

LEGISLATIVE BULLETIN

Legislative Bulletin 04

2024 Session

January 26, 2024



[Live Bill Tracker](#)

Public Utility Customer Opt-Out Bill Hearing Monday

On **Monday, January 29**, at **1:00 p.m.**, the **House Science, Technology, and Energy Committee** will hear [**HB 1576**](#), which would require that “any municipal corporation providing electric distribution, or gas, water, or sewer connection . . . adopt procedures to allow residential property owners or existing customers within its utility service area to decline connection or access to the public utility.” NHMA opposes this bill.

New Hampshire has a well-developed system to ensure that municipally owned utilities are financially viable. **HB 1576** would up-end that system by allowing property owners to opt-out of connections, requiring municipalities to complete calculations that are duplicative of the type of information that they need to supply for bonding, and allow property owners to challenge decisions relative to those utilities, including establishment of a civil penalty “not to exceed \$250,000 or 2.5 percent of the annual gross revenue received from sales in the state.”

Most utility projects completed by municipalities require long-term indebtedness (i.e. bonding). Those bonds are paid back by ratepayers (those who use the service), and the terms of the bond (and the ability to pay back the bond over the life of the bond) depends on properties that are connected or are scheduled to be connected remaining connected to the utility.

If a mechanism exists for someone to drill a well instead of staying on municipal water, the bond payment – which does not change based on the number of users – will stay the same. The costs not paid for by those disconnecting will be redistributed to other ratepayers, likely creating a “death spiral” of users disconnecting, preventing the utility from paying back the bond, and leaving the local taxpayers as the backstop. Default on a bond will first result in a reduction in state aid to the municipality. If that

is insufficient, the bond issuer can call the whole bond – which must be paid in full – and the municipality will likely be unable to acquire additional debt until the bond is paid. Even after the bond is paid in full, the default will impact the municipality’s credit for many years.

Please contact the [House Science, Technology, and Energy Committee](#) and ask them to oppose **HB 1576**.

Electric Vehicles Could Be Banned from Parking Garages

On **Tuesday, January 30**, at **11:00 a.m.**, the **House Transportation Committee** will hear [HB 1332](#), which would bar electric vehicles from parking in all parking garages. NHMA opposes this bill.

Presently, what vehicles may park in which parking garages is determined through a combination of individual garage owners and local ordinances enacted through the authority granted by RSA 41:11 and RSA 47:17, VII, VIII, and XVIII. This combination of authority allows municipalities and garage owners to rely on structural engineers to determine appropriate rules, such as weight limits on certain garages.

HB 1332 makes a sweeping determination without considering the impacts on local parking opportunities. For example, in Portsmouth, the downtown restaurant and shopping district is [primarily serviced](#) by the following municipally owned parking options:

Hanover Street Garage: 900 spaces, including 2 with electric vehicle chargers, + 18 handicap;
Foundry Place Garage: 600 spaces, including 3 with electric vehicle chargers);
Worth Lot: 79 spaces + 5 handicap;
Bridge Street Lot: 12 spaces + 3 handicap;
Ladd Street Lot: 12 spaces + 1 handicap;
Hanover Street Lot: 11 spaces + 1 handicap.

Passage of **HB 1332** would effectively prevent the use of the electric vehicle chargers that the City of Portsmouth has installed in its two downtown garages, leaving Portsmouth unable to recoup its investment. Additionally, the bill would limit electric vehicles to 114 spaces, rather than the currently available 1,614 spaces.

Some of New Hampshire’s heaviest tourism [marketing efforts](#) are concentrated in Boston, Philadelphia, and New York. According to the [U.S. Department of Energy](#), electric vehicle registrations in the states in which those cities are located number near 200,000 as of 2022 (Massachusetts (49,440), New York (84,670), Pennsylvania (47,440)), and preliminary data indicates that electric vehicle registration numbers have continued to increase. Allowing municipalities to work with parking garage owners to determine what, if any, restrictions are appropriate would allow municipalities such as Portsmouth to appropriately manage the parking situation in their downtowns without needing to build additional surface lots to accommodate the influx of tourists that power New Hampshire’s economy.

Please contact the [House Transportation Committee](#) and ask them to oppose **HB 1332**.

