

New Hampshire Municipal Association

THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

# LEGISLATIVE BULLETIN

Legislative Bulletin 13

2025 Session

April 4, 2025



[Live Bill Tracker](#)  
[Bill Hearings Schedule](#)

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## Municipal Impacts Galore in House Budget

The [House Finance Committee](#) voted 14-11 along party lines Thursday to approve [HB 1](#) and [HB 2](#), the state budget for the 2026-27 biennium, which begins July 1. The full House will vote on the plan **Thursday, April 10**.

House Finance cut \$187 million of general fund spending out of the budget proposed by the governor in February, primarily because House revenue estimates were significantly less than what the governor assumed. Compared to FY 2025, the proposed House budget cuts spending by 8% in 2026 and 9% in 2027.

The bills going to the House floor next week have several provisions affecting cities and towns, including a change to the meals and rooms tax disbursement and cuts to or elimination of some state programs that municipalities rely upon. While there is much to unpack in the full budget, here's a summary of key items with municipal impacts:

**Meals and Rooms Tax:** The House budget plan suspends the 30% municipal share of the meals and rooms tax in FYs 26-27 and replaces it with a flat appropriation of \$137 million per year, which is about \$11 million less over the next two years than what was projected if the 30% share remained in effect. In FY 2024, municipalities received approximately \$136 million from the meals and rooms tax, which was about \$15 million more than estimated in the previous budget.

**Local control:** The local option for municipalities to accept or reject KENO operations in their community is repealed in the budget proposal, meaning the lottery game will be available anywhere a licensed lottery retailer chooses to offer it. The budget also contains language creating a cap on increases in school budgets, which represents a significant loss of local decision-making authority. While no limits are proposed (for now) on municipal and county spending, this would create a concerning precedent for overriding the will of local voters.

**Repeal revenue sharing:** The budget repeals revenue sharing, RSA Chapter 31-A, as opposed to simply suspending it, as had been done since 2010. (Refresher: Revenue sharing was established in 1970, in conjunction with the business profits tax, to offset the removal of certain classes of property from taxation, which would otherwise have the effect of reducing the tax base of cities and towns.) Although NHMA supports reinstatement of RSA 31-A with necessary statutory revisions, we understand that 2025 is not the year for such an action. However, in the future, revisions to RSA 31-A would be possible and could bring much-needed revenue to municipalities to offset property taxes and provide relief at the local level. Without the statute in the law, it will be much more difficult to revisit this issue in future.

**Program funding:** Although housing availability is the number one issue in the state, the House budget contains no new funding for the Housing Champions and InvestNH housing programs, as well as no new funding for the state share of wastewater projects under the State Aid Grant (SAG) program. Additionally, all state funding for regional planning commissions was eliminated. The budget creates a “Partners in Housing” program, an initiative under the Housing Champions Fund to assist municipalities, counties, and developers in building modestly priced housing on municipally or county-owned land that is suitable for development—although no funding for the program was included in the budget.

**Granite Advantage:** Changes to CHIP, Medicaid, and Medicaid Advantage programs in the budget add new out-of-pocket costs for participants. NHMA opposes these changes because of their impact on local welfare budgets.

**Diversity, equity and inclusion programs:** The proposed budget includes a statewide ban on diversity, equity and inclusion programs, contracts and activities, including but not limited to implicit bias training, DEI assessments, critical race theory, or race-based hiring, promotion, or contracting preferences. The ban includes cities, towns, counties and schools and requires the attorney general’s office to establish a process by which all political subdivisions review their existing contracts for the presence of DEI-related items. NHMA is concerned about the time and cost related to contract reviews and potential cancelation or renegotiation of existing agreements.

**Motor vehicle registrations:** A bill eliminating motor vehicle inspections in New Hampshire, HB 649, is currently with the Senate, but House Finance doubled down on the proposal by adding identical language in HB 2. For good measure, the committee also voted to eliminate all the positions in the Division of Motor Vehicles and Department of Safety related to the program. While this may appear to be a state issue on the surface, 12 percent of state motor vehicle fee revenue collected is distributed to municipalities. The Department of Transportation estimates this bill would decrease municipal revenue by \$173,250 in FY 2027 and \$346,500 in FY 2028 and each year thereafter. Additionally, the enforcement of vehicle safety statutes would fall entirely to state and local police.

**Other:** The budget approved by House Finance eliminates the Housing Advisory Board (HAB) and the Board of Tax and Land Appeals (BTLA) and moves the Right-to-Know Ombudsman in a new Office of State and Public Sector Labor Relations along with the Public Employee Labor Relations Board and the Personnel Appeals Board. The salary for the ombudsman was also changed to per diem, which may make the position harder to fill.

