

New Hampshire Municipal Association

THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

LEGISLATIVE BULLETIN

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[Bill Hearings Schedule](#)

Property Tax Exemptions for Religious Organizations

Four bills working their way through the House and Senate—[HB 147](#), [HB 425](#), [HB 585](#), [SB 291](#)—would greatly expand the amount of property owned by religious organizations that would be exempt from property taxes.

These exemptions will increase property taxes for all other taxpayers, which would be a material reallocation in communities where religious organizations own land that they don't use and is currently taxed. NHMA opposes all four bills.

HB 147 would greatly expand the religious property tax exemption to all property owned by religious organizations, even if the property isn't being directly used by the organization. This bill was narrowly recommended ought to pass (OTP) by the [House Municipal and County Government Committee](#) this week.

HB 425 would allow religious organizations to keep their tax exemption even if they rented the property. This bill also was narrowly recommended OTP by the House Municipal and County Government Committee.

HB 585 allows a religious organization to rent out not more than one church parsonage or similar residential property, as well as one worship building, and remain exempt from

taxation, provided the rental income must go toward the operating expenses of the religious organization. This bill is with the [House Ways and Means Committee](#).

SB 291 greatly expands RSA 674:76, governing the religious use of land and structures, to allow religious organizations to own, rent, or sell workforce housing without needing to pay property taxes. The bill would also be a zoning mandate that allows all religious buildings listed in RSA 72:23, III to be exempt from zoning ordinances or site plan review; however, it would still allow the land or structures to be subject to objective and definite regulations concerning the height of structures, yard sizes, lot area, setbacks, open space, and building coverage requirements. This bill is with the [Senate Ways and Means Committee](#).

Some lawmakers believe that all land owned by religious organizations, even land used for commercial purposes or workforce housing, should be tax exempt. Currently, in New Hampshire, only land and property owned and “appertaining” to and “directly” used by the religious organization qualifies for property tax exemptions. The bills would no longer require the property to be “appertaining” to and “directly” used in order to qualify for exemptions.

HB 425 and **HB 585** also create a new burden on municipal assessors who would need to review religious organizations’ finances to ensure compliance and confirm tax-exempt status, despite assessors not being certified accountants.

The passage of any of these bills could impact municipalities in regard to property tax apportionment and, in some cases, zoning and development. Members are asked to [contact their legislators](#) before **HB 147** and **HB 425** go to the House floor for a vote, and contact the [House](#) and [Senate](#) ways and means committees regarding **HB 585** and **SB 291**, respectively. For detailed instructions on ways to share your position on these and any other bills, see “*How to Make Your Voice Heard*” below.

Nixing Vehicle Inspections Will Cost Municipalities Money

The [House Transportation Committee](#) deadlocked Thursday on **HB 649**, which will go to full House with no recommendation. The bill 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, passing this bill will cost cities and towns money because 12 percent of state highway fund road toll and 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.

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 [contact your House members](#) and ask them to oppose this bill before it goes to the full House for a vote.

Senate Commerce Takes up More Zoning, Planning Bills

On **Tuesday, March 4**, beginning at **10:00 a.m.** in **State House (SH) Room 100**, the [Senate Commerce Committee](#) will hold public hearings on a number of planning and zoning mandates which would take away local control.

SB 90 (10:00 a.m.) 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. NHMA opposes this bill because it is a zoning mandate that takes a one-size-fits-all approach that does not work for all communities, as well as the potential impact high-density developments could have on municipal revenue and expenses.

SB 174 (10:15 a.m.) prohibits planning boards from considering the number of bedrooms a given unit or development has during the hearing and approval process, which NHMA opposes. 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. These requirements also limit the number of parking spaces required for the development, which might be necessary if there is limited land for parking.

SB 175 (10:30 a.m.) allows municipalities to adopt ordinances that allow the enforcement of private covenants enacted by past landowners or homeowners' associations. Workforce housing is exempted. NHMA opposes.

