THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

LEGISLATIVE BULLETIN

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INSIDE THIS ISSUE:

Risk Pool Regulation	2
Pole Utility Valuation	3
RGGI Bill	3
Other Municipal Bills	4
Bigger Trucks on NH Roads?	4
House Calendar	5
Senate Calendar, House Floor Action	6
Senate Floor Action	7
NHMA Webinar	8

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Committees of Conference Underway

Having taken action on all remaining bills before them, the House and Senate have begun forming committees of conference to resolve differences on bills that they have passed in different forms. A number of committees were appointed this week, and more will be appointed next week. The deadline to form committees of conference is next Thursday, June 11, and the deadline for the committees to complete their work is the following Thursday, June 18. The deadline for the House and Senate to act on committee of conference reports—*i.e.*, to take final action on all bills, including the budget—is Thursday, June 25.

You can find information about committees of conference—who the members are, when and where they are meeting—at this page (or go to the legislature's website and, under "General Court News and Hot Links," click on "Committees of Conference"). Be advised, however, that committees tend to adjourn and reconvene frequently, and there is not always time to update the website between meetings, so if you have questions, please call the Government Affairs staff.

Senate Adopts State Budget

On Thursday the full Senate voted 14-10 along party lines to adopt **HB** 1, the 2-year state operating budget, and HB 2, the trailer bill that enacts law changes necessary to implement the budget, as recommended by the majority of the Senate Finance Committee. (See last week's Legislative Bulletin for a summary of state aid to municipalities as recommended by the Senate Finance Committee.) Over a dozen amendments were offered by members of the minority party to increase funding for various programs, including restoration of the \$13.6 million in additional municipal bridge aid that was promised last year when the road toll was increased under **SB 367**. All these amendments failed by votes of 14-10 along party lines. The primary explanation for not supporting the municipal bridge aid amendment was that the Governor had cut the funding from her budget, so the House and Senate were merely concurring with her recommendation. That may be true, but regardless of who gets credit/blame for the cut, there are still nearly 350 municipally owned red-listed bridges and now, once again, a 10-year wait for state aid to fix them!

State Budget - continued

None of this is final yet. The budget now proceeds to the committee of conference phase, where House and Senate conferees will negotiate the differences in their respective budget plans. Part of that negotiation will involve revenue estimates, which could still allow for restoration of some items, such as bridge aid. The committee of conference will be appointed next week and will likely begin its work at the end of the week.

No Transfer of Authority for Risk Pools

The amendment to **HB 2** discussed in last week's Bulletin, which would have transferred regulatory authority over public risk pools from the Secretary of State to the Insurance Department, did not make it through the full Senate this week. Instead, the Senate passed an amendment that would create a committee to study the issue.

It had become clear during the week that the original amendment was unlikely to pass, as a number of senators objected to the process by which it came forward—a last-minute amendment that did not have a public hearing. That was certainly a legitimate concern, although the imminent closure of one of the state's two risk pools for property and liability coverage presents an immediate concern for local governments. A hoped-for compromise position that would have allowed the Property-Liability Trust to continue to operate according to the plan created and supported by the Secretary of State's expert did not garner enough votes to pass.

A number of senators who objected to the process stated that an issue of this gravity should be considered separately, with an opportunity for full discussion and debate. Curiously, however, when presented with an option that would accomplish exactly that--a study committee—some of the same senators (not all) voted against it. Although some senators stated that the issue has already been "studied to death," a legislative study committee considering related issues in 2013 wrote in its final report that it did "not have enough information" to determine which department should regulate risk pools, and that "this is a key issue for the Legislature to decide."

Ultimately, the amendment to establish the study committee passed by a 14-10 vote, with all Republicans in favor and all Democrats opposed. The committee is directed to "study the history of the regulation of pooled risk management programs under RSA 5-B and . . . consider whether such programs should be subject to regulation under the authority of the secretary of state, the commissioner of insurance, or another state agency." This amendment, of course, will be part of the entire budget discussion that will go to a committee of conference, so nothing is final yet.

NHMA continues to be concerned about the loss of competition in the field and the ability of local governments to obtain quality risk coverage at competitive prices and service levels. There are still questions about why the regulator did not approve the plan adopted by its expert and questions about what the standards of regulation are. Clearly, more information is needed.

Risk Pools - continued

Also, the Senate Finance Committee has scheduled a "work session on RSA 5-B pooled risk management programs" for next **Tuesday, June 9, at 1:00 p.m., in State House Room 103.** We are uncertain of the exact nature of that session, but we know it was prompted by concern about Property-Liability Trust's announcement that it will not write any new coverage. This is not a public hearing, so public testimony may not necessarily be accepted, but if you are concerned about this issue, it would be worth attending.

