid-May the New Hampshire Retirement System (NHRS) issued a [press release](#) explaining the financial implications under several different court outcomes:

- If the court rules in favor of the state and agrees that employees do not have a vested right to their pension until retirement, there would be no impact.
- If the court rules in favor of the plaintiffs and finds that vesting takes place upon acceptance of full-time permanent employment, there would be a \$50 million per year impact on employer contributions (from municipalities, counties, schools and the State of New Hampshire).

Challenges - continued

- If the court upholds the superior court opinion that vesting begins after 10 years of service, there would be a \$25 million per year impact on employer contributions.

Additionally, while the current court case is prospective only, the second and third outcomes would likely generate further litigation seeking retroactive relief to July 1, 2011, the effective date of the employee contribution rate increases, tripling the impacts noted above.

We cannot predict when the court ruling will be issued or whether the court might send the case back to the superior court, prolonging a final decision. The NHRS is statutorily required to certify the rates by October 1, 2014, for the 2-year period beginning July 1, 2015. A court decision rendered after that date may require special legislation to recertify the rates to address any financial implication of the final court order. We will certainly keep members informed of any developments regarding this litigation.

Medicaid Enhancement Tax (MET): As we reported in last week's *Legislative Bulletin*, the Governor and the legislature were working to address two recent superior court rulings that found the MET unconstitutional. A committee of conference report on **SB 369** was adopted by the House and Senate on Wednesday, alleviating the loss of hundreds of millions of dollars in MET revenues. However, this resolution is still expected to have a significant negative impact on the state's general fund, with estimates anywhere from \$43 million to \$100 million in the next biennial budget. While every state budget cycle has its fiscal challenges, beginning budget deliberations with a deficit of this size raises the risk for all stakeholders funded by general fund appropriations, including state aid to municipalities. Again, we will keep members informed as the state biennial budget process begins this fall.

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NHMA Webinars

Legislative Wrap Up

Date: June 11, 2014

Time: 12:00 noon - 1:00 PM

Contact Phone: 603.224.7447

Join us on Wednesday, June 11 at noon!

Join Government Affairs Counsel Cordell Johnston and Government Finance Advisor Barbara Reid for a review of the highlights of the 2014 legislative session. This will be one week after the legislative session ends, so except for possible vetoes, all legislative action will be final.

This webinar will discuss the most significant bills of municipal interest that made it through the legislature this year, as well as a few that failed but may be back next year. The discussion will include, among others, legislation on highway funding, municipal charters, town meeting issues, the retirement system, planning and zoning issues, and tax rate setting.

This webinar is open to members of the NH Municipal Association.

[Click here to Register Today!](#)

Non-Public Sessions Under RSA Chapter 91-A

Date: July 23, 2014

Time: 12:00 noon - 1:00 PM

Contact Phone: 603.224.7447

Join us on Wednesday, July 23 at noon!

Join Legal Services Counsel Stephen Buckley for a discussion of non-public sessions under RSA Chapter 91-A, the Right-to-Know statute.

This webinar will address non-public sessions as the exception to the public meeting requirement. Participants will learn what are the legal reasons for entering non-public session, how to enter non-public session, the keeping of minutes for non-public sessions, and how non-public meeting minutes may be sealed, and the duration non-public meeting minutes may be kept from public disclosure.

This webinar is open to members of the NH Municipal Association.

[Click here to Register Today!](#)