SB 281 (10:45 a.m.) prohibits municipalities from denying building or occupancy permits for property adjacent to class VI roads under certain circumstances. NHMA opposes.

SB 283 (11:00 a.m.) relative to the calculation of floor-area-ratios under local building ordinances.

SB 163 (11:30 a.m.) prohibiting local moratoria and limitations on building permits. NHMA opposes.

Municipal officials are encouraged to testify or sign in against these attempts to usurp local decision making or, if that isn't possible, [contact](#) the Senate Commerce Committee to register opposition.

Election Changes Under Consideration

On **Tuesday, February 25**, beginning **10:20 a.m.** in **Legislative Office Building (LOB) Room 306-308**, the [House Election Law Committee](#) has a series of public hearings on election-related bills.

[HB 590](#) (10:20 a.m.): Stipulating that cooperative school district school board candidates must be elected exclusively by registered voters from the same city or town where the candidate is registered.

[HB 367](#) (10:40 a.m.): Changing the method for adopting partisan town elections to be the same as rescinding partisan town elections.

[HB 481](#) (11:00 a.m.): Moving the state primary to the second Tuesday in June.

[HB 408](#) (11:20 a.m.): Moving the state primary to the fourth Tuesday in August.

[HB 151](#) (11:40 a.m.): Changing the term for supervisors of the checklist from 6 years to 3 years.

[HB 600](#) (1:00 p.m.): Enabling ranked choice voting for municipal elections. NHMA opposes this bill on the grounds that that voting in state and local elections should be simple and convenient without risking election integrity or security, and that election processes should be efficient without imposing undue burdens on local officials. Ranked choice voting creates more complexity in the process for election officials.

[HB 333](#) (2:10 p.m.): Requiring moderators to designate a space for electioneering at polling places and provide a schematic thereof. NHMA opposes this bill because it takes away moderator's ability to adjust area based on weather, traffic, or other conditions on election day.

[HB 395](#) (2:30 p.m.): Empowering inspectors of the election to observe all duties performed by supervisors of the checklist. NHMA opposes this bill due to potential for exposure of a voter's personal information to unauthorized individuals.

[HB 409](#) (2:50 p.m.): Creating a new fee structure for election recounts.

[HB 521](#) (3:10 p.m.): Authorizing online voter registration. NHMA supports this bill.

On **Tuesday, March 4**, beginning at **9:15 a.m.** in **LOB 103**, the [Senate Election Law and Municipal Affairs Committee](#) takes up four more election-related bills.

[SB 214](#) (9:15 a.m.) enables no-excuse absentee registration and voting.

[SB 215](#) (9:30 a.m.) requires an unorganized town or unincorporated place to elect town officers for the purpose of conducting elections.

SB 216 (9:45 a.m.) modifies the authority of moderators on election day. NHMA opposes this bill.

SB 218 (10:00 a.m.) removes the requirement for absentee ballots to be placed in outer envelopes unless they are mailed to town or city clerks.

Moderators, supervisors of the checklist, and other local election officials are encouraged to review these bills and testify or contact the committee about any changes they find problematic.

Anti-Speech Bill Gone (For Now), Not Forgotten

Following a public hearing Wednesday, the House Legislative Administration Committee voted 11-0 to retain **HB 314** in committee.

HB 314 prohibits local officials acting in their official capacity from any form of speech related to legislation or politics. The second paragraph broadly prohibits any public funds from being used to “to lobby, attempt to influence legislation, participate in political activity, or contribute funds to any entity for the purpose of engaging in the same.” Because this language goes well beyond prohibiting “lobbying” as defined in RSA 15, the bill would prevent any local official, whether a paid employee or an elected official receiving a stipend, from any form of advocacy or speech on legislation on behalf of a city or town.

Of course, that ban would also apply to organizations like NHMA and many, many more: **HB 314** affects every organization of municipal officials, such as building officials, assessing officials, firefighters, public works, or the police chiefs; every state agency and department; and every nonprofit organization that receives state or local funds. This is why the coalition against this bill includes the NH Center for Nonprofits and the NH Charitable Fund.

