



2023 Legislative Wrap-Up

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Agenda

- The Budget
- Policy Bills
- Updates & Volunteering for NHMA



The Budget

BILLS TO WATCH:

NHMA POLICY BILLS, POLICY
TOPICS, AND BILLS OF INTEREST

State Aid to Municipalities through the State Budget Process

Biennial State Operating Budget and Trailer Bill.

- **HB 1** and **HB2** comprise the state operating budget

Appropriations are contained in HB1

The trailer bill (HB2) contains statutory changes necessary to implement the budget for the two-year period July 1, 2023, through June 30, 2025.

The state Budget has an effective date of July 1, 2023.

BUDGET COMPARISON

Governor's Proposed Budget - \$14.9 Billion over 2 years.

House Budget - \$15.76 Billion over 2 years.

- House budget total increase - \$2.49 billion (18.8 percent) over current State Budget (includes Federal Funds)
- Increase were proposed across all budget categories.

Approximately **\$180 million (1.3 percent)** INCREASE in additional expenditures over the Governor's State Budget proposal, including HB 2 (Trailer Bill) appropriations

House Finance Committee proposes fewer funds to the State's Stabilization Fund (Rainy Day Fund).

Almost 1/3 of the proposed budget is supported by Federal Funds.

Senate Budget - \$15.17 Billion over 2 years.

- Senate budget total increase - \$1.9 billion (114.3 percent) over current State Budget (includes Federal Funds)
- Both Increase and cuts were made across all budget categories.

Approximately **\$627 million (4 percent)** DECREASE in expenditures over the House State Budget proposal, including HB 2 (Trailer Bill) appropriations

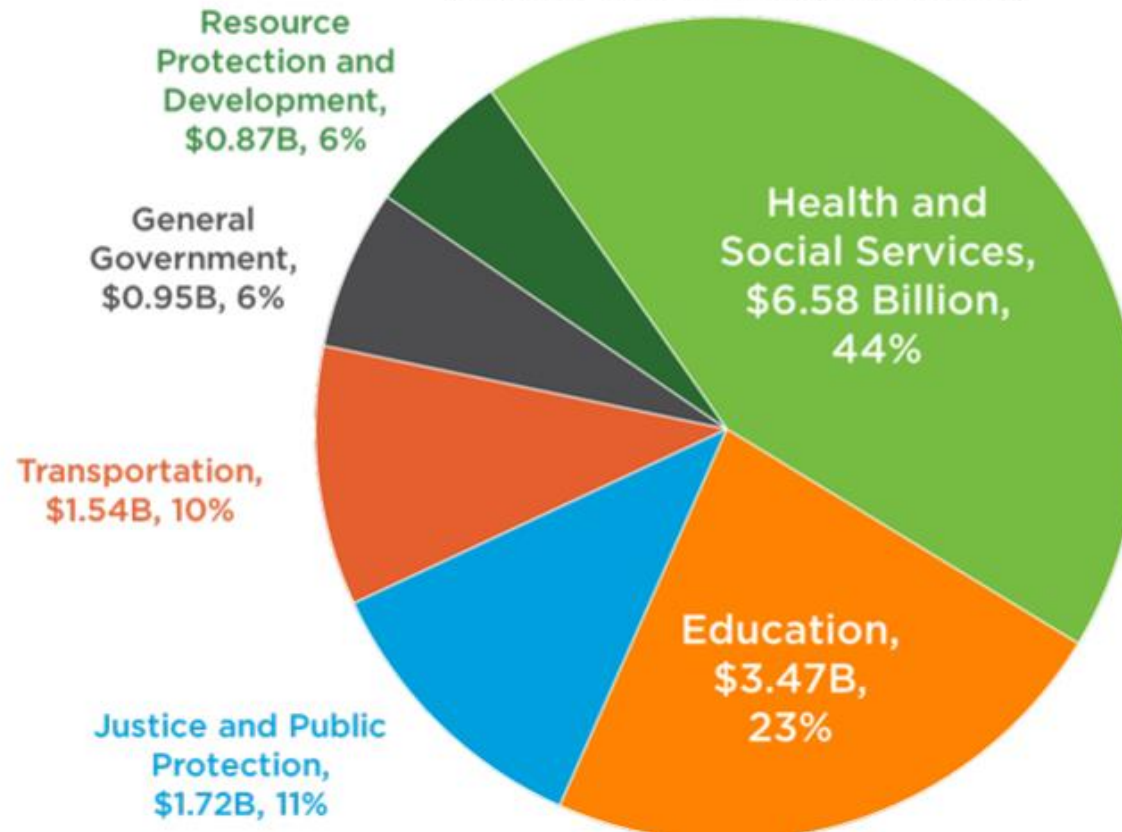
Senate Finance Committee made accounting and reporting changes to "off- budget funds" which lowered the budget – but did not decrease programs or levels of service.

