

LEGISLATIVE BULLETIN

The Next Step

All committees of conference—there were 35 of them—completed their work yesterday. The House and Senate will each meet next Thursday, June 27, to consider and vote on the committee of conference report for each bill. Each vote is a take-it-or-leave-it proposition; there is no opportunity to amend any bill further. If both chambers approve a committee of conference report, the bill passes; if either chamber rejects it, the bill dies. It is unusual, but certainly not unheard of, for a committee of conference report to be rejected. Last year, 57 of 60 committee of conference reports were approved by both houses.

Most attention now is focused on the budget bill and the budget trailer bill, including the non-budget items contained in the trailer bill. There is little doubt that both chambers will pass both bills, probably largely along party lines; the suspense is about whether the governor will sign them.

If the governor signs the budget, we're done. If he vetoes it, the likely response from the legislature is the adoption of a continuing resolution to fund state departments at current levels beyond June 30, when the fiscal year ends. A special session would then be scheduled, likely in late summer, to try to adopt a budget that the governor will sign. While a theoretical alternative is to override the governor's veto, it is hard to imagine either chamber mustering the votes to do that.

All of this is speculation, as there is no clear indication yet about what the governor will do with the budget. He has indicated that the repeal of scheduled reductions in business taxes is unacceptable, but as of this writing, a veto has not been explicitly guaranteed. We should know the answer by next week.

State Budget Update

The committee of conference on **HB 1**, the biennial state operating budget, and **HB 2**, the companion "trailer" bill containing statutory changes necessary to implement the budget, began meeting on Monday of this

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INSIDE THIS ISSUE

To-Do List	2
Housing Appeals, RTK Ombudsman	3
Leases of Government Property	3
Age for Tobacco Sales	4
Retained, Re-referred Bills	4
Study Committees, Commissions	6
NHMA Events	7

GOVERNMENT AFFAIRS CONTACT INFORMATION

Margaret M.L. Byrnes, Executive Director

Cordell A. Johnston, Government Affairs Counsel

Barbara T. Reid, Government Finance Advisor

Natch Greyes, Municipal Services Counsel

Timothy W. Fortier, Communications & Member Services Coordinator



25 Triangle Park Drive
Concord NH 03301
Tel: 603.224.7447/ Email: governmentaffairs@nhmunicipal.org
Website: www.nhmunicipal.org

week and reached a compromise on both bills close to its deadline of 4:00 p.m. yesterday. All of the municipal funding in the Senate-adopted version of the budget as reported in [Bulletin #24](#) remained intact in the committee's final budget recommendation, including:

- **\$40 million** over the biennium (**\$20 million** each year) for unrestricted municipal aid (click [here](#) for a list by municipality—the column on the right shows the two-year total);
- **\$68.8 million** each year in meals and rooms tax distribution, which is the same amount distributed the past four years;
- Funding for **70 wastewater projects** substantially completed by December 1, 2019, bringing the state aid grant (SAG) program up to date in state funding (click [here](#) for a list by project);
- Approximately **\$36 million** each year for highway block grants and **\$6.8 million** each year for municipal bridge aid;
- **\$6 million** to the Department of Environmental Services for studying, investigating, and testing contamination caused by perfluorinated chemicals (PFAS) and for preliminary design of a treatment system for such contamination;
- **\$400,000** over the biennium to match federal grants for public transit systems;
- **\$1.8 million** for demolition of state-owned buildings in Concord, Lebanon, and Conway; and
- Funding for the Granite Shield Program, which provides **\$2.4 million** over the biennium to municipal and county law enforcement.

There was a compromise on education funding, with the committee recommending an additional **\$34.8 million** and **\$103.3 million** in fiscal years 2020 and 2021, respectively, over the current education funding formula. A copy of the estimated [education funding by municipality is available here](#).

The next steps, as discussed above, are for the House and Senate to vote on **HB 1** and **HB 2** as recommended by the committee of conference next Thursday, June 27, and then see what action the governor takes. As in the past, when the state operating budget has been vetoed and a continuing resolution has been adopted instead, there are some serious concerns for municipalities:

- There is no guarantee that the funding to municipalities listed above will remain intact in subsequent budget negotiations, and

This week's to-do list

- ✓ Read the committee of conference report on **HB 2**—it's only 191 pages.
- ✓ Check our list of retained and re-referred bills and study committees and commissions, and make a note to follow them in the fall.
- ✓ Register for NHMA's legislative wrap-up webinar next Wednesday, June 26.
- ✓ Enjoy the summer solstice—today! It's all downhill from here.

(State Budget Update— Continued from Page 2)

- The tax-rate setting process scheduled to begin in early October may be delayed as a result of the state's operating under a continuing resolution. The Department of Revenue Administration cannot "assume" the amounts of state aid to municipalities, school districts, and counties for fiscal year 2020; it can only include amounts appropriated in an approved state budget or included in the continuing resolution. Delays in setting property tax rates have significant adverse effects on municipal finances, including increased short-term borrowing costs and impacts on debt payments and on required property tax payments to schools and counties.

