THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

LEGISLATIVE BULLETIN

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Senate Budget Proposal – What's In, What's Out, What's the Same?

On Tuesday the Senate Finance Committee completed work on **HB 1** and **HB 2**, the biennial state operating budget and the trailer bill that enacts the statutory changes necessary to implement the budget. The committee's budget proposal will go to the full Senate next Thursday, June 6, for debate, consideration of amendments, and ultimate adoption of a "Senate version" of the budget. Since there will be significant differences between the Senate version and the House version of the budget, reflecting the different revenue and spending priories of both bodies, there will very likely be a committee of conference charged with reconciling and/or compromising on those differences. This committee of conference will have until June 20 to agree on a final version of the budget, which will then go back to both chambers for approval before being forwarded to the Governor for her consideration.

From a municipal perspective, here is what's in, what's out, and what's the same in the Senate Finance Committee's proposed budget as compared to the House version adopted in early April:

- Meals & Rooms Tax Distribution: Both the Senate Finance Committee and the House versions include meals and rooms tax funding at \$58.8 million in fiscal year 2014 and increase the appropriation to \$63.8 million in fiscal year 2015 as a result of the restoration of the statutory catch-up formula (which has been suspended since 2009). (NHMA Policy.)
- State Aid Environmental Grants for Water, Wastewater, and Landfill Closure: By a unanimous vote of 6-0, the Senate Finance Committee added funding for 2014, increasing by \$4,522,022 the House appropriation for the 127 completed and eligible drinking water, wastewater, and landfill closure projects on the Department of Environmental Services "delayed and deferred" list. If this change is ultimately enacted, the 60 municipalities involved in these

Budget Proposal - continued

projects will see full funding for the state share of the debt on these projects beginning in fiscal year 2014, rather than in fiscal year 2015 as the House version provides. The committee proposal retains the provision adopted by the House in **HB 2** which places a moratorium on funding any new infrastructure projects that did not have local financing authorization by December 31, 2008, but eliminates the legislative committee to study the future financial viability of these state aid grants. However, there are two bills (**HB 338** and **HB 397**) currently retained in the House Resources, Recreation and Development Committee that can easily serve as policy vehicles for further legislative study, review, and consideration of the state's future partnership role in these infrastructure programs. (NHMA Policy.)

- Land and Community Heritage Investment Program (LCHIP): The Senate Finance Committee increased the House appropriation for LCHIP funding by \$3 million over the biennium, placing all of the revenue raised by the real estate transfer tax recording surcharge into the LCHIP trust fund, rather than having a portion of that revenue go to the general fund. (NHMA Policy.)
- **Flood Control:** The Senate Finance Committee proposed fully funding payments in lieu of taxes for municipalities with land in flood control compacts, and allowing repeal of the section of current law that limits these payments to only the New Hampshire share (generally 30%) in the event that other states do not pay their share. **(NHMA Policy.)**
- **Highway Block Grant**: The Senate Finance Committee proposal does not include the road toll increase of four cents in each of the next three years which the House adopted in both **HB 617** and **HB 2**, resulting in approximately \$10.5 million less in Highway Block Grant funding over the biennium compared to the House budget.
- Vital Record Fees: The Senate Finance Committee proposed increasing the portion of the copying fees for vital records that are retained by municipalities and eliminating the amounts remitted to the state treasurer for deposit into the general fund. (This implements the policy contained in SB 128, which both the Senate and the House passed, but which the House amended to delay the effective date until July 1, 2015. The Senate responded by "nonconcurring" with the House, thus killing the bill, on the understanding that the same language would be included in HB 2, so the change could take effect immediately.)

The Legislative Budget Assistant Office has state operating and capital budget documents posted on its website, including a <u>Schedule of State Aid to Cities, Towns and School Districts</u> showing actual state aid for fiscal years 2010 – 2012, budgeted aid for fiscal year 2013, and recommended funding for fiscal years 2014 and 2015 under the Governor's budget, the House adopted budget and the Senate Finance Committee's recommended budget.

Stay tuned. The next act in this budget performance is about to begin.

Background Check Bill Raises Concerns

HB 295, which passed the House and is in the Senate, requires criminal background checks for employees and volunteers at youth skill camps, defined as "a nonprofit or for-profit program that lasts 8 hours total or more in a year for the purpose of teaching a skill to minors[,] includ[ing], but... not limited to, the teaching of sports, the arts, and scientific inquiry." NHMA has followed the bill because of concerns about how it would affect municipalities that sponsor soccer and basketball camps and similar programs.