After accounting adjustment- the Senate budget is a net decrease of \$ 86.3 million.

ABOUT TWO-THIRDS OF PROPOSAL FOR HEALTH, SOCIAL SERVICES, AND EDUCATION

LEGISLATURE'S STATE BUDGET APPROPRIATIONS BY CATEGORY

*State Fiscal Years 2024-25 and Surplus Appropriations,
Includes Trailer Bill Appropriations*



Source: NHFPI

MUNICIPAL REVENUE SHARING and STATE AID SOURCES

General Funds:

- Meals and Rooms Tax Revenue Distribution → Revenue Estimates indicate level funding at \$121 Million
- State Revenue Sharing (Suspended 2010-2021) → Suspended in Governor's Proposal & House Finance
- State Normal Retirement Contribution (Repealed 2013) → SB 114 Tabled & HB 50 Amended
- Railroad Tax Distribution
- State Municipal Aid Grants (One-Time Surplus: Added 2020-2021) → None Proposed

Environmental:

- Flood Control
- Landfill Closure Grants
- Public Water System Grants
- Pollution Control Grants – State Aid Grants (SAGs) → \$27.9 million in state surplus (**SB 230** and **HB 311**,) funding for the State Aid Grant (SAG) program for qualified wastewater projects.
- Water Supply Land Protection Grants

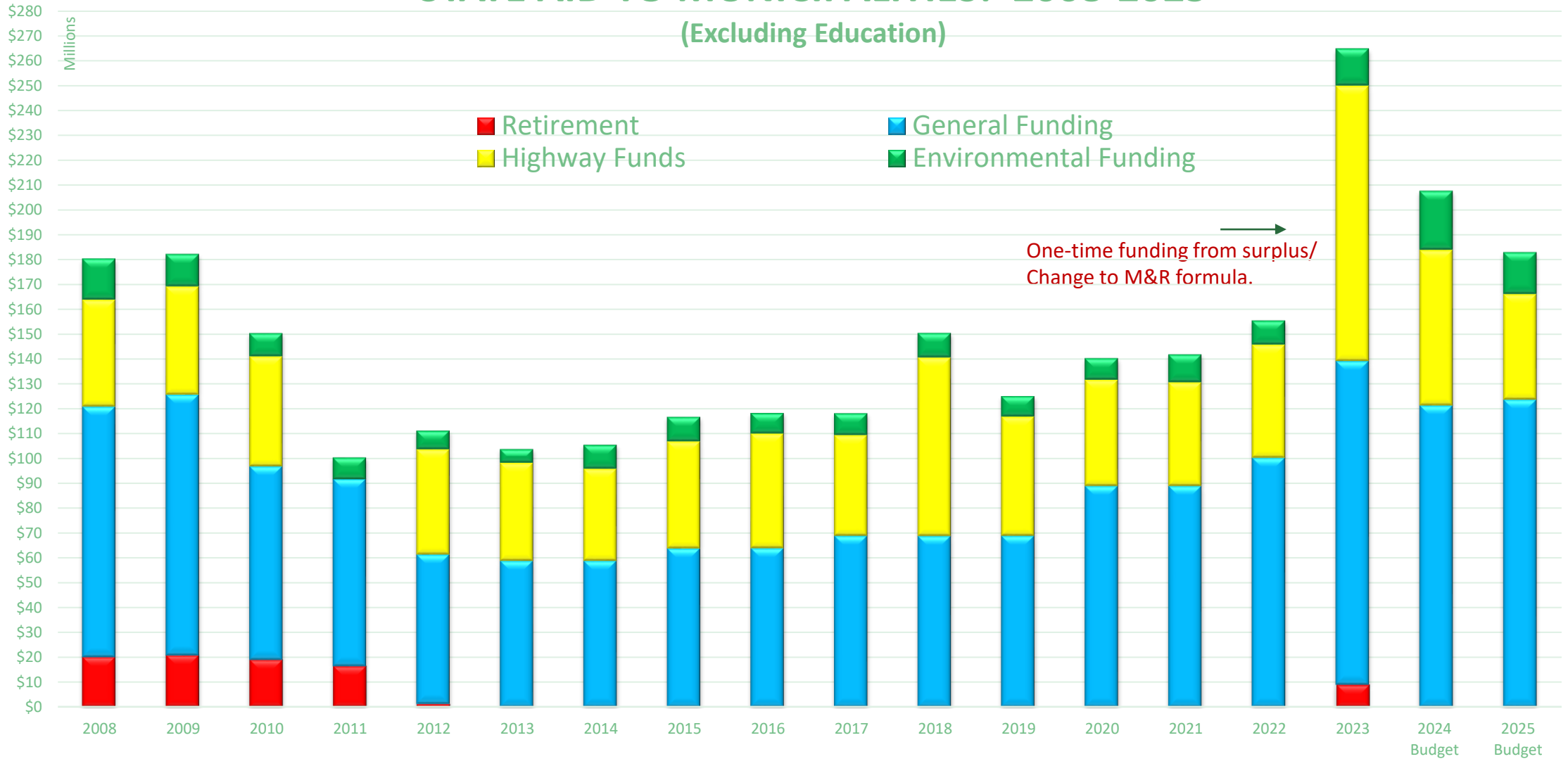
Highway:

