

# LEGISLATIVE BULLETIN

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## Gas Tax Increase Gets Unanimous Recommendation; House to Vote Next Week

On Tuesday the House Public Works and Highways Committee heard testimony on **HB 617**, an **NHMA policy bill** that, as introduced, proposed to increase the road toll, otherwise known as the gas tax, and increase motor vehicle registration fees on certain vehicles in order to raise additional revenue for the state highway fund. On Thursday, during the executive session, the committee chairman and prime sponsor of the bill presented an amendment that removes the registration fee increase and changes the road toll increase to 4 cents per gallon of gasoline in each of the next three years (2013 – 2016) and then a 3-cent increase in 2017, for a total 15-cent increase over the current road toll of 18 cents per gallon. This additional money would be placed in a separate fund within the constitutionally protected highway fund, to be used exclusively for the construction, reconstruction, and maintenance of state and municipal roads and bridges. Projections show this would result in increased highway block grant funding for municipalities of **\$3.6 million in 2014** to over **\$13 million in 2017** and beyond, for a total increase of **\$117 million** over the next ten years. An estimate of the additional funding per year to each municipality is available [here](#).

**The committee voted 18-0 to recommend passage of HB 617 with what is referred to as the 4-4-4-3 plan.** Besides providing additional block grant funding for municipalities, this increase would provide an additional \$8.5 million per year for municipal bridge and highway aid programs, fully fund the I-93 widening project, fully fund the state's ten-year transportation plan, and provide funding to address the 1600+ miles of state roads currently rated in "poor" condition. The amendment also proposes to provide the increased block grant funding to municipalities in the year that each of the four rate increases takes effect, based upon estimates, rather than basing the grants on actual revenue collected the prior year. Any overpayment or underpayment would be adjusted in the subsequent year as needed.

As mentioned in last week's *Legislative Bulletin*, the road toll is a true user fee that has not been increased in over 20 years. If people want decent roads, someone will have to pay for them; it is only appropriate that the

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### Gas Tax Increase - continued

cost be borne by the users. Based upon an average of 22.6 miles per gallon, and an average of 12,000 miles driven annually, once the full 15-cent increase takes effect in 2017, this would cost an average driver an additional \$80 per year. Those who drive less would pay less; those who drive more would pay more.

The full House will vote on the bill next **Wednesday, February 27**. *We ask all members to contact each of your representatives and urge them to support the committee's unanimous recommendation of Ought to Pass With Amendment on HB 617.*

### Bonding for Broadband Infrastructure

The House Science, Technology & Energy Committee will hear testimony next week on [HB 286](#), which would enable municipalities to issue bonds for broadband infrastructure. This is an important bill that will give municipalities in underserved areas the ability to finance “last-mile” construction of high-speed internet infrastructure.

[Network New Hampshire Now](#), a consortium of public institutions led by UNH, will soon provide a 470-mile “fiber backbone” from the seacoast to southwestern New Hampshire to the North Country. The remaining task will be to provide last-mile expansion to residents and businesses throughout these areas. Accomplishing this will require as many options as possible, and municipal financing of broadband infrastructure will be an important tool.

Two previous efforts to amend state law to allow municipalities to borrow for broadband infrastructure failed under the weight of significant lobbying from the telecommunications industry. If your municipality is among the many where high-speed internet access remains elusive, please let [committee members](#) and your own representatives hear from you. Better yet, attend the hearing and speak in favor of the bill. The hearing is scheduled for **Tuesday, February 26, at 11:00 a.m., in LOB Room 304**.

### Flood Control Bills Get Hearings

Committees in both the House and Senate heard testimony this week on bills dealing with interstate flood control compacts and the payments due to the New Hampshire municipalities involved in those compacts. The Senate Finance Committee heard testimony on **SB 150**, which proposes an \$800,000 appropriation in fiscal year 2014 to pay the full amount owed to municipalities under the compact provisions, as opposed to paying only the New Hampshire share, which is 30 per cent under the Merrimack River compact and 10 per cent under the Connecticut River compact. An amendment was introduced which would provide an \$800,000 appropriation in fiscal year 2015 also. Numerous municipal officials testified in support of the bill, and the committee voted to recommend passage of the bill with the amendment.