Another potential concern for municipalities is the costly changes to NH Retirement System (NHRS) benefits for about 1,500 “Group II” police and fire personnel hired before July 1, 2011, and still working. The benefit changes for this cohort, which makes up slightly more than one-quarter of current police and fire personnel, does nothing for first responders hired on or after July 1, 2011, who make up 64.4% of active Group II members—or any of the approximately 9,500 active employees and teachers (NHRS Group I) hired before July 1, 2011, who also has their pension benefits changed in 2011.

The governor indicated that part of the anticipated new revenue from legalizing video slot machines will be used by the state to pay for the retirement changes, sparing property taxpayers most of the hit, and a recurring annual appropriation of \$27.5 million per year through 2034 is still in the budget. However, House Finance voted to redirect nearly all the projected slot machine revenue to the education trust fund. If the retirement funding is removed by the Senate this year, or if it is repealed in the next biennium, employer contribution rates to the retirement system would skyrocket.

House Finance also added language to the budget establishing a defined contribution retirement plan for new state employees only. However, NHMA is concerned that, as written, the proposal could increase employer contributions for municipal employers in the long-term by making them responsible for a portion of the state’s share of the unfunded actuarial accrued liability (UAAL) associated with NHRS employee members.

The House Finance Committee will hold a budget briefing for House members and other interested parties in **Representatives Hall** on **Tuesday, April 8**, at **10:00 a.m.** The presentation [will be livestreamed](#).

## Upcoming Public Hearings on Zoning Mandates

Next week, House and Senate committees will take up **eight separate zoning mandates opposed by NHMA because they would eliminate local autonomy, and, in many cases, have technical issues that have been raised but not addressed by the legislature.**

Unfortunately, these aren't the only problematic zoning bills targeting local control; earlier this week we posted a [“special” legislative bulletin](#) covering the full list of mandates that have been passed by the House or Senate and are now with the other chamber.

**We are asking municipal officials equally concerned about these bills to attend the public hearings and sign up to testify.** When NHMA is the only voice in the room raising concerns, it's easier for legislators to tune out. Hearing multiple officials explaining the ground-level impacts of these mandates is harder to ignore. If you can't attend, there are other ways to help. For detailed instructions on ways to share your position on this and any other bills, see “How to Make Your Voice Heard” below.

### House Hearings

On **Tuesday, April 8**, beginning at **10:30 a.m.** in **Legislative Office Building (LOB) Room 305**, the [House Housing Committee](#) will hear six bills:

**SB 174** (10:30 a.m.) prohibits planning boards from considering the number of bedrooms a given unit or development has during the hearing and approval process. Municipalities often regulate the number of bedrooms per dwelling unit in dense zoning districts to ensure the infrastructure capacity exists to support the developments and housing in those zoning districts. Also, there is no definition of “bedroom” in the building or fire code in the bill. These requirements also limit the number of parking spaces required for the development, which might be necessary if there is limited land for parking. Finally, the bill unintentionally creates new definition of planning board and planning board authority, giving planning boards authority to review and approve building permits instead of select board or building official.

**SB 188** (11:00 a.m.) allows property owners or developers to use licensed, insured private providers—who are not required to be educated in the intricacies of the building code—for building code plan reviews and inspections related to the state building code and any local technical amendments, excluding fire prevention and fire safety codes. The bill also requires a municipal regulatory body to review and approve or provide written notice to the independent provider of any specific deficiencies or compliance issues, within a required number of days (3 days or 5 days for code inspections depending on the type of building and 8 days for reviews of development documents and permits). Approvals will

be considered granted as a matter of law (i.e., “building permits by default”) if the municipal regulatory body fails to respond within the mandated time limit. (NHMA priority bill)

**SB 281** (11:30 a.m.) prohibits municipalities from denying building or occupancy permits for property adjacent to class VI roads under certain circumstances. Municipalities currently may restrict building on class VI to prevent overdevelopment of undeveloped infrastructure and, in this case, unmaintained roads and to control scattered and premature development. While the bill requires that landowners sign a liability waiver, it does not consider whether the class VI roads and abutting properties can sustain new development. Additionally, it increases the chance that property owners who live on the class VI road request the road become regularly maintained, which increases costs.

