

New Hampshire Municipal Association

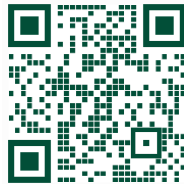
THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

LEGISLATIVE BULLETIN

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Risk Pool Debate Continues Next Week

The last of three proposals related to regulation of risk pools became public Thursday and is scheduled for a public hearing before the [Senate Finance Committee](#) on **Tuesday, February 10, at 2:30 p.m. in State House (SH) Room 103.**

SB 661, although it was introduced as a late Senate bill, is essentially the same as **SB 297**, which died last year when the Senate did not concur with a significant House amendment to the bill.

Risk pools are created by cities, towns, counties, and school districts to reduce risks and associated insurance costs, shifting risk from an individual political subdivision to the pool.

NHMA opposes SB 661 because it contains provisions that will affect municipal expenses and change the terms of membership with risk pools. The bill:

Creates additional costs for members: Mandating that all pools operate under an “assessable” model will subject political subdivision members to potential mid-year assessments if risk pool losses fall below certain minimum reserve amounts specified in the statute or if the pool is deemed insolvent. This scenario occurred last year when many school districts and a few towns received large “surprise bills” totaling more than \$30 million from two of the three health insurance risk pools operating in the state, one of which has since ceased operations. **HB 661** introduces assessable risk pools into the statutory scheme and eliminates non-assessable risk pools, which have operated in New Hampshire for decades. Allowing both models provides clarity to local governments, helping them decide which model, if any, best suits their needs. It is also consistent with the Association of Governmental Risk Pools (AGRIP) standards, which recognizes both models of risk pool.

Establishes a new mandate for municipalities: Municipalities would be required to create a non-lapsing reserve fund (a health care stabilization fund) to participate in a health pool. These reserve funds would be used to pay for assessments that may be levied during the year if the pool’s reserves fall below the mandated levels in **HB 661** or the pool becomes insolvent. The bill requires the municipal member to fund the reserve fund in an amount equal to at least 1% of the municipality’s health contribution until the fund is equal to 4% of contributions. If the reserve fund is used to pay a special assessment, then the municipality must again rebuild at the rate of at least 1% per year until the fund is at 4%. Of course, a municipality can’t know when an assessment might occur—or how much it might be—so there is no guarantee that a reserve fund can cover the surprise bill. In the end, this is a state mandate to appropriate more money than would otherwise be required to be a member of the pool.

Changes to pool members' responsibilities: Under the bill, a municipality must agree in writing that they are ultimately the responsible party for any potential losses incurred while participating in a risk pool.

The only substantive difference between **SB 297** and **SB 661** was the removal of a section in **SB 297** that allows the Secretary of State to step in if a risk pool fails to provide an annual audit or an annual actuarial valuation.

This week, hearings were held on two other risk pool bills **supported** by NHMA because they provide more options to municipalities:

The [Senate Finance Committee](#) held a public hearing Tuesday on [SB 605](#), a bill that allows risk pools to levy special assessments **if** the pool's agreement, contractual provisions, or bylaws indicate the right to levy special assessments; the bill also establishes a 36-month payment period for future assessments.

The [House Commerce and Consumer Affairs Committee](#) held a public hearing Wednesday on [HB 1491](#), which is essentially the House position that the Senate rejected last year. This bill also allows both models of risk pools to exist in New Hampshire. Under the bill, assessable pools will remain under the authority of the Secretary of State, while non-assessable pools will shift oversight to the Department of Insurance.

State regulators did not testify on the merits of either bill. See [last week's Bulletin](#) for more details on these bills.

It is important to remember that the future stability of healthcare risk pools is tied to the future stability of healthcare for thousands of public employees in our state. We witnessed the confusion and challenges members experienced when one risk pool issued assessments and then went out of business, and then another issued significant assessments shortly thereafter. NHMA supports the ability of members to establish and govern the pools and understands that clear regulations that protect the members and allow the pools to operate are necessary. With health insurance being a huge driver of municipal costs, regularly outpacing inflation, providing legislative clarity is crucial.

For detailed instructions on ways to share your position on this and any other bills, see "[*How to Make Your Voice Heard*](#)" below.

Oppose Local Liability Bill

A bill **opposed** by NHMA that expands municipal liability, increases damage caps, and mandates indemnification of employees received a seemingly favorable reception from the [House Judiciary Committee](#) at a public hearing on Wednesday.

While intended to improve access to compensation for injured parties, [HB 1064](#) **goes too far and creates serious financial risks for municipalities**. Significantly

raising liability caps will increase insurance and risk pool costs, which will be borne by property taxpayers. Additionally, this bill will limit a municipality's ability to claim immunity as a defense in negligence claims, meaning municipalities will have greater financial exposure. Small communities will be disproportionately impacted, as a single large claim could force cuts to public safety, roads, or education. Further, mandatory indemnification removes important local discretion and weakens accountability. Local governing bodies are best positioned to determine when indemnification is appropriate. Finally, current law already allows injured parties to recover damages and strikes an appropriate balance between fairness to claimants and protection for taxpayers.