### **Flood Control Bill** - continued

Meanwhile, the House Ways and Means Committee heard testimony on **HB 581**, which takes a different approach to the flood control funding issue by urging the Attorney General's office to expedite the pursuit of arrearages owed by Massachusetts under these compacts. The arrearage is estimated to be as high as \$4.5 million. As with **SB 150**, several municipal officials testified in support of the bill, explaining the impact that the reduced flood control payments over the past few years have had on their tax rates. Municipalities involved in these flood control compacts should contact members of the Ways and Means Committee and urge support of **HB 581**.

## **Update on Environmental State Aid Grant Funding**

### **Hearing on SB 168**

On Tuesday, approximately 25 municipal officials and supporters attended a public hearing before the Senate Finance Committee on **SB 168**, an **NHMA policy bill** that seeks to restore funding for the environmental state aid grant program. Municipal officials from Amherst, Jaffrey, Peterborough, Keene, and Conway spoke in favor of **SB 168**. Others offering support, in person or in writing, were the Granite State Rural Water Association, the New Hampshire Lakes Association, the New Hampshire Association of Regional Planning Commissions, the North East Biosolids & Residual Association, the New Hampshire Rivers Management Advisory Committee, and Resource Management, Inc. Again, we thank our members who took the time and energy (and patience) to attend this important hearing.

In the end, and as expected, the committee took no action on **SB 168** because the issue will need to be addressed as part of the state budget process; we expect the bill will ultimately be tabled in the Senate, and the committee will revisit the issue when the Senate gets the House-proposed budget in April.

### **Department of Environmental Services (DES) Budget Presentation**

Yesterday DES Commissioner Tom Burack presented the departmental budget before the House Finance Committee, and the state aid grant program was brought up at that hearing. The commissioner explained that the Governor's budget proposal allocated a \$3 million "down payment" for wastewater projects only, starting in fiscal year 2015. He stated that the committee would need to make a policy decision as to how these state funds (if appropriated) would be distributed to cities and towns. He outlined three options: (1) allocate funds on a first-in basis until monies are exhausted; (2) give all deferred projects a pro-rata share of available monies; and (3) find additional monies so the committee does not have to make a choice from the first two policy options.

### **So Where Do We Go From Here?**

We wait. We will update you periodically as the state aid grant funding proposals move through the legislative process. In fact, we may call upon you from time to time, when a critical vote is to be taken, to voice your support or concern. So stay tuned, and please continue to assist should we call upon you to contact your legislators.

## Policy Bills Advancing

A number of NHMA policy bills have already passed either the House or the Senate and will be moving soon to the other chamber. Here they are:

[HB 543](#), establishing an exclusive process to be followed when a property owner claims that his or her property has been damaged by town road repairs or maintenance, *passed the House* this week.

[SB 11](#), allowing municipalities to establish water resources utility districts, *passed the Senate* last week.

[SB 49](#), amending the procedure for appeals of planning board decisions, *passed the Senate* last week.

[SB 58](#), allowing two municipalities to enter into an agreement for a payment in lieu of taxes when one municipality owns property in the other for the purpose of a water supply or flood control, *passed the Senate* last week.

[SB 64](#), changing the public notice and meeting requirements for the breaching of a dam or lowering of a water body, *passed the Senate* last week.

In addition, [HB 506](#), extending the period between meetings when the selectmen in a town with 10,000 or more residents are considering the adoption or amendment of an ordinance, was *voted Ought to Pass, 16-0, by the House Municipal & County Government Committee* yesterday and presumably will go to the full House on March 6.

One other policy bill has been slowed down a bit. The Municipal & County Government Committee voted yesterday to *retain* [HB 422](#), which would improve the process for adopting or revising a municipal charter. This was not a surprise. The bill is quite complex, and the committee was not going to have time to study it as carefully as needed. As a retained bill, it will go to a subcommittee over the summer (or perhaps even starting in the spring) for review, and the subcommittee will make a recommendation to the full committee, which will take action on the bill in the fall and send it to the full House next January.

## Senate Breaks; House Doesn't

The Senate is taking its traditional winter break next week; there will be no hearings, and the Senate will not meet in session. However, the House, with many more bills at this time of year, and with the state budget on its menu, will continue business as usual.

As you will see, even the House has very few hearings next week. This is because most of its bills have been heard, and committees are now meeting in work sessions or executive sessions to take action on the bills. If you have questions about the status of a bill, you can check the [legislature's website](#), or, as always, contact NHMA's Government Affairs staff.