As passed by the House, the bill contained an exemption for municipalities. However, the Senate removed that exemption. Under the Senate version, "No person or entity shall for profit or for charitable purposes operate any youth skill camp... without maintaining an appropriate policy regarding background checks for employees and volunteers who may be left alone with any child or children." Anyone operating a youth skill camp must certify to the Department of Environmental Services (which, by historical anomaly, is responsible for enforcement of the applicable statute) that no individual has a criminal conviction for any offense involving direct physical injury to any person, or harm of any nature to any child. The certification must be accompanied by a \$25 fee.

The Senate passed the amended bill last week, and it was referred to the Senate Finance Committee for further review. The Finance Committee has recommended passage of the bill a second time, and it is on the calendar for next Thursday's Senate session.

We have not tried to stop the Senate amendment, in part because it came to our attention rather late in the game, and in part because it is somewhat difficult to argue against requiring background checks for adults who may be left alone with children. We do believe that most municipalities already require background checks for any employees or volunteers who may be dealing with children, so the certification may not be an issue. Although the bill is not entirely clear, we believe, based on discussions with DES, that it would require only one \$25 fee per municipality, not a separate fee for every program the municipality operates.

Still, we have some reservations. Although \$25 is not a lot of money, it is still a new mandate. Even apart from the fee, it is quite possible that there are municipalities for which these new requirements may create a burden. If municipalities have concerns about this bill, we would like to hear about them. There may be an opportunity to make revisions to the bill in a committee of conference. In addition, assuming the bill passes in some form, DES will be adopting rules to implement the new requirements, and we will work to make sure that they do not impose an undue burden on municipalities.

Please contact the Government Affairs staff (and your legislators) if you have concerns about the bill.

House Passes Water/Sewer District Bill

After three weeks of confusion and misinformation, and after almost an hour of debate and parliamentary maneuvers, including a failed motion to table and a failed motion to recommit, the House on Wednesday easily passed **SB 11,** an **NHMA policy bill** that authorizes the creation of water/sewer utility districts. Rejecting continued claims that the bill represents a plot to tax private wells and rain water, the House passed the bill overwhelmingly, by a vote of 254-74. The bill was amended by the House, so it must now go back to the Senate for concurrence, which we are confident will not be a problem.

Subcommittee to Meet on Municipal Charter Bill

On Tuesday, June 11, at 10:00 a.m., in LOB Room 301, a subcommittee of the House Municipal & County Government Committee will meet to begin reviewing HB 422, an NHMA policy bill that has been retained by that committee. The bill would simplify and clarify New Hampshire's unwieldy charter adoption statute, RSA 49-B, making it significantly easier for a town to consider adopting a charter, as an alternative to adopting the official ballot referendum (SB 2) form of town meeting.

The House passed a virtually identical bill (HB 379) in 2008 after a unanimous endorsement by the Municipal & County Government Committee. However, that bill met an unfortunate death in the Senate. We are optimistic of a better result this time.

Retained Bills

A number of other bills of municipal interest have been retained in the House, and subcommittees will begin working on them very soon (or in some cases have already begun). Below is a list of the retained bills, by committee. If you are interested in following any of these bills, please check the <u>House calendar</u> each week, or contact the Government Affairs staff:

Commerce and Consumer Affairs

HB 682-FN, relative to credit card fees.

Criminal Justice and Public Safety

HB 498, permitting the use of firearms by military or veterans groups in the compact part of a town for military or veterans events, or national holidays.

Election Law

HB 150, relative to inspectors of election at town and school district meetings.

HB 151, relative to duties of inspectors of election.

HB 351, relative to appointment of inspectors of election.

HB 466-FN, relative to determining qualifications of voters.

HB 600-FN, relative to voter registration.

Retained Bills - continued

Executive Departments and Administration

HB 312, restricting the collection of biometric data by state agencies, municipalities, and political subdivisions.

HB 473-FN, relative to retirement system status for members of the university system police force.

HB 627-FN, requiring unused vacation and sick leave to be converted to service time for purposes of calculating retirement system benefits.

Finance

HB 341-FN, relative to the cost of fiscal analysis of legislation relating to the retirement system.

Judiciary

HB 685, relative to state agency communications under the right-to-know law.

Labor, Industrial and Rehabilitative Services

HB 249-FN, requiring employers to verify an employee's eligibility to work in the United States.

