

# LEGISLATIVE BULLETIN

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## Full House and Senate Sessions Next Week

Both the House and the Senate will meet in session next week—the House on Wednesday and the Senate on Thursday—when they will take action on all remaining bills. Each chamber will also make decisions on whether to concur with amendments adopted by the other chamber, and whether to accept requests for committees of conference. It will be a flurry of activity, and it can sometimes be confusing to follow, especially from a distance. If you have any questions about what is going on, either with respect to particular bills or in general, please contact the Government Affairs staff.

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## Senate Committee Finalizes Budget

This week the Senate Finance Committee completed work on the state biennial operating budget (**HB 1**) and the trailer bill (**HB 2**), which contains law changes necessary to implement the budget. The committee took no further action on funding for municipalities beyond what we reported in last week's *Bulletin*. The committee's recommended budget will now go to the full Senate for a vote next **Thursday, June 4**. After that, it is assumed that the House will request a committee of conference to negotiate the differences between the House and Senate versions of the budget. June 18 is the deadline to sign off on committee of conference reports, with June 25 set as the final day for legislative action by both bodies.

Here is a summary of the state aid to municipalities included in the final version of the Senate Finance Committee's recommended budget, which passed along party lines by a vote of 4-2:

- Highway block grant funding of \$35.4 million in fiscal year 2016 and \$34.3 million in fiscal year 2017, for a total increase of \$6.7 million over the House budget. (Note: funding in fiscal year 2017 drops due primarily to a change in the timing of license renewals from a 4-year cycle to a 5 year-cycle, which affects the amount of gross revenues on which the block grant is based.)

**Budget** - continued

- Municipal bridge aid of \$6.8 million each year, which is the same amount historically provided from the highway fund and which had been recommended by both the Governor and the House. Enactment of the four-cent road toll (gas tax) increase last year was intended to double the amount of municipal bridge aid (for a total of \$13.6 million per year). However, other state funding needs took priority.
- \$1.7 million each year for the state aid construction program, which provides grants for improvements to state highways that intersect local roads. While the Governor had included this funding in her budget, it had been cut from the House budget.
- Meals and rooms tax distributions of \$63.8 million and \$68.8 million for fiscal years 2016 and 2017, respectively, for a total of \$5 million above the House recommendation. This is due to implementation of the statutory catch-up formula in the second year of the biennium; the House had suspended the catch-up formula for both years.
- \$14.9 million over the biennium to fund existing obligations for state aid grants for water and wastewater projects. The moratorium on funding any projects that received local financing authorization after December 2008 is continued. There is no funding for the so-called “tier 2” projects (projects that received local financing authorization prior to December 2008 but were not on the list when the 2014-2015 state budgets were adopted in 2013).
- Flood control funding of \$825,000 per year for municipalities involved in interstate compacts. Contrary to the House version of **HB 2**, the Senate version ensures that municipalities are made whole by the State of New Hampshire, even if other states neglect to honor their financial obligations under the compacts.
- Consistent with the Governor and House budgets, elimination of \$4.3 million in funding that was appropriated last year in SB 409 for the municipal share of the state match toward federal disaster assistance grants.
- \$100,000 for the Secretary of State to purchase cameras for municipal election officials to implement the voter photo identification law enacted in 2012.

Although this is obviously less than we were hoping for, it is certainly better than what was in the House budget. The inclusion of full block grant funding, the partial restoration of the meals and rooms tax catch-up formula, and full flood control funding are important additions. We do not know whether any floor amendments might be introduced to increase funding for any programs (bridge aid seems the most likely candidate), but obviously we would encourage senators to support any such amendments if they are introduced.

## Amendment Would Transfer Oversight of Risk Pools

One of the amendments to **HB 2** that the Senate Finance Committee adopted this week would transfer oversight of pooled risk management programs from the Secretary of State to the Commissioner of Insurance. Actually, the committee first adopted the amendment by a 6-0 vote on Thursday of last week, but there was a motion for reconsideration this week. On reconsideration, a substitute amendment was proposed, which was defeated by a 4-2 vote, so the original amendment stands.

NHMA learned about the amendment only when it was introduced last Thursday. However, given the importance of the issue in light of recent events, the NHMA Executive Committee met this week and voted unanimously to support the original amendment.

