

New Hampshire Municipal Association

THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

# LEGISLATIVE BULLETIN

Legislative Bulletin 19

2025 Session

May 16, 2025



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## Advocate Now for Maintaining M&R Funding

The [Senate Finance Committee](#) continues to work on the FY 26-27 state budget, [HB 1](#) and [HB 2](#), with its next meeting scheduled this afternoon. The headline news so far has been the restoration of funding for the developmental disability waitlist and the community mental health support program, and the elimination of a 3% cut to state Medicaid provider rates backed by the House. However, there has also been some positive discussion on a pair of topics impacting municipalities.

Two potential amendments to the budget under consideration would eliminate or modify to the suspension of the 30% municipal share of the meals and rooms tax, which the House budget replaced with a flat appropriation of \$137 million per year in FYs 26-27. One option (am-2040s)—supported by NHMA—would keep the 30% share as-is. Another proposal keeps the 30% in statute, but caps the *actual* FY 26-27 funding at whatever the final FY 25 disbursement ends up being. (It is running 2.7% ahead of FY 24 through April.) Municipal officials should **contact the Senate Finance Committee** now and advocate for **restoring the 30% M&R share without any restrictions** (am-2040s).

Restoring some amount of funding for State Aid Grants (SAG), which provide 20% to 30% of eligible principal and interest payments for completed municipal infrastructure

projects, is also being discussed. We understand an amendment to this effect will be presented in Senate Finance. Without sustained investment each biennium, the current funds will eventually be exhausted, leaving no resources for new wastewater projects in the coming years. **Let senators on the committee know that ongoing appropriations are crucial** to ensure that critical infrastructure needs of towns and cities in New Hampshire are being met.

Finally, although it has no current fiscal impact, Senate Finance also voted to remove the repeal of revenue sharing contained in the House budget. Revenue sharing, RSA Chapter 31-A, was established in 1970, in conjunction with the business profits tax, to offset the removal of certain classes of property from local taxation. Although this provision has been suspended since 2010, keeping the statute alive gives a future legislature the ability to revisit it.

NHMA has a one-page summary of the House budget [here](#). You can read a more detailed letter about the budget that NHMA submitted to Senate Finance [here](#).

## **Clock is Ticking on Zoning Mandates; Stay Engaged!**

The sustained legislative effort this year to usurp local control over zoning is approaching its endgame—and **time is running short for municipalities to speak up**.

An impressive number of municipal officials and employees have taken the time this year to speak to legislators and testify against many of these bills, but we have reached the all-hands-on-deck stage. While some of these bills may not impact your municipality directly, they collectively chip away at the principle of local control and create precedent for the legislature to continue to diminish the voice of your voters. As we head into the closing stages of the legislative session, **we're asking our members to keep up their efforts to advocate against all of these proposals**.

Because many members of both parties fear being labeled “anti-housing”—regardless of how flawed, over-reaching, or counterproductive a bill may be—these mandates more often than not end up on the House or Senate consent calendars, meaning there is no actual debate beyond public hearings before committees packed with anti-zoning advocates. Let the folks at the State House know loudly and clearly that forcing municipalities to adhere to a uniform set of zoning mandates undermines the autonomy that has long been a cornerstone of local governance in our state and will lead to unintended consequences. **Remind lawmakers that sweeping, one-size-fits-all statewide mandates do nothing to incentivize or encourage the building of affordable housing and disregard the will of the voters**.

Here is a status update on all the zoning mandates that remain active, starting with NHMA priority bills:

**SB 84** mandates specific lot sizes for all single-family homes, overriding current zoning regulations in many municipalities. The bill also requires municipalities to provide empirical evidence that the sewer system cannot support the lots, which adds a layer of complexity and bureaucracy in local government.

**Status:** With [House Housing Committee](#), which must act by May 29. We anticipate the committee will hold an executive session after the House floor session on Thursday, May 22.

**What you can do:** If any of your local representatives are on this committee, [contact them directly](#). If not, [contact your local representatives](#) and ask them to oppose this bill when it goes to the House floor.

**SB 163**, as amended, prohibits local moratoria and limitations on building permits for housing developments and adds the language from the [House version of HB 685](#), mandating manufactured housing by right in residentially zoned areas.