We will keep you informed as we learn more.

Housing Appeals Board In, RTK Ombudsman Out

Despite a late torrent of opposition from municipal officials and House members, the budget committee of conference agreed to preserve the sections the Senate had added to **HB 2** that create a housing appeals board. Those provisions are essentially identical to [SB 306](#), which the Senate passed in March but then tabled, depriving the House of the opportunity to consider it. The board created under **HB 2** would consist of three members appointed by the supreme court and would hear appeals relative to housing development from local land use boards.

House conferees initially objected to inclusion of the **SB 306** language in **HB 2**, but ultimately yielded to the Senate. The one compromise made by Senate conferees was to delay the effective date for the housing appeals board provisions to July 1 of next year. We understand the idea is to give legislators an opportunity next year to amend or remove the provisions of the new law that are most controversial. That is unlikely to satisfy opponents, whose objections were to the entire concept, not to specific details of the law.

On a parallel track, the Senate had passed [SB 313](#), establishing a right-to-know ombudsman and a citizens' right-to-know commission, then immediately tabled the bill and subsequently included its language in **HB 2**. The House conferees also objected to this move, and the Senate conferees agreed to drop it, so this proposal is dead for the year.

The possibility that the governor may veto **HB 2** means there is, technically, a chance that either of these actions may be reconsidered if the legislature needs to reconvene to draft a new version of **HB 2**. However, given that the basis for a veto would have nothing to do with these issues, there is no reason to believe anything will change.

DOT Exemption for Leases of Government-Owned Land

One last minute-surprise in the budget trailer bill was a new provision, not contained in either the House or Senate version of the bill, that exempts the Department of Transportation from the lease notice provisions of RSA 72:23, I(b)(1)(B). That statute states that whenever a government-owned property is leased to another party, the lessor must provide written notice and a copy of the lease to the assessing officials of the municipality where the property is located. This is to be done annually by April 15.

(DOT Exemption— Continued from Page 3)

A DOT representative explained to the committee of conference that the department owns leased property all over the state and does not have a central repository for its leases, so compliance would be burdensome. The exemption for the department will expire on January 1, 2021.

Age for Tobacco Purchases

Another non-budget item that made it into **HB 2** is an increase in the minimum age for purchasing tobacco products. Under the bill, the minimum age will be raised from 18 to 21, effective January 1, 2020. We know that a few municipalities have enacted ordinances to raise the age to 21, and some others have considered doing so. If these provisions of the bill go into effect, local action will not be necessary.

Bills That Are Not Going Away

As we mentioned previously, the House and Senate this year retained or re-referred 231 bills. A few House committees will be meeting to review retained bills next week, but most of the bills will not be taken up until the late summer or early fall. As we do not publish the Legislative Bulletin in the summer or fall, we strongly encourage local officials to check the House and Senate calendars—probably starting around mid-August—for meeting times if you are interested in any retained or re-referred bills.

Below, listed by committee, are *some* of the bills that may be of interest. We will follow all of these bills (and others) and will, as time permits, notify local officials who we know are interested when the bills are scheduled for committee work:

House Municipal and County Government Committee. (Note: The committee has scheduled a work session on these bills these bills for next **Tuesday, June 25, at 2:00 p.m., in LOB Room 301.** However, we understand this is only an organizational meeting; no substantive work will be done.)

- **HB 102**, relative to municipal ordinances regarding the use of plastics.
- **HB 143**, relative to incompatibility of offices.
- **HB 311**, regulating sober living facilities.
- **HB 559**, enabling municipalities to ban single-use sources of plastic pollution.
- **HB 655**, regulating disorderly houses.

House Election Law Committee.

- **HB 408-LOCAL**, relative to postponement of town meetings and local elections. (This bill will likely be recommended as Inexpedient to Legislate, as it covers the same subject matter that was in **SB 104**, which both houses passed. Still, we will pay attention.)
- **HB 431**, relative to election officers at additional polling places.
- **HB 554**, relative to the duty of the moderator to verify the device count.

(Retained Bills— Continued from Page 4)

- **HB 666**, relative to recounts in elections.
- **SB 283-FN**, relative to post-election audits of electronic ballot counting devices.

House Environment and Agriculture Committee.

- **HB 501-FN**, establishing a cost of care fund to assist municipalities caring for animals during animal cruelty cases.
- **SB 79**, relative to required reporting on waste reduction.

House Judiciary Committee.

- **HB 661**, relative to a cause of action for toxin exposure.

House Public Works and Highways Committee.