Committee of Conference on Pole, Utility Valuation

The House this week requested a committee of conference on **HB 547**, which as introduced would have exempted telephone poles and conduits from property taxation, and as amended by the House would have established a statutory formula for the valuation of those properties. Readers will recall that the Senate amended the bill to eliminate the statutory formula and instead instruct the Assessing Standards Board to study and make recommendations to the legislature about valuation of poles and conduits. The Senate amendment also instructs the ASB to study and make recommendations about the use of DRA valuation of utility property in appeals of local assessments. The latter issue had been addressed in **HB 192**, which the Senate re-referred.

On Thursday evening the Senate acceded to the House request to form a committee of conference on **HB 547.** Although the committee of conference may produce a bill that differs from the Senate version, we believe it is likely that it will still involve some sort of study.

By the way, the ASB has already formed a subcommittee to study the valuation and taxation of poles and conduits, and that subcommittee will meet on Friday, June 12, at 9:30 a.m., at the Department of Revenue Administration, 109 Pleasant Street, Concord.

Senate Passes Amended RGGI Bill

The Senate on Thursday passed the amended version of **HB 208**, the regional greenhouse gas initiative (RGGI) bill that, as discussed in <u>Bulletin #21</u>, would provide up to \$5 million for local government energy efficiency projects. This is dramatically different from the House version of the bill, which would *eliminate* all money for those projects and instead rebate to ratepayers all of the proceeds from the sale of carbon dioxide allowances. The most optimistic scenario now is that the House concurs with the Senate amendment and sends the bill to the Governor, but we certainly are not counting on that. More likely, there will be a committee of conference. Because both the Senate and the House will need to agree to create a committee of conference, that cannot happen until next Thursday. Look for an update here next Friday.

Action on Other Municipal Bills

The legislature took action this week on a number of other bills of interest to municipalities:

Mining bills, clerk fee increases pass. The House concurred with Senate amendments on several bills. They will go next to the Governor. Those of interest to municipalities include HB 258, which increases from \$1 to \$2 the fee that municipal clerks may charge for preparing vehicle registration documents, and HB 233 and HB 451, two NHMA policy bills that clarify that the state's mining statute does not preempt local land use regulation.

No non-public sessions to discuss legal correspondence. The Senate voted to re-refer HB 285, which would have allowed public bodies to consider correspondence from their legal counsel in non-public session. The Senate Judiciary Committee's report on the bill stated that it was one of three Right-to-Know Law bills that were re-referred, with the intent of studying them all together. We don't believe this was necessary—this was a simple bill that had nothing to do with the others—but we do hope the committee will actually spend some time on this bill and come back with a recommendation next year. In almost all cases, a bill that is re-referred in the Senate is never heard from again; we hope this one will be different.

Special assessment districts. The Senate passed **HB 486,** which authorizes municipalities to establish special assessment districts to fund public facilities and services. It had appeared that some shenanigans might put the bill in jeopardy when it goes back to the House, but that danger may have passed.

The Senate Public and Municipal Affairs Committee had attached an amendment to the bill that would repeal the requirement that three members of a zoning board of adjustment vote in the affirmative in order to grant a variance, special exception, or other remedy requested by an applicant. That was the substance of **SB 141,** which the House had killed in April. There also were rumors of a floor amendment authorizing the creation of a special purpose village district within the town of Danbury, consisting essentially of the Ragged Mountain ski area. That was the substance of **SB 77,** which the House had killed earlier this week.

Had the bill passed with those amendments, the House probably would have just let it die, because it was unalterably opposed to both **SB 141** and **SB 77**. In the end, however, the committee amendment was deleted, and the rumored floor amendment was changed to merely establish a legislative committee to study the creation of a special village district in Danbury. With those changes, we are optimistic that the House will not kill the bill, but will either concur or request a committee of conference.

Bigger Trucks on New Hampshire Roads?

NHMA does not have the resources to follow most federal legislation closely, but recently our attention was called to a bill that may lead to significantly larger trucks on New Hampshire highways. We believe local officials may want to weigh in on this.

Bigger Trucks - continued

Under current law (49 U.S.C. 31111(b)(1)(A)), states are preempted from imposing length limitations of less than 48 feet on a single trailer, or of less than 28 feet on a trailer that is part of a tandem, on highways that are part of the Interstate Highway System and on certain other federal highways. Under an amendment to the House appropriations bill, the latter limit would be changed to 33 feet, so states would be required to allow trucks to pull two 33-foot-long trailers on interstates and some other federal highways.

NHMA does not have a policy on truck size, but the prospect of significantly larger trucks on already fragile highways certainly raises concerns. Unquestionably, bigger trucks carrying more weight (up to 18 percent more freight per truck) will cause more road damage, and that means more expense at both the state and the local level. We probably don't need to remind anyone of the ongoing issues with funding for highway maintenance and repair. Obviously, larger trucks also create more safety issues: more difficulty passing and merging, longer blind spots, decreased visibility, and increased splash and spray in adverse weather conditions.