**Status:** Bill is recommended ought to pass (OTP) on the House consent calendar for a future House session.

**What you can do:** [Contact your local representatives](#) now and ask them to rally enough colleagues to take this bill off the consent calendar so it can be debated. (A minimum of 10 House members are needed to pull a bill from the consent calendar.)

**SB 170** contains multiple changes regarding development and related requirements in municipalities. The bill conflicts with the formal application process for subdivision and site plans, which will invite litigation on how to interpret the language and prevent developers and planning boards from working collaboratively. The bill also limits local environmental regulations and conflicts with innovative land use controls that allow for cluster housing developments. Finally, the bill prohibits municipalities from adopting any ordinance that discriminates based on the familial or non-familial relationships or marital status among the occupants of the dwelling unit and adds “school enrollment status” to the list of protected classes under the equal housing statute, effectively mandating that group homes, fraternities, and any other congregate living arrangements be allowed in all residential areas.

**Status:** Bill is recommended OTP on the House consent calendar for **Thursday, May 22**.

**What you can do:** Frankly, **this is the worst bill of the bunch—and the most dangerous, as few people appreciate its scope!** [Contact your local representatives](#) now and ask them to rally enough colleagues to take this bill off the consent calendar so it can be debated, then vote to kill it. It’s particularly important to get **SB 170** killed because the Senate version includes a different set of equally troubling mandates, so if the bill goes to a committee of conference, there is the possibility that all of the House and Senate language could be merged into one giant set of zoning mandates.

**SB 284** reduces the number of residential parking spaces per residential housing unit from 1.5 to one.

**Status:** Amended and Passed by the House.

**What you can do:** The Senate has to concur, non-concur, or request a committee of conference on the bill. [Contact your senator](#) now and ask them to vote for non-concurrence.

**HB 577** requires municipalities to allow either one detached or attached accessory dwelling unit (ADU) by right on single-family lots. In addition to expanding the law to include detached units, the bill would repeal several vital provisions that provide for local regulation in the current ADU statutes and would essentially **turn single-family residential zones into two-family residential zones with no on-site parking requirements.**

**Status:** Passed by the Senate on Thursday and will be enrolled and sent to the governor. NHMA is grateful to the senator from District 10 who attempted to bring forth a floor amendment that would have significantly improved this bill.

**What you can do:** [Contact the governor's office](#) to oppose this bill.

**HB 631** allows residential building in commercial zones, mandating mixed-use development in nearly every zoning district in New Hampshire. The definition of “commercially zoned land” in the bill is overly broad and is not consistent with the way zoning ordinances differentiate between uses. 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.”

**Status:** The bill passed both chambers and will be enrolled and sent to the governor.

**What you can do:** [Contact the governor's office](#) to oppose this bill.

**HB 685** mandates manufactured housing by right in residentially zoned areas. The bill establishes a conflicting requirement that will create confusion for municipalities, local land use boards, voters, and developers and mandates several updates to local zoning ordinances.

**Status:** Amended and passed by the Senate; the bill will return to the House, which can concur, non-concur, or a request a committee of conference.

**What you can do:** [Contact your local representatives](#) now and ask them to vote for non-concurrence.

### **Other Zoning Mandates**

These mandates have more limited impact, but still erode local control:

**HB 342** allows property owners to build on their property without seeking a variance for minimum lot size or lot coverage if the proposed building density conforms to that of the surrounding neighborhood.

**Status:** Bill is recommended OTP as amended (OTP-A) on the Senate consent calendar for **Thursday, May 22.**

**What you can do:** [Contact your senator](#) now and ask them to remove this bill from consent and vote against passing it.

**HB 413**, relative to subdivision regulations on the completion of improvements and the regulation of building permits.

**Status:** Passed by the Senate on Thursday and will be enrolled and sent to the governor.

**What you can do:** [Contact the governor's office](#) to oppose this bill.

**HB 428** prohibits municipal amendments to the state building code.

**Status:** Amended and passed by the Senate; the bill will return to the House, which can concur, non-concur, or request a committee of conference.