- Highway Block Grants
 - Highway Construction Aid
 - State Municipal Bridge Aid
- } **SB 270-** \$20 Million in One-time funding for Roads and Bridges included in HB 2



STATE AID TO MUNICIPALITIES: 2008-2025

(Excluding Education)



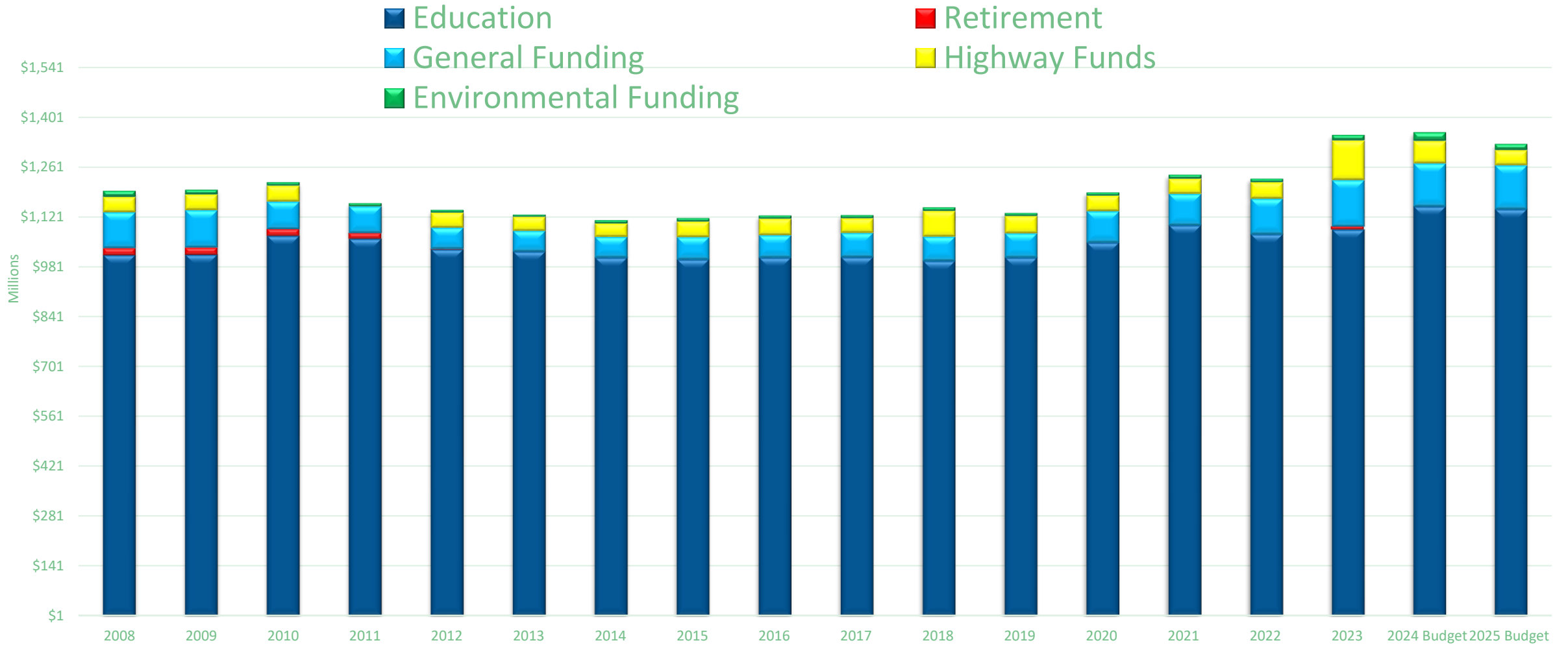
Data Source: NHLBAO State Aid Chart

General Funding: Meals & Rooms (catch-up formula suspended FYs10-14,16,18-21, New Formula FY22),
 Revenue Sharing (suspended FY10-23),
 Municipal Aid One-Time from Surplus (added FY20-21),
 State Retirement Contributions (Reduced FY10, Discontinued in 2013, One-time payment from surplus FY23)
 Environmental Funding: Excludes Grants from the Drinking Water and Groundwater Trust Fund