**SB 283** (1:30 p.m.) relative to the calculation of floor-area-ratios under local building ordinances.

**SB 284** (2:00 p.m.) prevents municipalities from setting the maximum residential parking spaces per unit to more than one parking space per residential unit, except that studio and one-bedroom units under 1,000 square feet that meet the requirements for workforce housing, and multi-family developments of 10 units or more may require up to 1.5 parking spaces per unit. (NHMA priority bill)

**SB 170** (2:30 p.m.) limits various development and related requirements in cities, towns, and municipalities. The bill significantly reduces municipal autonomy and undermines the ability of local governments to address the needs of their individual communities. Some specific state mandates in SB 170 that would negatively impact municipalities are banning frontage or setback requirements greater than 50 feet, prohibiting municipalities from capping the number of housing lots on a dead-end road or street, requiring zoning ordinances that regulate road dead-end lengths to match the state fire code (the state fire code does not address road lengths), and mandating dormitories or group living in all zoning districts that permit residential uses. (NHMA priority bill)

## **Senate Hearings**

On **Thursday, April 10**, beginning at **10:15 a.m.** in **State House (SH) Room 100**, the **Senate Commerce Committee** will hold public hearings on two bills:

**HB 631** (10:15 a.m.) permits residential building in commercial zones by right, mandating for mixed-use developments. While promoting urban density, it may lead to conflicts over land use priorities and contradicts one of the key purposes of zoning in RSA 674:17: to “consider the character of the area involved and its peculiar suitability for particular uses.” (NHMA priority bill)

[HB 410](#) (10:30 a.m.) prohibits municipalities from enforcing or adopting any “extraordinary restriction of residential property,” an undefined term, unless the ordinance is directly necessary for the health or safety of the community. It would somehow require the legislative body (the voters) to produce “empirical evidence” to defend adoption of such an ordinance, with no process outlined for how that works; the bill also states empirical evidence “may be relevant ... but are not necessarily dispositive”! Additionally, HB 410 would conflict with all the other zoning mandates relative to residential zones. (NHMA priority bill)

**We really need members to speak out against all of these concerning zoning mandates.** We do not believe the majority of New Hampshire residents understand the extent to which their ability to shape their communities is being stripped away—often with zero debate. Here are links to the only zoning mandates that had recorded votes, so you can see who is standing up for local control (and who isn’t): [SB 84](#) (vote on ought to pass—passed); [HB 631](#) (vote on indefinitely postpone—failed).

In case you missed it: NHMA Executive Director Margaret Byrnes submitted an op-ed commentary on zoning mandates to several media outlets earlier this week. You can [read the op-ed here](#)—and feel free to use any of the points made in your own advocacy efforts.

## Call Your Reps Now to Oppose HB 66

[HB 66](#), which will be voted on by the House on Thursday, April 10, replaces “citizen” in RSA 91-A, the Right-to-Know law, with “person,” allowing any individual, anywhere, to make a RTK request without ever setting foot in the State of New Hampshire, let alone in your town hall. Additionally, the bill allows for electronic requests with the requestor choosing the method of response, which can include electronic delivery. An amendment to the bill has made response delivery more complicated by adding language that only certain requestors deemed to have a New Hampshire connection can elect to receive the response in a manner other than appearing in person, with other requestors required to appear to pick up the response. Even with the amendment, NHMA opposes this bill.

**HB 66** runs counter to both Article 8 of the New Hampshire Constitution, which states the government be responsive to *the people who formed it*, and to the current language in RSA 91-A, which has endured through numerous amendments to the statute, referencing that it is the right of “*every citizen*” to access governmental records. Further expanding the definition of requestor to “person” will likely lead to a flood of requests from non-residents, increasing administrative burdens and costs for municipalities. It could also aid in fraudulent activities and identity theft – including, but not limited to, AI “bots” posing as individuals to harvest personal information from various municipal records.

In the [House Finance Committee](#) discussion about **HB 66**, some members indicated their concern relative to the impact the bill, as amended, will have on municipalities. **Given this, NHMA believes there is an opportunity to defeat this bill in the House—if municipalities let their local representations know about the problems associated with these changes.** We're working to get HB 66 tabled at the full House session on April 10 and are asking members to [contact their representatives](#) before next Thursday and encourage them to vote to table HB 66—or vote against the ought-to-pass-as-amended (OTPA) motion, should the tabling motion fail.

## Plot Thickens on Eliminating Vehicle Inspections

On **Tuesday, April 8**, at **10:00 a.m.** in **State House (SH) Room 100**, the [Senate Commerce Committee](#) will continue a public hearing on [HB 649](#), which eliminates the requirement of a physical safety inspection and on-board diagnostics testing for all private passenger vehicles.

