

# LEGISLATIVE BULLETIN

**Legislative Bulletin 09**

**2024 Session**

**March 1, 2024**



**Live Bill Tracker**

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## **Restoration of State Retirement Contribution = Property Tax Relief**

On **Wednesday, March 6th, at 10:00a.m., in LOB Room 212**, the **House Finance Division I Committee** will hold a work session on [\*\*HB 1279\*\*](#), a bill that proposes to renew the promise made by the state to pay a portion of the New Hampshire Retirement System (NHRS) costs for teachers, police, and firefighters.

Titled the “Property Tax Relief Act of 2024,” this bill would work to ease the local property tax burden, by amending RSA 100-A:16, II(b) and (c) to specify that moving forward municipal employers will pay 92.5 percent of the total retirement system contributions for Group I teachers and Group II police and fire members and the state will contribute the remaining 7.5 percent beginning in Fiscal Year 2025. The fiscal note estimates the state contribution will reduce the municipal cost by \$27.13 million in FY 2025, \$27.78 million in FY 2026, and \$28.46 million in FY 2027.

As many of you know, the State of New Hampshire originally funded a portion of the retirement costs for teachers, police, and firefighters, a practice that dated back to 1940 under the predecessor retirement systems and continued when these systems were consolidated into the NHRS. In 1977, the state contribution was set by statute to 35% of the cost, with municipalities, counties and school districts paying the remaining 65%. (Municipalities, counties, and schools paid 100% of the cost for all other employees enrolled in the NHRS.)

The 35% state contribution was then gradually lowered from 2010 through 2012, and then eliminated entirely, resulting in local governments paying 100% of the retirement costs in 2013 and beyond. This elimination of the state contribution had an immediate impact on property taxes, increasing costs to local governments. Because the NHRS employer rates have increased since 2013, if the 35% state contribution were still in statute today, local governments would have paid an estimated \$125 million less in their 2023 NHRS annual contributions. Just as the elimination of the state contribution increased property taxes, restoration of a portion of that state contribution will provide property tax relief across the state.

Please let members of the [House Finance Division I Committee](#) know how **HB 1279** will play an important role in providing much-needed property tax relief. If your state representatives are not on this committee, still make sure **HB 1279** is on their radar, and urge them to **support** this bill.

## House to Vote on Local Option Public Safety Assessment Fee

Next week, the House will vote on [HB 1254](#), which would allow municipalities to adopt a local option fee to be assessed on hotel occupancies for municipal public safety services, helping offset the cost burden of municipal services associated with increased tourism and transient traffic. The bill left the committee without recommendation, allowing both sides to present their arguments for the full House to consider. We understand that amendment [2024-0681H](#) is expected to be offered on the floor which would limit the fee to up to \$2 per night for room rentals.

With the pressure to minimize the property tax burden, increased attention is being focused on the amount and type of locally estimated revenues, including “charges” and “user fees.” Municipalities in New Hampshire may assess charges and user fees only as permitted by state statute.

Currently, no state law authorizes municipalities to assess and collect a local option hotel occupancy fee to support public safety services. While this bill may not be of interest to all municipalities, the municipal officials who testified in support at the hearing made compelling arguments as to how a hotel occupancy fee would help ease the financial burden placed on their property taxpayers by added public safety and costs associated with tourists or with significant growth in their daily “population” from serving as a regional economic hub. Ten New Hampshire mayors echoed these sentiments [in a letter](#) that explains how a local occupancy would help support *both* our important tourism economy and our public safety services. And although opponents insisted that **HB 1254** would hurt the tourism industry, our neighbors in Vermont authorized a similar local option, which was adopted by about a dozen municipalities and has had no negative impact on the competitive nature of its tourism industry.

With the increased inflationary pressures, along with the suspension of revenue sharing in RSA 31-A since 2010, alternative local option revenue streams are needed to allow municipalities to meet their service and infrastructure needs without relying solely on local property taxes.

Now is the time to advocate for this targeted proposal. **Please contact your [representative](#) and ask for their support on the Ought to Pass Motion on HB 1254.**

### **Reminder: Executive Session on Anti-Lobbying Bill**

On **Wednesday, March 6** at **10:00 a.m.**, the [House Legislative Administration Committee](#) will hold its executive session on [HB 1479](#), the anti-lobbying bill that we covered in depth in [Bulletin #6](#). Many of our members wrote letters in opposition or came to Concord to testify, as this bill would not only prohibit organizations like NHMA from representing their members, but it would also prohibit local officials (and many others, including nonprofits) from participating in the legislative process. We know that several members have submitted letters to the committee in opposition since the hearing, and we encourage you to continue to contact the committee and your own representatives (and remember to email us a copy of your correspondence asking them to oppose **HB 1479**).