The bill was also opposed by the NH Police Association, NH School Boards Association, NH Chiefs of Police Association, NH Association of Counties, and the State Employees Association; the only non-legislators testifying in support of the bill were two lawyers from firms that handle personal injury cases.

The bill has not yet been acted on by the committee, so please [contact the committee](#) now and tell them you **oppose HB 1064 because it will lead to fiscal instability and higher taxes.**

Housing Champions Vanquished

The House voted Thursday to pass [HB 1196](#), which **repeals the state's successful Housing Champions program.** The vaguely worded repeal could potentially jeopardize about \$2.5 million in previously obligated grants from the state to municipalities.

Housing Champions is a voluntary program created in 2023 and funded with a \$5 million appropriation to provide communities with another tool encouraging affordable housing development. Municipalities designated as Housing Champions are eligible to apply for grants to help them develop solutions and advance infrastructure that will help alleviate the state's housing shortage.

The vote came just a week after a [report](#) issued by the state Department of Business and Economic Affairs (BEA) stated that New Hampshire's cities and towns issued building permits for 5,822 housing units in calendar year 2024—which was the **highest** annual number **since 2006**—and **the 28 cities and towns in the state designated as Housing Champions communities were responsible for approving 45% of housing units that were built in 2025.**

For more background on the success of state and local partnerships and the troubling drift to heavy-handed state preemption of local options, check out **NHMA's recently released whitepaper, "[Room for Everyone](#),"** which traces the roots of the housing deficit back nearly two decades, outlining the economic, demographic, and market forces that fueled rising prices and constrained supply. The NHMA paper also advocates for

renewed partnership between the state and municipalities, emphasizing that effective housing policy must include infrastructure investment, targeted incentives, and flexible, locally tailored tools.

HB 1196 will head to the Senate.

Committee to Act on M&R Distribution Bill

On **Monday, February 9, at 10:00 a.m. in Government Place (GP) Room 159** the [House Ways and Means Committee](#) will hold a work session, following by an executive session at **11:00 a.m.**, on eight bills, including **HB 1474**, a bill that would change the municipal distribution formula for the meals and rooms tax.

Historically, the municipal share is distributed to cities and towns based on annual population estimates compiled by the state. **HB 1474**, as introduced, would subtract “those living in property tax exempt housing including on-campus college housing, prisons, jails and similar institutions, county nursing homes and not for profit nursing homes” from the population estimates and then factor in “average equalized property value per adjusted population” to the distribution calculation.

NHMA is monitoring the bill because it does not change the total amount of money distributed to cities and towns. However, a [spreadsheet](#) provided by the bill sponsor based on a draft amendment he floated at the public hearing last month listed **34 municipalities that would get no M&R revenue under the bill, and another 16 that would see a reduction of more than 50% of their current share**. More than one-quarter of cities and towns would see a reduction of 30% or more, and 100 municipalities would lose some portion of their current M&R share.

It is unclear if the original bill, the draft amendment, or an entirely new amendment will be acted on at Monday’s workshop and executive session. In any case, **a change of this magnitude requires significant analysis** by the Department of Revenue Administration followed by informed debate involving policymakers and stakeholders. Concerned municipalities can email the [House Ways and Means Committee](#) to weigh in on this proposal (whatever it ends up being).

Speaking of Municipal Aid ...

Although cities and towns have received increased distributions of the meals and rooms tax since 2021, **state aid to municipalities, in total, has consistently failed to keep pace with inflation since the Great Recession**. When adjusted for inflation, New Hampshire **cities and towns are receiving less municipal aid today than they were in 2009**, according to an updated NHMA analysis that will appear in the March-April edition of NHMA’s Town & City magazine.

This information is important to know—and to **share with your local legislators**—as multiple bills this year seek to cap local spending through implementing or enabling statewide property tax caps or making it harder to pass a budget at the local level. Because of the timeliness of this information, we're [sharing the article here](#).

Senate and House Roundup

The House and Senate met on Thursday to act on dozens of bills. Here are the outcomes of some bills of interest to NHMA members:

House

HB 1098 (tabled): This bill, **supported** by NHMA, amends existing law to allow municipalities to consider road maintenance, public safety, and related issues when deciding whether to grant building or occupancy permits for properties adjacent to class VI roads. The tabling motion allows for more time to reach a compromise on this issue, which has been a concern for many municipalities since the law was changed last year.

The House also acted on several other housing, zoning, and land use bills Thursday, killing six bills **supported** by NMHA, including revisions to parking requirements for dwelling units and creating an annual requirement for reporting accessory dwelling unit (ADU) construction and use.

Senate

SB 103 (passed), a bill introduced last session and **opposed** by NHMA, mandates towns and cities to provide a minimum of one polling location for every 15,000 registered voters during general elections for president. It introduces a new section, RSA 658:11-a, which outlines the requirements for polling places, including the need for municipalities seeking to operate a single polling location to submit a detailed plan for approval by the Secretary of State and the Attorney General. The Senate concurred with the amended version of the bill that passed the House, so the bill will proceed to the governor's office.