Many municipal officials have expressed understandable alarm over the recent announcement that Property-Liability Trust will not offer coverage after June 2016. The departure of PLT after 30 years of operation will leave only one public risk pool in the state to provide property and liability coverage to cities, towns, school districts, and counties. Municipalities have had serious difficulties obtaining insurance from commercial carriers that is appropriate to their needs, which is why the risk pools were formed in the first place.

Two years ago, a legislative study committee considered the issue of moving oversight of public risk pools to the Insurance Department. Unfortunately, that committee declined to make a recommendation, instead merely stating that it was “a key issue for the legislature to decide.” The decision seems easy: risk pools engage in what is essentially an insurance business, and that is what the Insurance Department regulates.

There is much that is unknown about the reasons for the PLT shut-down. It is unclear whether the amendment to **HB 2**, if passed, will come soon enough to solve the immediate problem. Perhaps as important, transferring authority to the appropriate department will ensure predictable and fair regulation of risk pools in the future.

*If you are concerned about the shrinking market for property and liability risk coverage, please contact your senator and ask him or her to support the risk pool amendment to **HB 2** and oppose any effort to remove that provision when **HB 2** goes to the Senate floor next week.*

## Committee Votes to Restore RGGI Funds

The Senate Energy and Natural Resources Committee this week approved the amendment to **HB 208** that was discussed in [last week's Bulletin](#) (page 3), which would distribute approximately \$5 million annually to local governments for energy efficiency projects. As we mentioned last week, this represents a rare instance of the legislature's *increasing* aid to municipalities. The full Senate will vote on the bill

**RGGI Funds** - continued

next week. *If you are talking to your senator this week, please urge him or her to support the committee amendment to HB 208.* If the amendment is not adopted, then the bill must be killed, because the bill as passed by the House eliminates all money for energy efficiency projects.

### Senate Passes Policy Bills

The Senate passed three **NHMA policy bills** in the last two weeks. Last week, it passed **HB 233** and **HB 451**, which together clarify that the state's mining statute, RSA 12-E, does not preempt local regulation of mining and quarrying activities. The Senate amended both bills, but the House Municipal and County Government Committee met this week and agreed to recommend that the House concur with the Senate amendments. The House is likely to concur when it meets next week, and both bills should be on their way to the Governor after that.

This week, the Senate passed **HB 415**, which extends the liability protection available to New Hampshire's emergency responders to out-of-state emergency responders who assist with incidents in New Hampshire. The Senate passed the bill without amendment, so it goes to the Governor next.

Click [here](#) for the NH School Boards Association's Legislative Bulletin.

### HOUSE/SENATE CALENDARS

There are no House or Senate hearings next week.

### HOUSE FLOOR ACTION

There is no House Floor Action to report this week.

### SENATE FLOOR ACTION

Thursday, May 28, 2015

**HB 258-FN-L**, relative to fees for preparing motor vehicle registration documents. **Passed.**

**HB 290**, relative to the acceptance of risk in outdoor recreational activities. **Passed.**

**HB 292**, expanding the good Samaritan law to engineers and architects. **Passed with Amendment.**

**Senate Floor Action** - continued

**HB 328**, relative to delivery of absentee ballots. **Passed with Amendment.**

**HB 415**, limiting liability of out-of-state emergency services entities responding to incidents in New Hampshire. **NHMA Policy. Passed.**

**HB 464**, (2nd New Title) establishing the traditional commercial and recreational fishing protection act, prohibiting political subdivisions from interfering with commercial and recreational operations, relative to protective well radii for sewage disposal systems of commercial buildings, and relative to rulemaking by the commissioner of environmental services on certain minimal impact projects. **Passed with Amendment.**

### NHMA Webinar

#### **NHMA Webinar - 2015 Legislative Wrap-Up**

Event Date: TUESDAY, June 30, 2015

Time: 12:00 PM - 1:00 PM

Contact: NHMA (603) 224-7447 Ext. 3408

Join Government Affairs Counsel Cordell Johnston and Government Finance Advisor Barbara Reid for a review of the highlights of the 2015 legislative session. This will be after the legislative session ends, so except for possible vetoes, all legislative action will be final.

This webinar will discuss the most significant bills of municipal interest that made it through the legislature this year, as well as a few that failed but may be back next year. The discussion will include, among others, the state budget, highway funding, state aid grants for water and wastewater facilities, the Right-to-Know law, planning and zoning issues, assessing, and local governance issues.

This webinar is open to members of the New Hampshire Municipal Association.

[Click here to register before June 29](#)