

New Hampshire Municipal Association

THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

LEGISLATIVE BULLETIN

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Senate Passes Budget

The Senate on Thursday adopted a \$15.9 billion state spending plan, [HB 1](#) and [HB 2](#), that made several changes to the House budget directly impacting municipalities.

The amendments made to the budget by the Senate don't replace the House positions and the most likely outcome will be that the House requests a committee of conference to reconcile the differences. The House also has the option to concur with the Senate budget, but that appears unlikely. Both chambers must agree on a spending package no later than June 26.

What was changed from the House budget:

Meals and rooms tax: The Senate left the 30% municipal share of the meals and rooms tax alone, which NHMA supports. In its budget, the House suspended the 30% municipal share in FY 26-27, replacing it with a flat appropriation of \$137 million per year. This change was a huge success for NHMA members, and we encourage you to thank your senator if you haven't done so already!

Retirement system: The Senate amended a costly package of improvements to New Hampshire Retirement System benefits for approximately 25% of the active first-responder population, referred to as Group II-Tier B. **NHMA's only concern with the proposal is whether the state will commit to paying the full cost of the changes at the state and local level to ensure no downshifting occurs.** The

amendment did not modify the benefit changes, but pushed back the effective date of the first wave of changes by six months, to January 1, 2026. The bill includes the promise of at least \$262 million in state funding through 2034, although only \$42 million to be paid in FY 26-27 is guaranteed. However, the Senate amendment did add language that the state “shall pay the normal contribution and accrued liability contributions attributable to this act,” which seems like it could prevent downshifting the cost of these changes to municipalities. While this is the stated intent of the sponsor of the amendment, HB 2 does not explicitly specify whether this section means the state will pay the \$262M over 10 years appropriated in HB 2, **plus** any additional political subdivision contribution rate increases attributable to the benefit changes contained in HB 2—or whether the state will pay a total of \$262M with any additional costs downshifted to taxpayers. Without an actuarial analysis of the Senate version of the retirement changes, it is unclear what the total cost impact will be. It’s important to be aware that a future legislature is not bound by any funding commitments made in this budget and can simply amend them away at any time, which would mean significant increases in municipal employer retirement contribution costs.

SAG Grants: The Senate added \$2.5 million per year in funding for State Aid Grants (SAG), which provide 20% to 30% of eligible principal and interest payments for completed municipal infrastructure projects. The funding is still well below the \$15 million per year included in the last budget, but we are grateful some funding was added to this important program.

Granite advantage: The Senate changed the way premiums will be assessed for this Medicaid expansion program, which will result in slightly less revenue for the state. Previously, there were no premiums. NHMA is concerned that new, out-of-pocket premiums for participants will have an adverse trickle-down impact on local welfare budgets.

Expanded Keno: The Senate added language opposed by NHMA that changes the local option for Keno to an opt-out, rather than the current opt-in that has existed since 2017. This Keno-by-default language would override previous votes in municipalities to not allow this lottery game, as well as communities where the governing and legislative bodies never wanted to take up the question on their warrant. An attempt to add Keno by default in the House budget was already defeated, so there’s a chance that this subversion of local control may not survive a committee of conference.

Landfill expansion: The Senate changed the law on landfill expansions so that no municipal ordinance, bylaw, rule, regulation, agreement, or other restriction can prevent the siting of a landfill expansion approved by the Department of Environmental Services. NHMA will advocate to remove this language in the committee of conference. We are grateful to the senator from District 1 for introducing a floor amendment to remove this language, which ultimately failed on a 15-9 vote.

Vehicle inspections: The Senate budget eliminates emissions testing from state motor vehicle inspections and changes the annual safety inspection requirement for new cars, which wouldn't need to be inspected for three years after passing initial inspection. The House budget had eliminated inspections entirely. The change to the current inspection regime will reduce municipal revenue because 12 percent of the motor vehicle fee revenue collected is distributed to municipalities, although the Senate's proposal will have a lesser impact than the House's.

Housing Appeals Board (HAB): The Senate restored a modified version of the HAB, which was eliminated by the House. Under the Senate model, the HAB will share resources with the Board of Tax and Land Appeals (BTLA).

Revenue sharing: Although it has no current fiscal impact, the Senate removed the repeal of municipal revenue sharing contained in the House budget. Although this provision has been suspended since 2010, keeping the statute alive gives a future legislature the ability to revisit it.

What didn't change?

Senate Finance also chose not to include any new funding for the Housing Champions program, which provides grants to towns and cities that change their zoning codes to be more conducive to housing development. The Senate also let stand the House's cut to state funding for regional planning commissions (\$100,000/year), which likely will be downshifted to participating municipalities through increased dues.