HB 350, prohibiting discrimination against the unemployed.

Municipal and County Government

HB 114, relative to abutter access over subdivided land.

HB 297, relative to the management of trust funds and capital reserve funds.

HB 422, relative to the adoption, revision, and amendment of municipal charters. **NHMA Policy.**

HB 532, relative to energy efficiency and clean energy districts.

HB 672-FN, relative to the property tax exemption for water and air pollution control facilities. **NHMA Policy**.

Public Works And Highways

HB 437-FN-A, relative to the road toll.

HB 674-FN-LOCAL, relative to state highway aid.

HB 684, relative to bridge replacement and bridge aid funds.

Resources, Recreation and Development

HB 338-FN-LOCAL, relative to the state contribution for water pollution control. *HB 397*, relative to state aid for wastewater and public water supply projects. **NHMA Policy.**

Science, Technology and Energy

HB 286, relative to broadband infrastructure.

HB 449, relative to the application process for a certificate for an energy facility.

HB 484-FN-LOCAL, requiring public approval prior to issuance of certain site evaluation certificates.

HB 568, requiring new elective transmission lines in New Hampshire to be buried.

HB 569, relative to the placement of all new electric transmission lines in New Hampshire.

HOUSE/SENATE CALENDARS

There are no hearings on bills of municipal interest.



- **SB 11-L,** relative to water and sewer utility districts and water or sewer utility districts. **Passed with Amendment. NHMA Policy.**
- **SB 31,** relative to a ban on the incidental combustion of untreated wood at municipal transfer stations. **Passed. NHMA Policy.**
- **SB** 67, establishing a committee to examine the issue of statutory authority for all terrain vehicles, off highway recreational vehicles, and low speed utility vehicles to access public highways for food, fuel, and lodging. **Passed.**
- **SB 102,** relative to the selection of members of the conservation commission. **Inexpedient to Legislate.**
- **SB** 179, clarifying the definition of "renewable generation facility" for purposes of payments in lieu of property tax payments. **Passed with Amendment.**

SENATE FLOOR ACTION

Thursday, May 30, 2013

No action was taken on bills of municipal interest.

NHMA Webinar: Liability, Volunteers and Special Events

Date: Wednesday, June 12, 2013 12:00 PM-1:00 PM

Contact: Christian Pearsall Email: cpearsall@nhlgc.org Phone: 603.224.7447 ext. 3320

We will shortly begin the summer season of events such as concerts in the park, summerfests, and Old Home Days. While these events create a sense of community, we must also be mindful that they also present situations where the safety of participants and volunteers are at risk.

Join NHMA Staff Attorneys Paul Sanderson and Christine Fillmore to discuss these safety issues, and techniques to reduce the risk of liability for volunteers and the municipality, liability related to the ADA and recreation programs, and liability related to public use of recreation land.

Register Today!



Fundamentals of Local Welfare



An informative session for municipal officials new to local welfare administration.

Thursday, June 13, 2013

10 a.m. - 2:30 p.m.

Workshop presented by NHMA & NHLWAA

at the Local Government Center Concord, NH

Cost: \$40

Members of the New Hampshire Municipal Association and members of the New Hampshire Local Welfare Administrators Association are welcome to attend.

Attendees will receive a copy of NHMA's 2013 edition

The Art of Welfare

Administration.

Agenda:

9:30 a.m. Registration & Coffee

10 a.m. The Art of Welfare

This session provides a basic overview of New Hampshire law governing local welfare administration, including why guide lines are important, how assistance is provided, and anticipated legislative changes. This session also will address fair hearings, suspension of assistance, and more.

Judy A. Silva, Interim Executive Director, NH Municipal Association

Noon Hot Lunch Buffet

1 p.m. The Art of Local Welfare Panel Discussion

Members of the New Hampshire Local Welfare Administrators Association Executive Committee will respond to questions, share practical tips, and provide guidance in the "art" of managing a sound welfare program.

Robert Mack, Welfare Officer, City of Nashua Todd Marsh, Welfare Director, City of Rochester Charleen Michaud, Welfare Specialist, City of Manchester Elizabeth Sayre, Human Services Manager, City of Keene Jackie Whatmough, Human Services Director, City of Concord

2:30 p.m. Adjourn

Register online today at www.nhmunicipal.org and click Training & Events under Related Links.

Online pre-registration required by June 6. Space is limited.

Questions? Call 800.852.3358, ext. 3350 or email NHMAregistrations@nhmunicipal.org.