**What you can do:** [Contact your local representatives](#) now and ask them to vote for non-concurrence.

**HB 457** prohibits municipalities from adopting any ordinance that restricts the number of occupants of any dwelling unit to less than 2 occupants.

**Status:** Bill is recommended OTP-A on the Senate consent calendar for **Thursday, May 22.**

**What you can do:** [Contact your senator](#) now and ask them to remove this bill from consent and vote against passing it.

**SB 78**, changing the zoning board of adjustments appeal period to 45 days.

**Status:** Amended and Passed by the House.

**What you can do:** The Senate will have to concur, non-concur, or request a committee of conference on the bill. [Contact your senator](#) now and ask them to vote for non-concurrence.

**SB 174** prohibits planning boards from considering the number of bedrooms a given unit or development has during the hearing and approval process, provided that the proposal makes adequate provision for water supply and sewage disposal in accordance with RSA 485-A and if applicable, the planning board's site plan review regulations or subdivision regulations. An amendment clarifies the circumstances under which the number of bedrooms may be considered.

**Status:** Bill is recommended OTP-A on the House consent calendar for **Thursday, May 22.**

**What you can do:** [Contact your local representatives](#) now and ask them to rally enough colleagues to remove the bill from the consent calendar and vote against it.

**SB 188** allows property owners or developers to use licensed, insured private providers 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, and creates a "building permits by default" model if communities fail to meet strict deadlines. An

amendment gives municipalities the ability to approve private providers and makes some positive changes recommended by stakeholders, although NHMA continues to oppose the bill.

**Status:** Bill is recommended OTP-A on the House consent calendar for **Thursday, May 22**.

**What you can do:** [Contact your local representatives](#) now and ask them to rally enough colleagues to remove the bill from the consent calendar and vote against it.

**SB 281** 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 roads to prevent overdevelopment of undeveloped infrastructure and 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.

**Status:** Bill is recommended OTP on the House consent calendar for **Thursday, May 22**.

**What you can do:** [Contact your local representatives](#) now and ask them to rally enough colleagues to remove the bill from the consent calendar and vote against it.

**SB 282** allows residential buildings with four or fewer floors to have only one stairway, provided that the building is equipped with a compliant sprinkler system and meets specific fire code requirements. The bill would override local zoning ordinances in some municipalities.

**Status:** Bill is recommended OTP-A on the House consent calendar for **Thursday, May 22**.

**What you can do:** [Contact your local representatives](#) now and ask them to rally enough colleagues to remove the bill from the consent calendar and vote against it.

**SB 283** mandates that municipalities exclude below-grade areas, which include basements and sublevels, from the calculation of floor-area-ratios for new construction projects. The amendment removed language enabling municipalities to review and revise height limitations to maximize height potential for new construction.

**Status:** Bill is recommended OTP-A on the House consent calendar for **Thursday, May 22**.

**What you can do:** [Contact your local representatives](#) now and ask them to rally enough colleagues to remove the bill from the consent calendar and vote against it.

**HB 296**, relative to issuing building permits along private roads.

**Status:** Bill is recommended OTP-A on the Senate regular calendar for **Thursday, May 22**.

**What you can do:** [Contact your senator](#) and ask them to oppose this bill.

**It is essential for local officials and residents to continue to engage with legislators, share their concerns, and advocate for balanced, practical approaches to zoning and housing development.** Here are some of the things you can do:

- **Contact your local legislators** by email, phone or in person about these bills.
- **Invite your local legislators** to a select board, council, or aldermen meeting.
- **Tell your constituents** about these bills and explain their impact.
- **Share your concerns about specific bills with [the governor's office](#).**
- **Talk to NHMA** to get additional background on these bills.

### **Inactive Bills**

These zoning bills have been tabled or re-referred/retained in committee, which means it is unlikely that any further action will be taken on them in 2025:

**[HB 410](#)** prohibiting 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 based on “empirical evidence” supporting the adoption of such an ordinance.

**Status:** Re-referred to **[Senate Commerce Committee](#)**.

**[HB 432](#)** redefines the term “recovery house” and mandates that such facilities be treated like family housing in zoning ordinances, which could undermine municipal zoning authority.

**Status:** Tabled by the House.

**[HB 459](#)** mandates certain acreage requirements and zoning regulations for single family properties depending on whether they are serviced by public water and sewer. This bill is similar to **SB 84**, as introduced.