STATE AID TO MUNICIPALITIES & SCHOOLS: 2008-2025

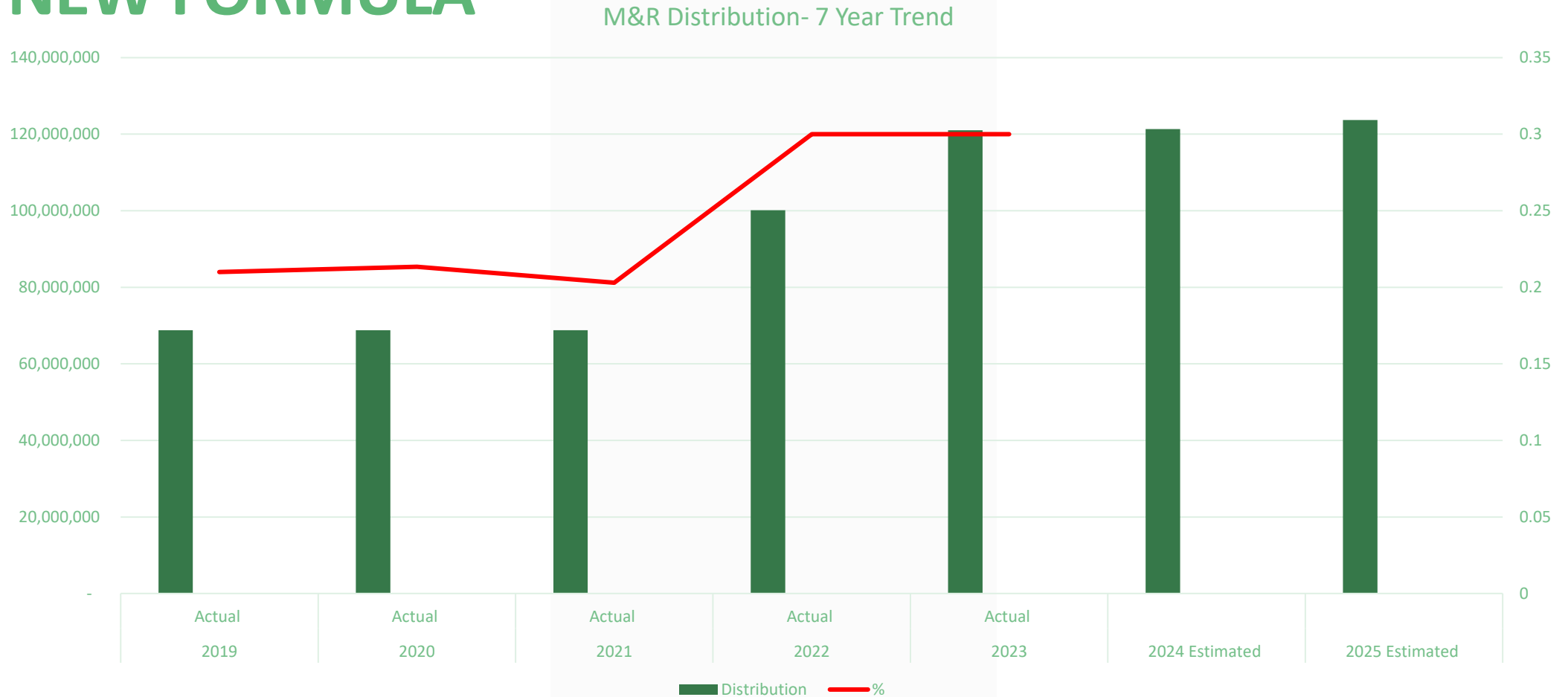
(Including Education)



Data Source: NHLBAO State Aid Chart

MEALS AND ROOMS DISTRIBUTION 7 YEAR TREND

NEW FORMULA



* 2021 [Chapter 91 \(HB 2\)](#) created a new treasury “dedicated fund” to which 30 percent of total meals and rooms tax revenue will be deposited for distribution to towns and cities.