In addition to potential road safety concerns, this bill will cost cities and towns money (see state budget article above). Law enforcement and environmental officials and business owners spoke against the bill at a two-hour hearing earlier this week. NHMA opposes this bill because the state needs to stop cutting funding sources and limiting the aid it provides to municipalities for roads, bridges, and other vital infrastructure. Please testify or sign-in to oppose this legislation. Also be aware that even if the Senate ultimately does not support HB 649, as noted above, the [House Finance Committee](#) added the bill language into the state budget, so this debate is unlikely to end anytime soon.

## Zoning Mandates Poll: Less Than Meets the Eye?

How many of you like ice cream? How many of you like spinach? Looks like a lot more people like ice cream than spinach! Go figure. What the heck are we talking about? We're talking about the results of a recent YouGov poll of New Hampshire voters that may have oversimplified some of the major zoning mandates passed by the Senate this year.

[SB 84](#), which mandates zoning ordinances to allow smaller lot sizes for single-family homes, overriding current zoning regulations in many municipalities, was said to have 39 percent strong support and 37 percent somewhat support in a random sample of 406 registered NH voters. This isn't surprising when you see the actual statement respondents were being asked whether they support or oppose: "Allow homes to be built on slightly smaller lots across New Hampshire, which will allow for more homes to be built in existing communities."

It's even less surprising, when you see the question was prefaced this way: "The New Hampshire Housing Finance Authority has estimated we need 60,000 new homes by

2030 to meet our housing needs in New Hampshire. In light of this, the state legislature is considering proposals to address this. For each of the following, please indicate whether you support or oppose this proposal.”

In a statement about accessory dwelling units, these structures were described as “backyard cottages.” A statement purportedly about a bill limiting residential parking spaces to one per unit (with exceptions for certain workforce housing and multi-family developments) was phrased as: “Create flexibility for property owners to determine how much paved parking area there is on their property.”

How could anyone be against such benign-sounding statements? (Hint: That’s the point.)

The organization that commissioned the poll has an absolute right to highlight the findings that support its agenda, but we hope that policymakers and regular folks will take the time to read the [brief executive summary](#) to get a better idea of what was being asked and draw their own conclusions about the survey’s relevance to the actual legislation being proposed. While they are thinking about that, we also hope legislators ask themselves whether any of these mandates actually require or incentivize the production of *affordable* housing. (Note: You may need to refresh the page to see the summary.)

## How to Make your Voice Heard

The adage goes that “life is all about showing up.” The same can be said for legislative advocacy. If a bill is of importance to your municipality, it’s always best to make your case – for or against – in person. Every Friday, NHMA posts a [Bill Hearings Schedule](#) for the upcoming week. However, if you can’t make it to Concord, you can use the Legislature’s online portal to put your position on the hearing record.

The House has an [online testimony submission system](#) that allows you to indicate your position on the bill with an option to attach testimony. If you want to email all the members of a House committee, you will have to copy their email addresses individually from the [committee page](#).

The Senate has [a remote sign-in sheet](#) where you can indicate whether you are supportive of a bill, opposed, or neutral. Written testimony can be submitted via the “Email Entire Committee” link found on the [Senate committee page](#).

If you have time to follow along, livestreams of [House](#) and [Senate](#) sessions and committee meetings are available on YouTube. Prior sessions and committee meetings are also archived.

Finally, if you just want to contact your legislators, there are [Contact a Senator](#) and [Contact a Representative](#) links on the [General Court](#) website.

Note: For anyone who prints these emails out, all of the above links are available on the General Court website at: <https://gc.nh.gov/>

Because the House and Senate have moved to digital calendars, committees can now reschedule when there is bad weather, absences, or when issues with bills haven't been worked out. If you are planning to attend a hearing or work session in person, we strongly recommend checking the [House Digital Calendar](#) and [Senate Digital Calendar](#) before heading to the State House. For those of you with an interest in a particular bill or set of bills, please use the 'subscribe' feature on [FastDemocracy](#) to get email updates when those bills are scheduled or rescheduled.

## **Reminder: Sharing is Caring ... About Good Public Policy!**

If you know of anyone who may benefit from the NHMA Legislative Bulletin feel free to pass this email along and encourage them to sign up!

Members can subscribe to the Bulletin through our member portal at: <https://nhmunicipal.weblinkconnect.com/portal>

Once you are logged in, click "edit this profile" and "newsletter management." You can sign up for the *Legislative Bulletin*, *Newslink*, and *Town & City* magazine in one place! (If you are having trouble logging into your account, [follow these steps.](#))

Nonmembers can email [info@nhmunicipal.org](mailto:info@nhmunicipal.org) to be added to our email list for the *Legislative Bulletin*.

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### **[NHMA Events Calendar](#) [2024 Final Legislative Bulletin](#)**

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