

LEGISLATIVE BULLETIN

Legislative Bulletin 16

2024 Session

April 19, 2024



[Live Bill Tracker](#)

Update on Retirement Bills

Twenty bills were filed this session related to the New Hampshire retirement System (NHRS). This is a good time to provide an update on the NHRS bills affecting municipalities, now that the unofficial halfway point of the legislative session (Crossover) is behind us.

Two bills that have passed the House and are now in the Senate for consideration would propose significant policy changes to RSA 100-A, and **increase** municipal employer costs:

- On **Tuesday, April 23, at 2:00 p.m.** in **State House Room 103**, the [Senate Finance Committee](#) will hold a public hearing on [HB 1647](#). This bill would increase the multiplier for Group II Tier B and C members (and future hires) to 2.5 percent for all years worked in excess of 10 years. The bill, as amended, includes a \$53.6 million state appropriation to offset the cost to cover the increase in the UAAL, but Group II employers would still have an ongoing annual “normal cost” of \$3.69 million.
- [HB 1451](#) is currently with the [Senate Executive Departments Committee](#) awaiting an executive session. This bill would require that mandatory overtime be reported as part of the full base rate of compensation.

The fiscal note estimates the employer costs up to \$15.25 million dollars annually and increasing proportionally with salary increases.

Unfortunately, two retirement bills that would have worked to **decrease** NHRS municipal budget costs and provide local property tax relief were referred to Interim Study in the Senate this week:

- **[HB 1279](#)**: This bill would have required the state pay 7.5 percent of local employer retirement contributions for Group I teachers and Group II police and fire members on an ongoing basis. The fiscal note indicated political subdivision would have seen \$27.13 million in tax relief.
- **[HB 436](#)**: This bill would have appropriated \$50 million in fiscal year 2024 to reduce the retirement system's unfunded actuarial accrued liability (UAAL) determined under RSA 100-A:16, II.

Because it is a non-budget year, the Senate Finance Committee was not able to fund these bills using state surplus due to the many competing requests for appropriations and a smaller than expected state surplus. We expect that both bills will return next session for inclusion in the state budget process since both bills have been introduced multiple times in the past several years.

Finally, the remaining retirement legislation is also no longer in play this session:

- **[SB 309](#)**: Referred to Interim Study. This bill would have reduced the vesting period for retirement system benefits from 10 years to 5 years. The fiscal note indicated that this bill would reduce the unfunded liability by \$12.1 million, but would increase the future benefits resulting in a \$2.12 million ongoing annual costs across all groups.
- **[SB 368](#)**: Referred to Interim Study. This bill would have retroactively amended current law regarding the reduction of a retiree's annuity at their full retirement age under the Social Security system and would apply to members of Group I who already retired prior to July 1, 2023, and had not attained age 65 prior to July 1, 2024. The annual cost of this proposal is \$520,000 over the next 20 years to fund the resulting \$11.1 million increase to the UAAL.
- **[SB 520](#)**: Inexpedient to Legislate. This bill would have created a redundant financial standard of care requirement for state and local public retirement systems in discharging fiduciary duties.
- **[HB 1211](#)**: Inexpedient to Legislate. This bill would have temporarily increased the number of hours a retired employee can work in a calendar year from 1,352 to 1,872. After 10 years, the number of hours would revert to the 2023 level of 1,352 hours.
- **[HB 1421](#)**: Inexpedient to Legislate. This bill would have required the NHRS Board of Trustees to contract with two investment consulting firms and review their performance and increase costs for system administration.

- **HB 1653**: Referred to Interim Study. This bill would have modified the definition of earnable compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012, adding \$ 26.9 million to the UAAL with an annual ongoing cost of \$2.88 million for Group II employers.
- **HB 1673**: Sent to Interim Study. This would have redefined the average final compensation for Group II members hired prior to July 1, 2011, and who did not attain vested status prior to January 1, 2012, adding \$18.5 million to the UAAL with an annual ongoing cost of \$2.04 million for Group II employers.

Last Day of Hearings for House Municipal & County Government

On **Tuesday, April 23**, beginning at **9:30 a.m.** in **LOB 301-303**, the **House Municipal and County Government Committee** will hold its last day of hearings, and the first bill on the calendar is **SB 538**, the Senate omnibus housing bill. NHMA supports **SB 538**.