**Status:** Retained in **House Housing Committee**.

**[HB 639](#)** relative to the use of and disputes over blockchain and digital currencies. Despite the title, the bill is not primarily about disputes over crypto currency, rather it creates preemptive limits on state and local regulation of industrial or home-based “digital mining,” which uses substantial amounts of electricity and water and typically generates high noise levels and electronic waste.

**Status:** Re-referred to **Senate Commerce Committee**.

**[SB 90](#)** requires municipalities to allow high-density residential development on land zoned for commercial use, provided that adequate infrastructure, including roads, water, and sewage systems, is available or provided to support the development.

**Status:** Re-referred to **Senate Commerce Committee**.

**SB 94** prohibits municipal amendments to the state building code like **HB 428**, albeit with different wording.

**Status:** Retained by House Executive Departments and Administration (ED&A) Committee.

**SB 231** relative to road frontage requirements and setbacks for wetlands.

**Status:** Re-referred to Senate Energy and Natural Resources Committee.

## Election Bills: HB 475 Will Hurt SB 2 Towns

On **Thursday, May 22**, the Senate will vote on **HB 475**, relative to the reductions from the default budget for official ballot town meetings, which, unfortunately, is on the consent calendar with an OTP recommendation, even though the committee vote was 3-2. **HB 475** introduces three major changes to default budget calculations in **SB 2 towns**, making financial management more restrictive and complicated:

- **Hiring Restrictions:** Positions left vacant for over a year must be removed from the default budget, even if municipalities are actively recruiting. This could prevent towns from filling essential roles and worsen staffing shortages.
- **Salary & Benefit Limits:** The bill forbids default budgets from including salary or benefit increases made after the previous budget was adopted. This limits the ability of select boards to manage staff compensation effectively.
- **Budget Transfer Complications:** The bill requires default budgets to exclude funds transferred for one-time expenditures, even though such transfers are necessary for town operations. This contradicts existing laws and increases administrative confusion.

Overall, **HB 475** would make budgeting more rigid, complicating hiring, salary adjustments, and financial flexibility needed for routine governance. **We urge you to tell your senator to take this bill off the consent calendar and to vote for another motion, such as tabling, re-refer, or inexpedient to legislate.**

On Thursday, the Senate acted on three other election-related bills:

**HB 67**, a bill supported by NMHA that allows municipalities to continue to use the accessible voting systems provided by the Secretary of State's office for local elections with the municipality only bearing the cost to program the ballot, **passed** with a floor amendment that adjusted the effective dates.

The Senate also tabled **HB 613**, relative to enabling local political subdivisions to vote and set a reduced default budget option, and **HB 151**, adjusting terms for supervisors of the checklist.

## Vehicle Inspections Bill on Hold

The Senate voted Thursday to re-refer [HB 649](#), which eliminates the requirement of a physical safety inspection and on-board diagnostics testing for all private passenger vehicles, to the **Senate Commerce Committee**.

The Division of Motor Vehicles said ending inspections would cost the state \$3.4 million a year in lost revenue. Because cities and towns receive a share of those fees through the highway fund, they would lose approximately \$350,000 in annual local aid.

The language of this bill was also included in the House budget but was removed by the **Senate Finance Committee**; if the budget goes to a committee of conference, this issue could come back to life this year.

## Timber Tax Bill Amended

The Senate acted Thursday on [HB 123](#), an NHMA supported bill that would allow municipalities to tax standing timber that's on land used for carbon sequestration. The bill was passed with an amendment to establish a Carbon Sequestration Programs Study Commission tasked with examining the impacts of dedicating forest tracts to carbon sequestration. The commission is required to report its findings by November 1, 2027, and a moratorium on new carbon sequestration agreements on parcels larger than 500 acres will be in effect from July 1, 2025, until the commission submits its report.

The amended bill allows a municipality that believes it is losing timber tax revenue due to sequestration to tax the timber as regular property. If this occurs, the taxes paid can be credited against any future taxes when the timber is cut. Alternatively, instead of being taxed directly, the landowner can choose to make a separate payment in lieu of taxes to the municipality to offset lost timber tax revenue.