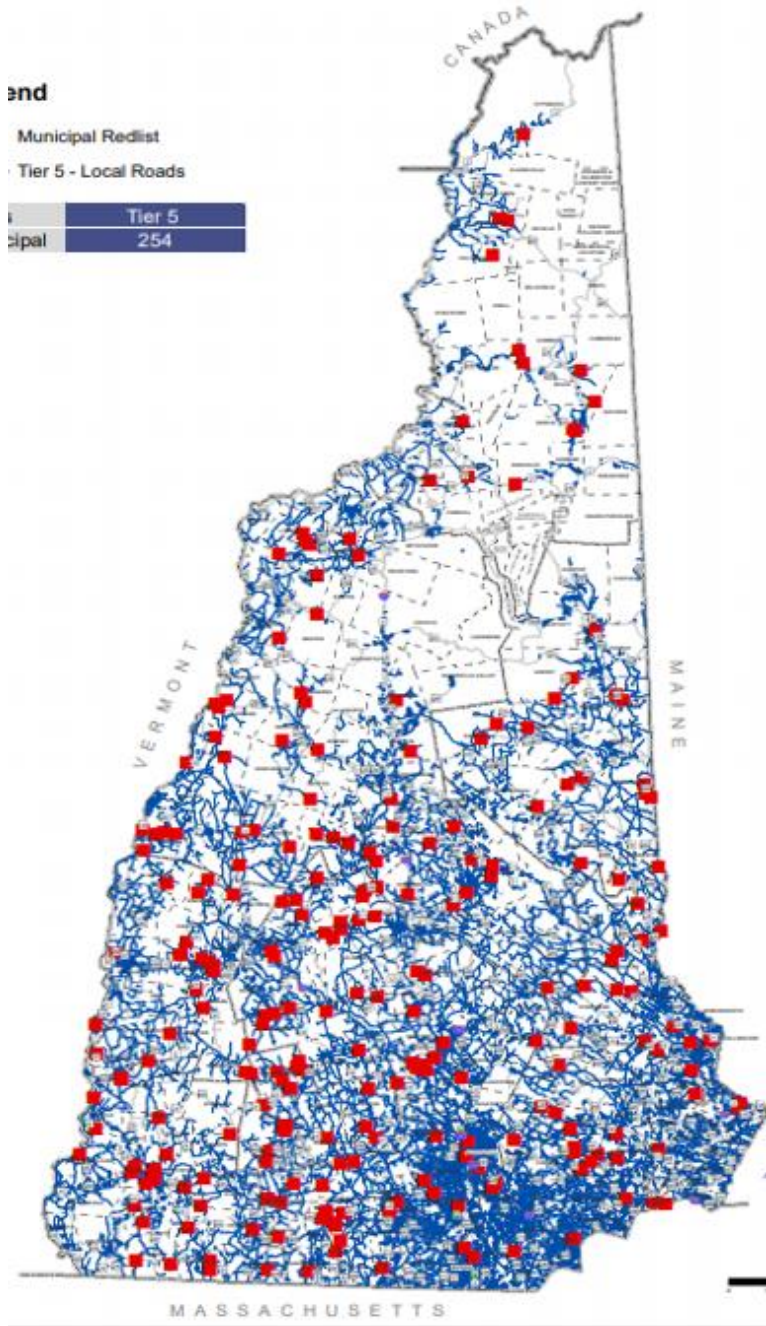


HB1/HB2 - FY 24/25 Budget

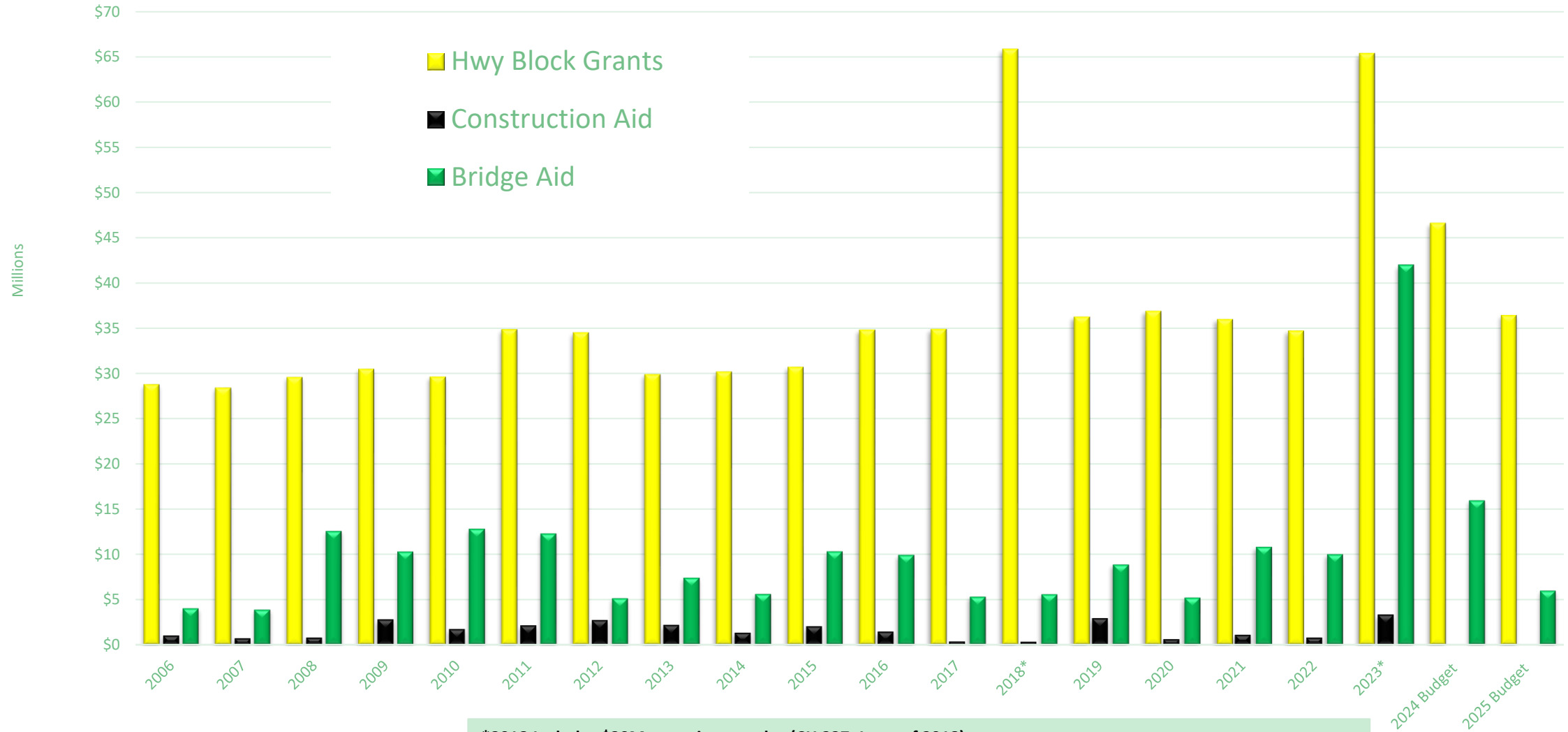
Highway Block Grants

- \$34.3 Million FY22 \$32.5 Million FY24
- \$35.4 Million FY23 \$32.3 Million FY25
- ***ESTIMATED decrease of \$4.9 Million in the next budget cycle.**

- An additional one-time payment of **\$10 million** for highway block grants for municipal road maintenance and repair and **\$10 million** for municipally owned bridges.
- Chapter 87 (HB 412) reestablishes a commission to study revenue alternatives to the road toll for the funding of improvements to the state's highways and bridges and their resulting improvements. E.D. June 20, 2023.
- HB 2 adds an annual registration of \$100, and plug-in hybrid vehicles, as defined in RSA 236:132, V a surcharged of \$50, to be deposited in the highway fund.
- **Municipal Bridge Aid - \$6 million/year -2016 to 2034.**
 - Waiting list based on priority need and acceptance of aid.



Highway Block Grant and Bridge Aid Funding



Data Source: NHLBAO, 06/06/23

*2018 Includes \$30M, one-time surplus (CH 227, Laws of 2018)
 *2023 includes \$66M, one-time surplus (CH 338, Laws of 2022)
 *2024 includes \$20 M one-time payment (HB 2)



HB 2 Highlights

\$27.9 million appropriation to fund wastewater state aid grants (SAG) for municipalities, with an additional **\$15 million** per year in FY 26 and FY 27.

\$2 million in funding for PFAS remediation to the PFAS remediation loan fund.

\$1 million to the cyanobacteria mitigation grant and loan fund.

\$10.6 million for public water system grants.

\$830,000 each year to reimburse municipalities involved in flood control compacts.

\$420,000 for landfill closure grants.

\$1 million appropriation to the Solid Waste Management Fund for a matching grant program for solid waste-related activities

\$183,000 for railroad tax distributions under RSA 82:21 and RSA 288:69.

5 million each year for the Land and Community Heritage Investment Program (LCHIP).

Governor's budget proposed the removal of 34 licenses currently required by the state and eliminates 14 regulatory boards- Most of the overhaul was repealed by the House

\$160 million increase for Medicaid reimbursements, and a seven-year reauthorization for New Hampshire's Medicaid Granite State Advantage.

- \$ 5. 8 million Increase for Ambulance provider reimbursements rates for certain services

Creates a State and Local Cybersecurity Grant Program.

