

LEGISLATIVE BULLETIN

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Talk to Your Senator About the Gas Tax; Hearing Scheduled May 7

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A hearing on **HB 617**, the bill to increase the road toll (a/k/a the gas tax) by 12 cents over three years, has been scheduled before the Senate Ways & Means Committee on **Tuesday, May 7, at 10:00 a.m., in State House Room 103**. The time has come to speak to your senators about the importance of passing this bill. See [last week's Legislative Bulletin](#) and the [accompanying maps and reports](#) for a full explanation of the merits of **HB 617**.

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In recent weeks we have talked to a number of senators, and here is what we have learned: (1) almost all of them agree that state and local roads and bridges are in critical need of repair; but (2) considerably fewer are ready to support an increased road toll to achieve that result. We believe that can change, but *senators need to hear from their local officials*.

One of the most common objections we have heard is that the voters don't support an increase in the road toll — even though they do support fixing the roads. If voters want better roads, there are two practical options: increase the road toll or increase property taxes. (Note: we said there are two *practical* options. There are plenty of other options: give municipalities a greater share of meals and rooms tax revenue, or restore revenue sharing, or increase some other state-level tax and devote the increase to road improvements — but none of those options are on the table.) Without an increase in the road toll, municipalities will have two options: raise property taxes, or let their roads continue to deteriorate.

The frequent objection that drivers cannot afford, and will not tolerate, an increase in the road toll is completely at odds with the evidence. Starting in October 2012, the price of gasoline in New Hampshire fell by 40 cents per gallon, then rose 30 cents, then fell 30 cents. A similar pattern can be traced back over the last several years. These rather dramatic swings in the price of gasoline have had no obvious consequences for the overall economy or the state's standard of living. In that context, any suggestion that an increase of *four cents in one year* will have

Gas Tax Increase - continued

devastating effects, or will lead to a voter revolt, is not persuasive. Although voters may notice the increase, they also will notice that, unlike the large price jumps in recent years that have brought no benefit to anyone in the state, the small road toll increase will bring improvements in their roads, as well as a likely decrease in their costs for auto repairs.

Another frequent response is that a better way to fund road maintenance and repairs is with the revenue from casino gambling. The fiscal note on the gambling bill, **SB 152**, projects that \$14 million in gambling revenue would go to highway block grants in fiscal year 2015, increasing to \$23 million by fiscal year 2017. While we certainly would love to see that revenue, the unfortunate reality is that it will not arrive for several years, if ever. Gambling revenue is subject to a long list of contingencies: (1) as the following article notes, the subcommittees studying the bill heard this week from casino developers that it could be as long as *six years* before a casino is fully operational; (2) no one knows whether the revenue projections in the gambling bill are realistic; (3) also as noted below, the gambling bill may be amended to remove the block grant distribution and send the money to the state's general fund; (4) even if that amendment is not adopted, the money for block grants is not directed to a dedicated fund, as the money in **HB 617** is, so it could more easily be raided for future general fund needs — hardly an unprecedented move; and (5) it is far from certain that the gambling bill will even pass the House.

NHMA has no position on the gambling bill, but at this point we have little confidence that it will provide any money for roads anytime soon. ***Please contact your senators*** and tell them that, regardless of what happens with the gambling bill, the only realistic solution for improving state and local roads is to ***pass HB 617***.

Gambling Bill Dissected

As we reported in *Legislative Bulletin #17*, the House created a 45-member joint committee comprising members of the Finance and Ways & Means Committees to deal with the intricacies of **SB 152**, which authorizes expanded gambling. Three subcommittees were established to address different aspects of the bill: regulations, revenues, and community impact. All three subcommittees met extensively this week and are scheduled to do so again next week, seeking input from a variety of consultants, experts, and others knowledgeable on the subject of expanded gambling and areas of concern to subcommittee members. Some of the major issues these committees are discussing are the regulatory process, the timetable from legislative enactment to a fully operational casino, estimates of revenues to be generated, the social impact/costs, and the effect of Massachusetts opening one or more casinos in the near future.

NHMA does not have a policy position on **SB 152**. However, we are closely monitoring these discussions, since the bill includes increased funding for municipal highway block grants and highway and bridge betterment programs among the many uses of the gambling revenues expected to be generated.

Gambling Bill - continued

One thing that seems clear from the discussions thus far is that development of a gambling facility will take longer than anticipated. Assuming gambling legislation passes and takes effect July 1, 2013, it is highly unlikely that revenues from casino operations would be generated in the upcoming biennium, or possibly even the following biennium. One industry consultant stated that the casino may not be fully operational until fiscal year 2019. The regulations subcommittee heard (from NHMA staff) that the local land use approval process could easily take two years, possibly much longer if there are court appeals — and the local approval process presumably would not begin until the state grants a license, a process that itself will take a year or longer. These timetables do not appear to be what many expected in terms of additional revenue being generated from gambling operations.

Even while subcommittee members are still trying to understand the bill as passed by the Senate, amendments are already being submitted. One amendment proposes to remove the distribution of casino revenue to the Department of Transportation and municipalities for highway purposes, with the amendment sponsor stating that this “new revenue stream” should all go to the state’s general fund, and that highway needs should be addressed from the highway trust fund by the increase in road toll funding as proposed in **HB 617**. (See article above).