**HB 123** was referred to the [Senate Ways and Means Committee](#), which will hold a public hearing on an unrelated amendment to the bill on **Wednesday, May 21, at 9:00 a.m. in State House Room 100**.

## Senate Actions This Week

The Senate met on Thursday and acted on several bills that NHMA has a position on. In addition to acting on multiple bills referenced above, here is a roundup of other Senate votes this week. NHMA's position on each bill is shown in parenthesis after the bill number.

[HB 105](#) (support), creating a new conservation license plate and directing the additional fee to the cyanobacteria mitigation loan and grant fund. **Re-refer** to committee.

[HB 274](#) (oppose), relative to the verification of voter rolls annually. **Inexpedient to Legislate (ITL)**.

[HB 280](#) (oppose), relative to wage payments. **ITL**.

[HB 340](#) (oppose), relative to electioneering by public employees. **Re-refer** to committee.

[HB 421](#) (oppose), relative to notice of tax-exempt status filing procedures by town officials or offices. **Passed** with amendment.

[HB 467](#) (support), defining “social districts” and enabling municipalities to create social districts in a public common area where alcoholic beverages would be allowed to be carried and consumed in designated containers. **Passed**.

[HB 489](#) (oppose), allowing volunteer emergency workers to use a rear facing blue light on their private vehicles when involved in emergency service. **ITL**.

[HB 511](#) (oppose), relative to cooperation with federal immigration authorities. **Passed**.

[HB 616](#) (oppose), relative to the confiscation of animals from persons suspected of or charged with abuse of animals and establishing a committee to study the animal cruelty statutes. **Tabled**.

The Senate also voted to **concur** with the House on amendments to [SB 62](#) (oppose), relative to law enforcement participation in a federal immigration program and relative to cooperation with federal immigration authorities, and [SB 105](#) (oppose), which creates a new tax cap option.

## House, Senate Meet Next Week

The House and Senate will meet on **Thursday, May 22**, and several bills that NHMA has a position on are up for a vote. We’ve already highlighted several of these bills above, but we encourage everyone to contact your **local representatives** before next Thursday to share your position on any bills that matter to your municipality. NHMA’s position on each bill is shown in parenthesis after the bill number. Priority bills are denoted with an asterisk (\*).

### House

[SB 272](#) (support), relative to electric vehicle charging station funding. **Recommendation:** ITL, regular calendar.

[SB 291](#) (oppose), relative to the religious use of land property tax exemption. **Recommendation:** OTP-A, consent calendar.

**SB 170\***, **SB174**, **SB 188**, **SB 281**, **SB 282**, **SB 283** (see zoning mandates article above). **Recommendations:** OTP or OTP-A, consent calendar.

### **Senate**

**HB 228**, (oppose), relative to petitioned articles at annual or special town meetings. **Recommendation:** OTP-A, consent calendar.

**HB 464** (oppose), prohibiting certain candidates for political office from participating in counting ballots. **Recommendation:** OTP-A, consent calendar.

**HB 296** (oppose—see zoning mandates article above). **Recommendations:** OTP, regular calendar.

**HB 342**, **HB 457** (oppose—see zoning mandates article above). **Recommendations:** OTP or OTP-A, consent calendar.

**HB 475** (oppose—see election article above). **Recommendation:** OTP, consent calendar.

## **House and Senate Deadlines**

### **House**

- Thursday, May 29: Last day to report all remaining SBs and last day to report list of retained SBs
- Thursday, June 5: Last day to act on SBs.

### **Senate**

- Thursday, June 5: Deadline to act on all House bills.

### **House and Senate**

- Thursday, June 12: Deadline to form Committees of Conference.
- Thursday, June 19: Deadline to sign Committee of Conference Reports.
- Thursday, June 26: Deadline to act on Committee of Conference Reports.

## **How to Make your Voice Heard**

At this stage of the session most committees have finished and few, if any, public hearings will be scheduled, so the most impactful way to make your voice heard is to contact your local legislators; there are [Contact a Senator](#) and [Contact a Representative](#) links on the [General Court](#) website.

## **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!

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### **NHMA Events Calendar** **2024 Final Legislative Bulletin**

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