Appropriates \$1.2 million for FY 24 and \$1.6 million for FY 25 for the state and local cybersecurity grant program.

- Requires that local and state law enforcement agencies provide federal immigration checkpoint information on their website.

\$15 million to fund recruitment and retention of Childcare workforce.

Proposed elimination of the Second Injury Fund (SIF) after September 1, 2024- Restored by House Finance

- The SIF serves to equalize the compensation costs that an employer must pay for impaired and non-impaired workers, removing a potential cost barrier to the employment of impaired workers.

Creates a Retirement Study Commission around retention and recruitment.



Additional HB 2 Highlights

State Surplus Related Legislation

From January to June 2022, the Legislature spent **\$261.7 million** — or 60% — of the **\$430.1 million** surplus.

Almost \$150 million was made available to municipalities in the 2022 Legislative Session.



FY 24/25 Budget Proposal:

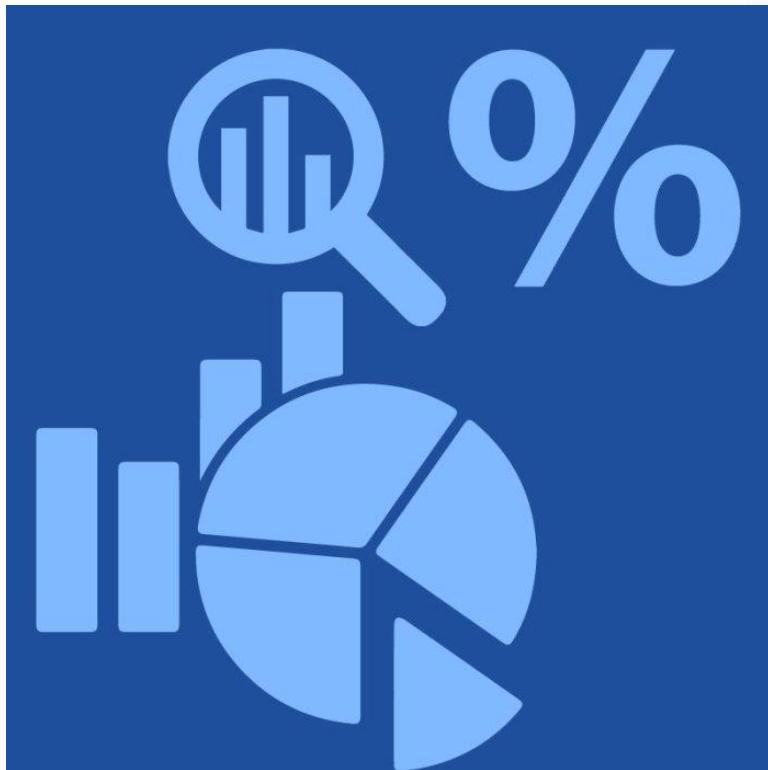
- Adds \$63.6 million to the Rainy-Day Fund (Stabilization Fund)

The Senate Ways and Means Estimated Revenues at \$ 184.3 million higher than the house forecast.

The increase in revenue projections allowed the Senate to add tabled legislation and incorporate bills an appropriation into the budget.

We hope to see legislation that will benefit cities and towns from FY 24 surplus.

Bill Data 2023



1,187 LSRs filed –
More than any
prior election year.

More than 50 LSRs
withdrawn or 4.2%
of all bills filed –
more than a dozen
with a municipal
component.

387 bills tracked by
NHMA.
Almost 30% of all
bills filed had a
municipal
component.

70 bills of
municipal interest
that may become
law.

Elections

HB 286

Candidate sign-retrieval statute

HB 336

Instructions on ballot changed: “vote for up to”



ENERGY AND ENVIRONMENT



SB 40

Small hydro participation in net metering.

SB 123

Ambient groundwater quality standards adoption by DES.

SB 159

Landfill study committee created.

SB 16

Utility pole stakeholder group created.