This turns out to be a fight primarily between the trucking and rail industries, because the change would allow the former to profit at the expense of the latter. Both sides are making safety claims that happen to support their respective positions. Trucking groups claim the change in law would actually improve safety and reduce highway costs by reducing the number of trucks on the road—if they can haul bigger loads, they will need fewer trucks. However, that assumes no increase in the total amount of freight they carry—an unrealistic assumption, given that their goal is to expand their business.

Because NHMA does not have a policy on this issue, we will not get directly involved, but local officials certainly can. The bill will come before the *U.S. Senate Appropriations Committee soon*, possibly as early as next week. As it happens, New Hampshire's *Senator Jeanne Shaheen* is a member of that committee. If you are concerned about this issue, please contact Senator Shaheen at 202-224-2841 or 603-647-7500. If you would like to add your signature to a letter to Senators Shaheen and Ayotte, please contact Elizabeth Bolstad at the Coalition Against Bigger Trucks, 703-201-7565, or ebolstad@cabt.org.

Click <u>here</u> for the NH School Boards Association's Legislative Bulletin.

HOUSE CALENDAR
Joint House/Senate Meetings Are Listed Under This Section

FRIDAY, JUNE 12

ASSESSING STANDARDS BOARD (RSA 21-J:14-a) New Hampshire Department of Revenue Administration, 109 Pleasant Street, Concord

9:30 a.m. Poles, Wires and Conduits Subcommittee Meeting

House Calendar - continued

COASTAL RISK AND HAZARDS COMMISSION (RSA:483-E:1) Department of Environmental Services, 222 International Drive, Pease Tradeport, Portsmouth 9:00 a.m. Regular Meeting

SENATE CALENDAR TUESDAY, JUNE 9

FINANCE, Room 103, SH

1:00 p.m. WORK SESSION ON RSA 5-B POOLED RISK MANAGEMENT PROGRAMS

HOUSE FLOOR ACTION

Wednesday, June 3, 2015

- SB 39, relative to recounts on questions. Passed with Amendment.
- **SB** 41, establishing a commission to study government immunity from suit and accountability by its citizens. **Passed with Amendment.**
- **SB** 63, relative to membership of the board of directors for the New Hampshire rail transit authority. **Passed with Amendment.**
- **SB** 77-L, authorizing the creation of a special purpose village district within the town of Danbury. **Inexpedient to Legislate.**
- **SB 88,** establishing a committee to study public-private partnerships for intermodal transportation. **Passed.**
- SB 124-FN, relative to filing felonies first in the superior court. Passed with Amendment.
- SB 179, relative to eligibility to vote. Passed with Amendment.
- **SB 191-FN,** relative to the use of the state's procurement card services. **Passed** with Amendment.
- **SB 213-FN-A-L,** (New Title) establishing a committee to study the formula for distribution of meals and rooms tax revenues. **Passed.**
- SB 235, relative to the condominium act and the land sales full disclosure act. Passed with Amendment.
- **SB 241,** relative to authorization for the town of Rindge to make capital expenditures from a trust fund. **Passed.**
- **SB 242-L,** relative to amending the budget in towns that have adopted official ballot voting. **Passed with Amendment.**
- **SB 254,** establishing a committee to study the provision of services to the public through peer-to-peer or sharing economy businesses. **Passed with Amendment.**

SENATE FLOOR ACTION

Thursday, June 4, 2015

HB 1-A, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2016 and June 30, 2017. **Passed with Amendments.**

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

HB 115, (Second New Title) relative to reports on gross appropriations from the highway fund in the tentative state budget and defining autocycle and making provisions for the operation and inspection of autocycles. **Passed with Amendments.**

HB 208-FN, relative to allowance sales under the New Hampshire regional greenhouse gas initiative program. **Passed with Amendments**.

HB 285, relative to discussion with legal counsel under the right-to-know law. **NHMA Policy. Rereferred to Committee.**

HB 287, allowing citizens to record by audio or video a traffic stop by law enforcement officers. **Inexpedient to Legislate.**

HB 427, relative to the definition of the New Hampshire fire code. **Rereferred to** Committee.

HB 468-FN, (New Title) requiring a warrant to obtain electronic device location information and relative to appropriations for nursing homes. Passed with Amendments.

HB 486, (4th New Title) authorizing towns and cities to establish special assessment districts and establishing a committee to study the creation of a special village district in Danbury. **Passed with Amendments.**

HB 572-FN-L, (New Title) relative to taking land by eminent domain for high pressure gas pipelines and relative to the siting of high pressure gas pipelines. **Passed with Amendments.**

HB 613, relative to governmental records exempted under the right-to-know law. **Rereferred to Committee.**

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