SB 538 includes the following provisions:

1. It amends RSA 79-E to provide for a local option to provide a tax incentive to convert office, industrial, and/or commercial spaces to residential spaces. This expansion of RSA 79-E was prompted by the increased vacancy rate of offices, industrial, and commercial spaces due to increased use of remote work opportunities.
2. It provides for a local option to allow non-charter towns to vote at town meeting to authorize their governing bodies to amend zoning. This idea comes from Vermont, which recently adopted a similar provision. Only non-charter towns are granted this authority because, of course, the adoption of a charter requires a town's legislative body to consider whether to keep zoning authority with the legislative body or grant it to their governing body. Similarly, cities have their own process relative to zoning authority.
3. It alters local control of local parking regulation by continuing to allow municipalities to set parking minimums but authorizes planning boards to waive those minimums where the applicant proposes an alternative parking arrangement to meet the anticipated demand of the use of the parcel. In cases where it is unclear whether the alternative parking arrangement meets the anticipated demand, the planning board may hire a third-party consultant (and use that expertise to assist them in determining whether the alternative parking proposal meets the demand). If the alternative parking proposal meets the demand, the planning board must approve the parking proposal. If it does not, the planning board may, of course, deny the proposal.

As a reminder, the Senate Commerce Committee has not yet voted on its recommendation on [HB 1400](#), a parking minimum bill that NHMA opposes, which already passed the House on the consent calendar and limits municipal regulation of parking to one per “unit.” Given that the Senate has already passed **SB 538**, it is very likely that the legislature will pass a bill that alters the local regulation of parking this session. NHMA continues to advocate for the option that continues to provide for local control.

Last Day of Hearings for House Special Committee on Housing

On **Friday, April 25**, beginning at **10:00 a.m.** in **LOB 302-304**, the **House Special Committee on Housing** will hold its last day of hearings. It will hear the following bills:

- 10:00 AM [SB 408](#) establishing a committee to study the effects of the housing crisis on the disability community.
- 10:15 AM [SB 527](#) relative to student housing.
- 10:30 AM [SB 527](#) (non-germane Amendment 2024-1482h) relative to student housing.

The [non-germane amendment](#) to **SB 527** may look familiar to readers. It is a rewrite of [HB 1281](#), prohibiting a zoning ordinance or regulation from restricting the number of occupants in a residential rental property to less than 2 occupants per bedroom. Several of our members with large student housing populations have raised concerns about the impact of the provisions of that bill on their locally adopted zoning amendments.

We urge our members to attend the hearing on the non-germane amendment to **SB 527** to explain to the committee how it would impact their zoning provisions. Although **HB 1281** was laid on the table in the House after an “Inexpedient to Legislate” recommendation out of the House Municipal and County Government Committee, there is a good chance that the House Special Committee on Housing could have a different recommendation on the bill.

Local Option RTK Bill Recommended by Senate Committee

On Thursday, the Senate Judiciary Committee recommended [HB 1002](#), the local option Right-to-Know Law bill, as Ought to Pass on a 5-0 vote. We anticipate that the bill will pass the Senate, and we want to thank our members who reached out to the Senate Judiciary Committee urging them to pass the bill. Assuming that the bill passes the Senate and is signed by the governor, NHMA plans to host a webinar this summer and produce a guidance document on its provisions.

Calendar Changes

If you are a long-time reader of the *Bulletin*, you will have noticed that the weekly schedule of hearings that we have long published has, increasingly, been out of date by the beginning of the week for which it is produced. That's because the shift in both the House and Senate to digital calendars has made it easier for committees to reschedule when there is bad weather, when there are absences, or when issues with bills just haven't quite been worked out. As such, we are now going to link to the [House Digital Calendar](#) and [Senate Digital Calendar](#) instead of producing our own hearing schedule. For those of you with a particular 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.

[NHMA Events Calendar](#)

[2023 Final Legislative Bulletin](#)

Website: www.nhmunicipal.org

Email: governmentaffairs@nhmunicipal.org

Government Affairs Contact Information

Margaret M.L. Byrnes, Executive Director

Natch Greyes, Government Affairs Counsel

Katherine Heck, Government Finance Advisor

Timothy Fortier, Communications Coordinator

Pam Valley, Administrative Assistant

25 Triangle Park Drive, Concord, NH 03301

Tel: 603.224.7447