- **HB 478-FN-A**, establishing a road usage fee and making an appropriation therefor.
- **HB 538-FN-A-LOCAL**, increasing the road toll and providing funding for state road and bridge projects.

House Resources, Recreation and Development Committee.

- **HB 683-FN**, relative to the rights of property owners abutting certain highways and rail-trails.

Senate Commerce Committee.

- **HB 253**, relative to criminal records checks in the employee application process.

Senate Election Law and Municipal Affairs Committee.

- **HB 130**, relative to property tax relief for totally and permanently disabled veterans.
- **HB 303**, relative to certification of building code compliance inspectors.
- **HB 556**, allowing municipalities to process absentee ballots prior to election day.
- **SB 23**, relative to a town establishing a minimum age to purchase a product.
- **SB 46**, relative to qualifications of the inspectors of election.
- **SB 69**, relative to short-term rentals. **NHMA Policy.**
- **SB 152**, relative to third-party inspections conducted pursuant to a planning board approval.
- **SB 157**, making undeclared voters eligible to be inspectors.
- **SB 158**, relative to town and city membership in a nonprofit, nonpartisan organization and prohibiting recipients of municipal or county funds from using such funds for lobbying.
- **SB 229**, relative to audit recounts.

Senate Energy and Natural Resources Committee.

- **HB 707**, relative to settlement money from actions pertaining to the contamination of groundwater or drinking water.

Senate Executive Departments and Administration Committee.

- **SB 113**, relative to municipal authority regarding the state building code.

Senate Judiciary Committee.

- **HB 153**, relative to circumstances under which police officer disciplinary records shall be public documents.
- **HB 481**, relative to the legalization and regulation of cannabis and making appropriations therefor.

Study Committees and Commissions

Retained and re-referred bills will not be the only legislative activity between now and next January. The legislature also created about 50 study committees and commissions that will begin work in the late summer or early fall.

In legislative language, the difference between a study *committee* and a study *commission* is not merely one of personal preference in word choice. A study committee consists solely of legislators—typically one or two senators and three to five representatives—although it can solicit information and testimony from non-legislators. A study commission includes a few legislators and some number of non-legislators representing parties that have an interest in the subject matter. A study committee is almost always required to file its final report by November 1 of the same year. A study commission may have a longer term.

Below is a list of the bills creating study committees and commissions that are most likely to be of interest to municipal officials. All of these bills have passed both houses, and although not all have been signed into law yet, a veto of a study committee or commission is a rare thing, so all of these are likely to be created.

- **HB 128**, establishing a committee to study veterans' property tax credits and exemptions.
- **HB 312**, establishing a committee to study tiny houses.
- **HB 429**, establishing a committee to study ways to improve civic engagement in New Hampshire.
- **HB 495**, establishing a commission on drinking water.
- **HB 539**, establishing a committee to study the implementation of Accessible Ballots.
- **HB 617**, establishing a committee to study recycling streams and solid waste management in New Hampshire.
- **HB 737**, establishing a commission to investigate and analyze the environmental and public health impacts relating to releases of perfluorinated chemicals in the air, soil, and groundwater in Merrimack, Bedford and Litchfield.
- **SB 74**, establishing a committee to study the economic impact of land conservation and to review the land and community heritage investment program (LCHIP) surcharge

(Study Committees— Continued from Page 6)

- **SB 97**, establishing a committee to study providing certain health care services while ensuring increased access to affordable health care in rural areas of the state
- **SB 154**, establishing a committee to study tax incentives for promoting development of dense workforce housing in community centers
- **SB 43**, establishing a commission to study barriers to increased land development in New Hampshire
- **SB 59**, establishing the commission to study the incidence of post-traumatic stress disorder in first responders

2019 NHMA UPCOMING EVENTS FOR MEMBERS	
June 26	Webinar: 2019 Legislative Wrap-up
July 10	Webinar: Right-to-Know Law and Governmental Records
July 23	Regional RTK and Governmental Meetings (6:30 p.m. - Keene)
Aug. 6	Regional RTK and Governmental Records (1:30 p.m. - Moultonborough)
Aug. 14	Webinar: ZBA Basics in New Hampshire
Sep. 18	2019 Budget and Finance Workshop (Derryfield Banquet Fac., Manchester)
Sep. 26	2019 Budget and Finance Workshop (Mt. Club on Loon, Lincoln)
Oct. 5	2019 Fall Land Use Law Conference (<i>Formerly Municipal Law Lectures</i>)
Oct. 9	Regional RTK and Governmental Records (1:30 p.m. – Lebanon)
<p>To register for an upcoming event, go to our website: www.nhmunicipal.org and scroll down on the left under CALENDAR OF EVENTS. Click on the green bar <i>View the Full Calendar</i> and go to the workshop or webinar you are interested in. For more information, please call NHMA’s Workshop registration line: (603) 230-3350.</p>	