There will be much more discussion and debate on **SB 152** in the coming weeks. It is expected that the three subcommittees will present their findings to the full joint committee in mid-May, after which the joint committee will make a recommendation on **SB 152** to the full House. We are not betting on any outcome at this time!

Senate Schedules Budget Hearings

The Senate Finance Committee has been hearing agency presentations on the 2014-15 state budget as passed by the House, and those presentations will continue next week. The committee will then have public hearings on **HB 1** (the budget) and **HB 2** (the trailer bill that makes the statutory changes necessary to implement the budget) on **Thursday, May 9, from 3:00 p.m. to 5:00 p.m. and 6:00 p.m. to 8:00 p.m., in Representatives’ Hall**. Those hearings will be followed by numerous work sessions in the following weeks. Check the next several *Legislative Bulletins* for updates about the budget discussions.

HOUSE CALENDAR

TUESDAY, APRIL 30

MUNICIPAL AND COUNTY GOVERNMENT, Room 301, LOB

10:00 a.m. **SB 146-FN-L**, relative to aid to the permanently and totally disabled and old age assistance.

SENATE CALENDAR

TUESDAY, APRIL 30

HEALTH, EDUCATION AND HUMAN SERVICES, Room 103, LOB

9:00 a.m. **HB 295-FN**, requiring criminal background checks for volunteers and employees at youth skill camps.

WAYS AND MEANS, Room 103, SH

REVENUE PRESENTATION

10:00 a.m. **HB 507-FN**, relative to the maximum permit application fee for certain municipal dredging projects.

WEDNESDAY, MAY 1

PUBLIC AND MUNICIPAL AFFAIRS, Room 102, LOB

9:15 a.m. **HB 269-L**, authorizing a city or town to conduct a special meeting necessitated by changes in adequate education funding.

9:30 a.m. **HB 278**, relative to voluntary installation of fire suppression sprinklers.

9:45 a.m. **HB 352**, relative to sending checklists to the state archives.

10:00 a.m. **HB 518**, relative to establishing an individual's status as a veteran and specifying that training for active duty is service for purposes of the veterans' tax credit.

TUESDAY, MAY 7

WAYS AND MEANS, Room 103, SH

10:00 a.m. **HB 617-FN-A-L**, increasing the rate of the road toll, establishing the New Hampshire state and municipal road and bridge account, and establishing the commission to study revenue alternatives to the road toll.

THURSDAY, MAY 9

FINANCE, Representatives' Hall, SH

3:00 p.m. – 5:00 p.m.

HB 1-A, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2014 and June 30, 2015.

HB 2-FN-A-L, relative to state fees, funds, revenues, and expenditures.

6:00 p.m. – 8:00 p.m.

HB 1-A, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2014 and June 30, 2015.

HB 2-FN-A-L, relative to state fees, funds, revenues, and expenditures.



HOUSE FLOOR ACTION

Wednesday, April 24, 2013

SB 2, relative to the calculation of the local tax cap. **Passed.**

SB 12, relative to protection and preservation of significant archeological deposits. **Passed.**

SB 43, relative to the property taxation of qualifying historic buildings. **Passed with Amendment.**

SB 62, authorizing the placement of a certain sign in the town of Danbury. **Passed.**

SB 80, relative to expanding the community revitalization tax relief program to provide incentives for rehabilitating historic structures. **Passed.**

SB 108, relative to the liability of landowners who permit use of their land for recreational activities. **Passed with Amendment.**

SB 132-FN, establishing a committee to study police special details. **Inexpedient to Legislate.**

SB 146-FN-L, relative to aid to the permanently and totally disabled and old age assistance. **Passed. Referred to M&CG.**



2013 LOCAL OFFICIALS WORKSHOPS

Presented by New Hampshire Municipal Association's Legal Services attorneys, the 2013 Local Officials Workshops provide elected and appointed municipal officials with tools and information to effectively serve their communities.

APRIL 3 – MAY 11
9:15 a.m. – 3:15 p.m.

A workshop for NHMA Members.
No registration fee • Pre-registration required

Attendees will receive a copy of NHMA's 2013 edition *Knowing the Territory*.
Continental breakfast and lunch will be provided.

Basic Workshops

An overview of the Right to Know Law, town governance, public employment, liability and more will be provided. Interactive discussions will offer an opportunity to test scenarios, discuss concerns, ask questions and share ideas.

Wednesday, April 3
Keene Recreation Center

Wednesday, April 10
Moultonborough Public Safety Building

Cancelled — Tuesday, April 23
Gorham Town Hall

Friday, May 3
McConnell Center, Dover

In-Depth Workshops

These workshops offer more in-depth coverage of the specific topics listed under each date.

Part I, Saturday, May 4
Local Government Center, Concord
Topics will include the Right to Know Law, town governance, and budget law.

Part II, Saturday, May 11
Local Government Center, Concord
Topics will include liability, public employment, conflicts of interest, and streets and highways.

For more information or to
register online, please visit
www.nhmunICIPalassociation.org
and click on Training & Events.

Online pre-registration required one week prior
to event date. Space is limited!

Questions? Call 800.852.3358, ext. 3350
or email registrations@nhlgc.org.