### **Reminder: Executive Session on Immunity Repeal Bill**

On **Wednesday, March 6**, at **10:00 a.m.**, the [House Judiciary Committee](#) will hold its executive session on [HB 1640](#), the bill that would allow claims against municipalities under *any* provision in the New Hampshire or United States Constitution, repealing all immunity provisions and liability caps. We wrote extensively about the impact of this bill in [Bulletin #6](#). We encourage you to continue to contact the committee to explain the problems with the bill (and remember to email us a copy of your correspondence asking them to oppose **HB 1640**).

### **Last Hearings Before Crossover in Municipal & County Government**

On **Wednesday, March 6**, beginning at **9:30 a.m.**, the **Municipal and County Government Committee** will hold its last public hearings before crossover. Those hearings will be on the following bills:

- 9:30 AM     [HB 1181](#)     relative to solid waste districts.
- 10:00 AM   [HB 1101](#)     establishing a committee to study a potential state program to make loans to low-to-moderate income households for the purpose of buying a home or for the purpose of consolidating student loans.

1:00 PM [HB 1223](#) (non-germane [Amendment 2024-0805h](#)) relative to governing body members of the budget committee.

Crossover is when the House receives the bills that passed the Senate, and the Senate receives the bills that passed the House. Crossover is April 11 this year. However, both the House and Senate have been very busy holding hearings on bills, and we anticipate that the next few weeks will largely be filled with executive sessions in both bodies. Additionally, most bills that had a fiscal note will also see a second hearing (if they pass their originating body the first time) in a financial committee, which will consider the financial implications of the policy.

## House Special Committee on Housing Update

On **Friday, March 8, at 9:00 a.m.**, the **House Special Committee on Housing** will hold a hearing on [HB 1291](#), which would increase the number of accessory dwelling units (ADUs) that must be permitted and alter other municipal regulatory authority for ADUs. Following that hearing, the Special Committee will hold work sessions on [all the bills currently in the committee](#). Generally, work sessions are scheduled when a committee anticipates drafting an amendment to a bill. Immediately after the work session, the Special Committee will hold executive sessions on all bills currently in the committee.

As we noted [last week](#), NHMA has vigorously defended its [member-adopted position](#) to *oppose* any legislation that creates a statewide land-use mandate. We respect that some municipalities may wish to implement—or may have already implemented—local rules that mirror provisions in these bills, while others are taking different approaches that better suit their communities and reflect the input of their residents. This is a key reason why NHMA supports local decision-making on local issues, not statewide, one-size-fits-all, mandates.

NHMA has also proposed several amendments that seek to solve some of the issues identified in legislation in a manner that preserves local control and leverages policy options that either have a proven track record of success or are likely to lead to success. We do not yet know whether the Special Committee will adopt any of our proposed amendments or reject proposed statewide land-use mandates.

## It's Not Too Late to Get Involved: Organization Day is April 5!

NHMA's biennial legislative policy process is underway. 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 Government Affairs staff at 603-224-7447 or [governmentaffairs@nhmunicipal.org](mailto: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, 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 for all committees on **Friday, April 5**. After that, each committee will meet separately 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.

## **Reminder: Local Solutions to the State's Housing Crisis Webinar Series**

NHMA is proud to partner with New Hampshire Department of Business and Economic Affairs, New Hampshire Planners Association, New Hampshire Association of Regional Planning Commissions, University of New Hampshire Extension, PLAN NH, New Hampshire Housing, New Hampshire Community Loan Fund, Community Development Finance Authority, and the Center for Ethics in Society at Saint Anselm College on a 5-part webinar series focusing on local solutions to New Hampshire's housing shortage. The other programs in the series are:

**[“Transfer of Development Rights 101: A Primer”](#)** (Thursday, March 7)

**[“Attracting Developers”](#)** (Thursday, March 14)

The series will highlight a variety of actions municipalities are taking to improve the housing shortage. We've all seen numerous news reports about, for instance, the **[2,717 housing units that will shortly be under construction in Concord](#)** (a **[14% increase](#)** in housing units), but this series will delve into the factors that lead to success and how growth can balance against existing demands for municipal services. We hope that you will register via the links above and join us during this series.

**Bill Hearings Schedule**  
**NHMA Events Calendar**  
**2023 Final Legislative Bulletin**  
**Website: [www.nhmunicipal.org](http://www.nhmunicipal.org)**  
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