The Senate also kept intact changes to the Right to Know Ombudsman (RKO), which would now fall under a new state office, the Office of State and Public Sector Labor Relations. Additionally, instead of being paid as a full-time employee, the RKO would be paid on a stipend basis, as outlined in Section 216 of the Senate's version of HB 2.

Last Zoning Mandate Lands on the Table

The House voted Thursday to table [**SB 163**](#), which 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.

This was the last zoning mandate to be acted on this session, and the vote indicates that legislators are waking up to the fact that passing ill-conceived, technically flawed, overly broad legislation that eviscerates local control may not be such a good idea. Thanks are due to all the House members who voted to table this bill, as well as other equally problematic zoning mandates a few weeks ago. **These outcomes could not have happened without the collective efforts of NHMA members and concerned citizens throughout the state.** Maybe now, with the input and good faith of *all*

stakeholders, meaningful legislation that preserves local control and incentivizes housing can be move forward.

Of course, it's not over until it's over. The House and Senate must decide by next week what to do with the zoning mandates amended by the other chamber. NHMA will send out an update early next week on the status of these bills.

And while we're on the subject of zoning mandates, please [contact the governor's office](#) and ask her to veto [HB 577](#), which requires municipalities to allow either one detached or attached accessory dwelling unit (ADU) by right on single-family lots, and to veto [HB 631](#), which allows residential building in commercial zones, mandating mixed-use development in nearly every zoning district in New Hampshire. Let her know that these bills go too far and rather than enact bad policy now, ask her to tell the legislature to go back to the drawing board and pass legislation next year that respects local control and is right for New Hampshire.

House Backs Risk Pool Amendment

The House on Thursday passed [SB 297](#), as amended, which deals with the operations and oversight of pooled risk management programs that are created by cities, towns, counties, and school districts to reduce risks and associated insurance costs.

NHMA opposed the original bill because of the effect it would have on the operations of insurance risk pools and, resultingly, the effect it would have on municipalities that choose to participate in one or more pools, particularly by mandating that all pools operate under an “assessable” model that subjects members to potential mid-year assessments. The amendment is a good compromise that addresses those concerns. **Please [contact your local senator](#)** and ask him or her to support concurrence with the House position.

Other House and Senate Actions

The House and Senate met Thursday—the last day for each chamber to act on bills passed by the other chamber. In addition to the bills previously mentioned, there are a few others we have been following. NHMA's position on each bill is shown in parenthesis after the bill number. Priority bills are denoted with an asterisk (*).

House Votes

[SB 43](#) (opposed original bill; support amended version) relative to removing articles of clothing from the definition of electioneering and authorizing cities, towns, and school districts to use electronic poll books at “town business and deliberative sessions and special meetings, and school district business and deliberative sessions and special meetings.” **Passed** with amendment.

SB 213 (oppose), as amended, banning and creating a misdemeanor-level offense for public employees who, in the performance of their official duties, act in “any way designed to influence the vote of a voter on any question or office.” **Passed** with amendment.

SB 221 (oppose), as amended, mandates annual verification of the voter checklist. **Passed** with amendment.

* **SB 245** (support), relative to reimbursement for ground ambulance services. This is a compromise bill negotiated between stakeholders. **Passed** with amendment.

Senate Actions

* **HB 316** (opposed original bill; support amended version). As amended, the bill is materially the same as SB 245, as passed by the House. **Passed** with amendment.

HB 143 (oppose), relative to the issuance of no trespass orders (NTO) on municipal or school district property. This bill would require a unanimous vote of a governing body to issue an NTO. The Senate amended the bill to add three unrelated sections on issues that do not impact municipalities. **Passed** with amendment.

Because all of the above bills were amended, the other chamber must either concur with the amendment (meaning the bill will go to the governor), non-concur (meaning the bill dies) or non-concur and request a committee of conference (meaning the House and Senate will meet to seek a compromise).

New Laws Impacting Municipalities

The governor signed a pair of bills of municipal interest into law last Friday:

HB 165, relative to the maximum amount of disaster relief funding provided to municipalities after a natural disaster. (*effective 7/28/25*)

HB 294, relative to the processing of absentee ballots. This bill removes a provision state law that allows 10 or more voters present at the polls to postpone the processing of absentee ballots. In place of this provision, the bill introduces new requirements for the moderator or their designee to publicly announce and post the time at which absentee ballot processing will begin, ensuring that this information is made available at least 24 hours before the polls open. (*effective 7/28/25*)

HB 327, relative to filing for office and witnessing affidavits. (*effective 7/28/25*)

House and Senate Deadlines

- 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.

Note: A list of committees of conference will be [available here](#) after they are formed.

How to Make your Voice Heard

At this stage of the session, there are no more public meetings at which to testify, so the most impactful way to make your voice heard on bills going to a committee of conference is to [contact members of a committee](#) and/or 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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