House Judiciary Committee to Hear Non-Germane RTK Amendment

On **Wednesday, January 31**, at **11:30 a.m.**, the **House Judiciary Committee** will hold a hearing on non-germane amendment [2024-0237h](#) to [HB 1696](#). If that amendment looks familiar, it should. The language is identical to [HB 1708](#). Although **HB 1708** is still alive in the Municipal and County Government Committee, we understand that the committee will not act on it until the Judiciary Committee has had the opportunity to determine whether to combine the bills.

The amendment would fund the local government records manager position in the Secretary of State's Office and allow that person to help municipalities manage their records and store publicly accessible records online. As we stated in our testimony on **HB 1708**, we were pleased to work with the prime sponsor and stakeholders to craft a bill that could improve the administration of the Right-to-Know Law.

Important RTK Bill Advances

On Monday, the House Judiciary Committee voted on a bipartisan 12-8 basis to recommend **HB 1002**, the large records request bill, as Ought to Pass as Amended. NHMA supports the amended bill.

As we wrote in [Bulletin #1](#), we are asking local officials to contact their representatives to ask them to support the committee recommendation of Ought to Pass. Explain to your representatives how responding to large requests affects your regular job functions and impacts budgets. The bill with the committee amendment has been carefully crafted to ensure that the local option fee would only apply to large requests.

We do not know when the bill will be scheduled to be voted on by the House, but with the pace of action this year, we ask that you contact your representatives sooner rather than later.

Finance Bills to Watch

This week, public hearings were held on three bills that would provide grants to municipalities for disaster relief and hazard mitigation plan implementation:

- **HB 1466** would authorize disaster relief aid for municipalities that suffer damage in natural disasters. It would also establish the New Hampshire Emergency Response and Recovery Fund and the New Hampshire Disaster Relief Fund to provide funding for disaster relief and matching funds for federal assistance grants.
- **HB 1488** would establish the municipal hazard mitigation grant program, providing funding to municipalities that have hazard mitigation plans in place but insufficient funding to implement the projects in those plans. With initial funding of \$2 million, municipalities could apply for up to \$50,000 in funding once per calendar year.
- In the Senate, **SB 493** would establish the municipal emergency disaster relief loan fund and appropriate \$5 million to provide loans to municipalities affected by natural disasters. The loans would be structured at a zero percent interest rate and must be paid back within 5 years.

Two other bills heard in the House this week would introduce silver and gold into municipal financial transactions. **HB 1674** would establish gold and silver as legal tender in the state; create a state bullion depository for the storage of bullion; and even allow the use of digital gold and silver currency. While this bill would not mandate the acceptance of gold and silver as legal tender, **HB 1246**, on the other hand, would create the option for payment of wages in gold or silver and mandate that employers offer employees the option of being paid in gold or silver. NHMA opposes these bills.

Coming up this week, on **Tuesday, January 30 at 1:00 p.m.** in **State House 103**, the **Senate Finance Committee** will hold a public hearing on **SB 553**. This bill would require that all funds held by the Public Deposit Investment Pool in New Hampshire (NH PDIP) be insured and collateralized and invested or deposited within the state.

For more legislation affecting municipal budgets, refer to the next article, "More Retirement Bills."

More Retirement Bills

This year, there are 20 stand-alone New Hampshire Retirement System (NHRS) bills that would have a fiscal impact on municipalities and schools. In most cases, it is not the policy objective that NHMA members oppose, but the significant costs that will be downshifted to municipalities and taxpayers if the legislation is passed.

On the bright side, two of these bills would help decrease municipal costs. **Please contact your legislators and ask them to support HB 1279 and HB 436:**

- [HB 1279](#) would require that the state pay 7.5 percent of local employer retirement contributions for Group I teachers and Group II police and fire members on an ongoing basis. We saw the benefits of the one-time 7.5 percent contribution in 2021; as an ongoing payment, this proposal would restore a small portion of the state's promise dating back to 1967 to pay 35 percent of the employer costs for Group I teacher and Group II police and fire.
- [HB 436](#), a 2023 bill that has been amended, would appropriate \$50 million in fiscal year 2024 for the purpose of reducing the retirement system's unfunded actuarial accrued liability (UAAL) determined under RSA 100-A:16, II. Over a 20-year period a \$50 million payment applied in FY 2024 could have a compounded savings impact of \$105 million.