We want to thank all our members, as well as other organizations impacted by this proposal, for sharing their concerns with the committee. We will continue to follow this bill to see what the committee does this fall.

Busy Week for Bills with Municipal Impacts

The House Municipal and County Government Committee held public hearings Tuesday on six bills NHMA is following.

HB 123 aims to help municipalities recoup some lost timber tax revenues by taxing standing wood used for carbon sequestration. This bill would ensure that timber under carbon sequestration is taxed similarly to cut timber, based on the yield of carbon sequestered. NHMA supports this bill as it provides a new revenue source for municipalities.

HB 554 would give municipalities the authority to determine where political signs can be placed. NHMA is neutral on this bill, recognizing the importance of both political speech and municipal regulation.

HB 562 requires vacancies on elected municipal boards and school boards to be first offered to the runner up in the most recent prior election if the appointing authority chooses to fill the vacancy with an applicant who ran in any of the least three elections for the office. NHMA opposes this bill as it undermines a governing body's authority to choose the most qualified candidates and could limit the effectiveness of local governance.

HB 668 allows municipalities to hold a referendum to rescind the licenses for historic horse racing gaming, prohibiting historic horse racing in the municipality. NHMA supports this bill as an expansion of local control.

HB 512 prevents town managers, administrators, and school superintendents from being compensated by more than one town or district contract at a time, creating a criminal penalty for violating the statute. NHMA opposes this bill as micromanagement of local governance and decision-making.

HB 490 allows public property to be used to aid and shelter the homeless and indemnifies the governmental unit from claims for injury related to such aid and shelter, absent intentional misconduct or a conscious disregard for safety. NHMA supports this bill.

Members should [contact the committee](#) to provide feedback on these bills before they are acted on in executive session.

The committee also held executive sessions Tuesday on these bills:

HB 625 permits municipalities to require non-profit organizations to make payments in lieu of taxation on all real and personal property owned by the organization. Recommendation: Inexpedient to Legislate (ITL) with a vote of 18-0. NHMA supports this bill.

HB 230, as amended, removes the authority of municipal health officers to make public health regulations. Recommendation: Ought to Pass with amendment (OTP-A), 18-0. NHMA opposes.

HB 421, as amended, requires municipalities to annually mail a notice to all charitable or religious organizations exempt from property taxation, creating an increased cost and administrative burden on municipalities. Recommendation: OTP-A, 16-2. NHMA opposes.

HB 782 expands property tax relief for elderly and disabled individuals. Recommendation: ITL, 18-0. NHMA opposes.

[HB 426](#) allows a grace period for submitting tax exemption applications if a charitable organization demonstrates their failure to apply was due to accident, mistake, or misfortune. This would have limited administrative costs for municipalities. The bill was amended based on input from the Board of Land and Tax Appeals. Recommendation: OTP-A, 16-2. NHMA is neutral.

[HB 458](#) limits local assistance to U.S. citizens or permanent legal residents, potentially reducing welfare costs but creating administrative burdens as municipal officials would need to verify citizenship or legal residency status. Recommendation: Retain in committee, 13-5. NHMA is neutral.

[HB 689](#) allows municipalities to implement a volunteer incentive property tax credit for veterans and elderly residents who engage in volunteer work. Recommendation: ITL, 18-0. NHMA is neutral.

[HB 766](#) allows municipalities to adopt a local education property tax exemption for elderly residents aged 70 and older. Recommendation: ITL, 17-1. NHMA is neutral.

House Passes Concerning RTK Bill, Others

The House met Thursday and acted on seven bills NHMA took a position on, including two priority bills.