## HOUSE CALENDAR

### Joint House/Senate Meetings Are Listed Under This Section

#### TUESDAY, FEBRUARY 26

##### **EXECUTIVE DEPARTMENTS AND ADMINISTRATION, Room 306, LOB**

11:00 a.m.      **HB 455**, establishing a committee to study the use of a cash balance retirement plan for new state employees.

##### **SCIENCE, TECHNOLOGY AND ENERGY, Room 304, LOB**

11:00 a.m.      Rescheduled public hearing on **HB 286**, relative to broadband infrastructure.

## SENATE CALENDAR

#### TUESDAY, MARCH 6

##### **ENERGY AND NATURAL RESOURCES, Room 101, LOB**

9:45 a.m.      **SB 163**, establishing a commission to recommend legislation to prepare for projected sea level rise and other coastal hazards.

10:00 a.m.      **SB 164**, authorizing coastal management provisions in master plans.

##### **PUBLIC AND MUNICIPAL AFFAIRS, Room 102, LOB**

10:30 a.m.      **SB 197**, relative to the inclusion of a default budget in separate warrant articles submitted by sewer commissions.

#### TUESDAY, MARCH 12

##### **WAYS AND MEANS, Room 103, SH**

9:00 a.m.      **SB 80**, relative to expanding the community revitalization tax relief program to provide incentives for rehabilitating historic structures.

9:15 a.m.      **SB 179**, clarifying the definition of “renewable generation facility” for purposes of payments in lieu of property tax payments.

## NEW BILLS

### Senate

[SB 195](#) eliminates the ability of an applicant for a wind energy facility of 30 megawatts or less capacity to petition the site evaluation committee to exercise jurisdiction, and eliminates the committee’s authority to exercise jurisdiction on its own motion. Sen. Sanborn of Bedford; **ENR**.

[SB 197](#) authorizes the submission of a town’s sewer budget as a separate warrant article and requires such an article to include the previous year’s appropriation as a “default budget.” Sen. Reagan of Deerfield; **PMA**.



**FLOOR ACTION**  
Wednesday, February 20, 2013

**HOUSE**

**HB 122**, relative to limitation of appropriations in official ballot municipalities. **Inexpedient to Legislate.**

**HB 197**, relative to state representative districts in Hillsborough county. **Inexpedient to Legislate.**

**HB 200**, relative to an employer's burden of proof in unemployment compensation hearings. **Ought to Pass with Amendment.**

**HB 277**, relative to the oath required of public officers. **Inexpedient to Legislate.**

**HB 278**, relative to voluntary installation of fire suppression sprinklers. **Ought to Pass.**

**HB 280**, relative to voting requirements in towns that have adopted official ballot voting. **Inexpedient to Legislate.**

**HB 283**, establishing a study committee to review the hearings officer's report with regard to the New Hampshire Local Government Center and to study potential changes to RSA 5-B. **Ought to Pass.**

**HB 298**, prohibiting the publication of the names of persons granted property tax exemptions, credits, or deferrals. **Inexpedient to Legislate.**

**HB 309**, relative to filing for office. **Ought to Pass with Amendment.**

**HB 318-FN**, relative to collection of the education property tax and establishing a program to rebate certain excess property tax payments of eligible taxpayers. **Inexpedient to Legislate.**

**HB 330-FN-L**, allowing counties to adopt a county income tax to be administered by the department of revenue administration. **Inexpedient to Legislate.**

**HB 347**, authorizing cottage housing development as an innovative land use control. **Ought to Pass.**

**HB 425**, relative to bridge aid and highway block grants for class V roads in certain village districts. **Inexpedient to Legislate.**

**HB 436**, relative to governance of town libraries. **Inexpedient to Legislate.**

**Floor Action** - continued

**HB 438**, relative to the appraisal of residences in an industrial or commercial zone. **Inexpedient to Legislate.**

**HB 446**, relative to the amount of the optional property tax credit for service-connected total disability. **Inexpedient to Legislate.**

**HB 507-FN**, relative to the maximum permit application fee for certain municipal dredging projects. **Ought to Pass with Amendment; referred to Ways and Means.**

**HB 543**, relative to ascertaining damages to abutting landowners. **Ought to Pass with Amendment. NHMA Policy.**

**HB 550**, relative to the disposition of state-owned real estate. **Ought to Pass with Amendment.**

**HB 577-FN**, relative to responsibility for hazardous materials accidents. **Inexpedient to Legislate.**