Several additional bills propose policy changes to RSA 100-A, and *many* will have an impact on municipal employer costs:

- [HB 1307](#) would make a one-time state funded supplemental allowance of \$500 to accidental disability benefit recipients whose annual benefit is less than \$40,000. There is no municipal cost.
- [HB 1451](#) would require that mandatory overtime be reported as part of the full base rate of compensation. There would be an indeterminable, but certain, cost to this proposal.
- [HB 1647](#) would increase the multiplier for Group II Tier B and C members (and future hires) to 2.5 percent for all years worked in excess of 10 years. The bill includes a \$55.9 million state appropriation to offset the cost, but Group II employers would still have an ongoing annual cost of \$4.09 million.
- [HB 1653](#) would modify the definition of earnable compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012. This bill adds \$26.9 million to the UAAL, having an annual ongoing cost of \$2.88 million for Group II employers.
- [HB 1673](#) would redefine the average final compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012. This bill adds \$18.5 million to the UAAL, having an annual ongoing cost of \$2.04 million for Group II employers.
- [SB 309](#) would reduce the vesting period for retirement system benefits from 10 years to 5 years. The fiscal note indicated that this bill will actually reduce the unfunded liability by \$12.1 million but would increase the future benefits resulting in a \$2.12 million ongoing annual costs across all groups.

Local Solutions to the State's Housing Crisis Webinar Series

NHMA is proud to partner with New Hampshire Department of Business and Economic Affairs, New Hampshire Planners Association, New Hampshire Association of Regional Planning Commissions, University of New Hampshire Extension, PLAN NH, New Hampshire Housing, Community

Development Finance Authority, and the Center for Ethics in Society at Saint Anselm College on a 5-part webinar series focusing on local solutions to New Hampshire's housing shortage, which will kick off on February 15 with a program titled "[Our Housing Shortage](#)."

The other programs in the series are:

["The Intersection of Development and Clean Water"](#) (Thursday, February 22)

["YIMBYism: A Different Approach to Development"](#) (Thursday, February 29)

["Transfer of Development Rights 101: A Primer"](#) (Thursday, March 7)

["Attracting Developers"](#) (Thursday, March 14)

The series will highlight a variety of actions municipalities are taking to improve the housing shortage. We've all seen numerous news reports about, for instance, the [2,717 housing units that will shortly be under construction in Concord](#) (a [14% increase](#) in housing units), but this series will delve into the factors that lead to success and how growth can balance against existing demands for municipal services. We hope that you will register via the links above and join us during this series.

Get Involved in NHMA's Legislative Policy Process

NHMA's biennial legislative policy process is getting underway. As a first step, we are recruiting volunteers to serve on our three legislative policy committees. These committees will review legislative policy proposals submitted by local officials and make recommendations on those policies, which will go to the NHMA Legislative Policy Conference in September.

If you are a municipal official in a city or town and are interested in serving on one of the policy committees, please contact the Government Affairs staff at 603-224-7447 or governmentaffairs@nhmunicipal.org.

Each of the committees deals with a different set of municipal issues. The committees and their subject areas are as follows:

- [Finance and Revenue](#) – budgeting, revenue, tax exemptions, current use, assessing, tax collection, retirement issues, education funding.
- [General Administration and Governance](#) – elections, Right-to-Know Law, labor, town meeting, charters, welfare, public safety.
- [Infrastructure, Development, and Land Use](#) – solid/hazardous waste, transportation, land use, technology, environmental regulation, housing, utilities, code enforcement, economic development.

When you contact us, please indicate your first and second choices for a committee assignment. We will do our best to accommodate everyone's first choice, but we strive for equal membership among the committees. We hope to have 15-20 members on each committee.

There will be an organizational meeting for all committees on **Friday, April 5**. After that, each committee will meet separately as many times as necessary to review the policy proposals assigned to it—typically three to five meetings, all held on either a Monday or Friday, between early April and the end of May.

[Bill Hearings Schedule](#)

[NHMA Events Calendar](#)

[2023 Final Legislative Bulletin](#)

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