Priority Bills:

HB 66, relative to material subject to disclosure under the Right to Know Law. **Passed.** NHMA opposes this bill, which changes the definition of “citizen” to “person” and mandates that requests be accepted in person, by mail, or electronically and that records must be sent electronically or by mail (at the requestor’s choice) – rather than simply being made available for public inspection. As amended, the bill creates two tiers of requestors depending on whether the person has any connection to NH. While the amendment is a slight improvement, NHMA still opposes this bill due to the administrative and cost issues associated with the mandates that records must be sent to anyone with NH ties electronically or by mail, with the requestor choosing the method of delivery. **HB 66** was referred to the House Finance Committee. While it is unlikely Finance will hold another public hearing on this bill, it’s still important for cities and towns to contact members of the committee to express their opposition.

[HB 407](#), setting a minimum threshold for the adoption of town and school budget and spending items for towns using a ballot to select such methods during town meeting. **Inexpedient to Legislate (ITL).** NHMA opposes the bill.

Other Bills:

HB 80, as amended changes the “not reasonably practicable” standard to “unavoidable” regarding reasons for board members not to attend meetings in person. **Passed with amendment.** NHMA opposes both the original and amended bill, which replaces one vague standard with another.

HB 272, exempting certain agricultural practices from municipal noise regulation. **Passed.** NHMA opposes the bill.

HB 299, relative to the award of attorneys’ fees and costs in workers’ compensation claims. **ITL.** NHMA opposed the bill.

HB 339 adding two new chapters to the list of optional Municipal Master Plan chapters. **ITL.** NHMA supports the bill.

HB 586, establishing an employee assistance program for small town first responders and making an appropriation. **Tabled.** NHMA supports the bill.

The next House session will be on **Thursday, March 6**. The Senate also meets that day.

First Impressions of the State Budget

The \$15.9 billion budget proposed last week by the governor did not contain significant changes related to local government operations or ongoing state aid to cities and towns, which is positive news.

In fact, growth in revenue from the Rooms and Meals Tax—which the governor projects will increase by more than 10% between fiscal years 2025 and 2027—would mean an increase in aid to cities in towns.

However, the budget did not include funding for water infrastructure grants to municipalities and bridge and highway aid for local governments, which had been included in recent budgets as one-time appropriations funded by surplus revenue. There also wasn’t any additional funding for housing initiatives, although a one-year extension was included for lapsing Housing Champions Program funds. (Note: Additional funding for many of these programs is included in various House and Senate bills.)

On a positive note, the governor did not propose any zoning mandates, either— although there are already plenty of those in the House and Senate. On housing, the governor proposed changes to the state housing permitting process, requiring new permit determinations to be completed within 60 days.

The budget proposal also included \$27.5 million in state funding each year for benefit enhancements for roughly 1,500 active state and local police and fire (Group II) personnel impacted by 2011 reforms to the NH Retirement System (NHRS), which could potentially make these expensive, long-term changes cost-neutral for municipalities—at least in this budget, as future appropriations would not be guaranteed.

But do the numbers add up? Could state aid to cities and towns be in jeopardy as the spending package works its way through the House and Senate?

Well, the governor's revenue projections for the next two years are more than \$500 million more than the estimates being considered by the House Ways and Means Committee. Most of the gap comes from two areas: Different assumptions regarding the growth of business tax revenue, with the governor being much more optimistic than the House, and new revenue in the governor's plan from legalizing slot machine gambling. In fact, a portion of future slot machine revenue is how the Group II benefit increases would be funded over the next decade. (Note: While the stated intention is to use a portion of slot machine revenue for the retirement system, the proposal splits the revenue 50/50 between the education trust fund and the general fund, not specifically to NHRS.)

Other issues that could impact the budget include:

- The growing cost of settlements tied to abuse at the state's youth detention center decades ago.
- The availability of federal funds in light of recent executive branch efforts to reduce or eliminate various programs.
- The education funding lawsuits currently with the NH Supreme Court.

In summary, the governor's budget is the beginning of a lengthy process, and the spending package that comes out of the legislature will certainly be different based on what the House, and especially the Senate, choose to prioritize, as well as what the state revenue picture looks like in 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 want to contact your local legislators, there are [Contact a Senator](#) and [Contact a Representative](#) links on the [General Court](#) website.

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.

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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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 to be added to our email list for the *Legislative Bulletin*.

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