SB 436 (killed). The bill, **opposed** by NHMA, would require ZBA members to recuse themselves under a vague standard.

SB 559 (passed with amendment): This bill, **supported** by NHMA, reduces the minimum allowable speed limits that municipal authorities may set on local roads in certain districts from 25 miles per hour to 20 miles per hour, based on engineering or traffic investigations.

Upcoming sessions

The House, which has earlier deadlines to act on bills, has scheduled sessions for **February 12** and **19** (with the possibility of another session on **February 18**). The next Senate session has not been scheduled.

Quick Hits

Updates on some important bills we are following:

New name for “unnecessary hardship”: The [Senate Election Law and Municipal Affairs Committee](#) amended [SB 435](#), which would have removed “unnecessary hardship” from the items a zoning board of adjustment may consider when reviewing a variance request, significantly lowering the standard under which variances may be denied. The amendment ([am-04992](#)) clarifies the relatively confusing language in current law by replacing “unnecessary hardship” with “unreasonable restriction,” defined as “due to special conditions of the property that distinguish it from other properties in the area, either: (A) The proposed use is a reasonable one, and applying the restriction in the ordinance to the property does not substantially serve the general public purposes of the restriction; or (B) The property cannot reasonably be used in strict compliance with the ordinance.” The amended bill, which NHMA **supports**, will go to the full Senate at a future date.

Anti-NHMA bills remain in committee: [HB 1359](#) or [HB 1360](#) remain with the [House Legislative Administration Committee](#). These bills specifically **take aim at NHMA’s ability to advocate** and at member municipalities’ ability to govern the organization. **There is still time for local officials and concerned citizens to contact committee members and their local legislators to impress upon them the value of NHMA membership and of having a shared voice at the State House.** See the [January 23 Bulletin](#) for more on these bills.

Perpetual tax cap referendum: No action this week on [HB 1300](#), which would create biennial local tax cap referendums for every city, town, county, and school district in New Hampshire.

Get Involved in Legislative Policy Process

NHMA’s biennial legislative policy process is getting under way, and **there’s still time to get involved!**

NHMA has a member-driven process by which it establishes the legislative policy positions to guide staff advocacy activities over the coming legislative biennium. As a first step, we are recruiting volunteers to serve on our three legislative policy committees. These committees will review legislative policy proposals submitted by local officials and make recommendations on those policies, which will go to the NHMA Legislative Policy Conference in September.

If you are a municipal official in a city or town and are interested in serving on one of the policy committees, please contact the advocacy staff at: governmentaffairs@nhmunicipal.org.

Each of the committees deals with a different set of municipal issues. The committees and their subject areas are as follows:

- **Finance and Revenue:** budgeting, revenue, tax exemptions, current use, assessing, tax collection, retirement issues, education funding.
- **General Administration and Governance:** elections, Right-to-Know Law, labor, town meeting, charters, welfare, public safety.
- **Infrastructure, Development, and Land Use:** solid/hazardous waste, transportation, land use, technology, environmental regulation, housing, zoning and land use, utilities, code enforcement, economic development.

When you contact us, please indicate your first and second choices for a committee assignment. We will do our best to accommodate everyone's first choice, but we strive for equal membership among the committees. We hope to have 15-20 members on each committee.

There will be an organizational meeting in Concord for all committees on **Friday, April 3**. After that, each committee will meet separately, in person, as many times as necessary to review the policy proposals assigned to it—typically three to five meetings, all held on either a Monday or Friday, between early April and the end of May.

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 local legislators, there are [Contact a Senator](#) and [Contact a Representative](#) links on the [General Court](#) website.

Note: For any readers who print these emails out, all of the above links can be found on the General Court website at: <https://gc.nh.gov/>

Because the House and Senate have moved to digital calendars, committees now have the ability to reschedule when there is bad weather, when there are absences, or when issues with bills just haven't quite 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.

Finally, remember that House committees are meeting in a new location. The Legislative Office Building (LOB), where House committees typically meet, is closed for renovation and hearings are now being held at 1 Granite Place (GP), which is about 1.6 miles north of the State House. NHMA has [prepared a handout](#) on how to navigate Government Place.

Follow Bills That Matter to You Online

In addition to our weekly Legislative Bulletin, NHMA provides members access to FastDemocracy, an online bill tracking platform, for efficient, real-time updates to legislative activity of interest to members. This tool can help ensure that you know when the bills that you care about most are scheduled for public hearing or votes.

Visit our online [Bill Tracker](#) page to learn more and feel free to subscribe to weekly or daily updates on subjects and bills of interest.

February Legislative Dates

House

Thursday, February 12, 2026—Last day to report House Bills going to a second committee.

Thursday, February 19, 2026—Last day to act on House Bills going to a second committee.

Senate

Monday, Feb. 23-Friday, Feb. 27, 2026—Senate break.

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NHMA Events Calendar
2024 Final Legislative Bulletin

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