LAND USE



HB 564

Building & Fire Codes updated

HB 111

EVs & Renters study committee

HB 42

Homeowner's association dissolution

HB 247

relative to protective well radii

Local Authority



HB 252

Farming, except agritourism, exempted from municipal noise ordinances. (See also, RSA 674:32-c)

SB 19 & SB 192

Lucky 7 & Bingo expanded

HB 655

OPLC statutes consolidated

SB 110

Residency for Local Welfare purposes

Public Safety & Transportation

- SB 109

Clarifying police departments and schools can communicate about kids who are a threat to school safety

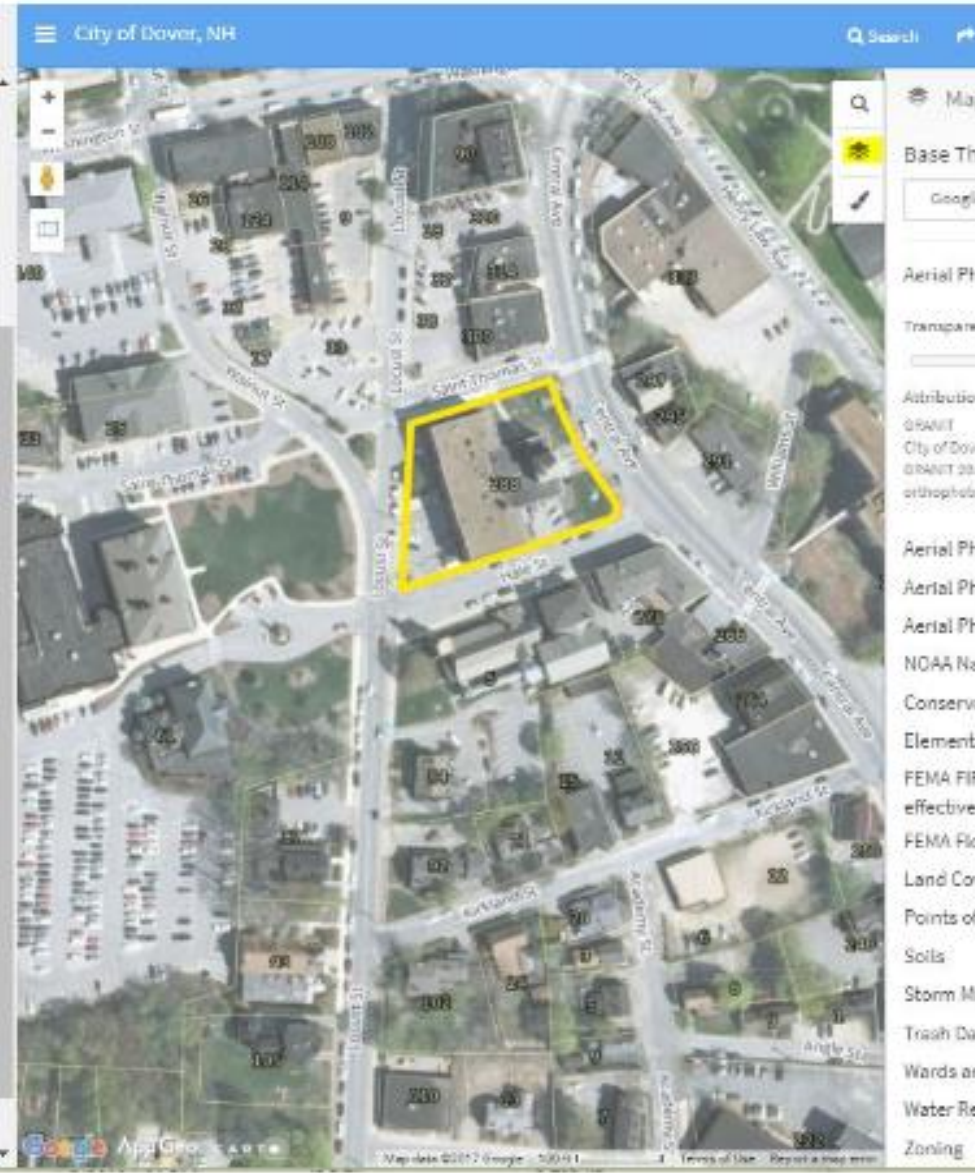
- HB 153

Clarifying pedestrian control signals must follow MUTCD

- HB 412

Road toll alternative commission reestablished





Property Taxes/Assessing

■ HB 197

relative to the proration of property tax exemptions. (In Senate ELMA)

■ HB 237

relative to the date of asset evaluation for purposes of determining eligibility for certain property tax exemptions. (Governor)

17 Bills Filed Relative to the NH Retirement System

HB 50 & SB 114 -relative to payment by the state of a portion of retirement system contributions of political subdivision employers.

HB 50 (HB 2) – Removed from HB 2. As amended the bill would appropriate \$50 million in fiscal year 2024 for the purpose of reducing the retirement system’s unfunded actuarial accrued liability (UAAL).

SB 114- Laid on the Table

SB 57- Included in HB 2 -relative to the reduction in the calculation of state retirement annuities at age 65.

SB 205 –Included in HB 2- relative to a cost-of-living adjustment in the state retirement system.

HB 555 – Tabled- appropriating state general fund surplus toward the retirement system unfunded accrued liability.

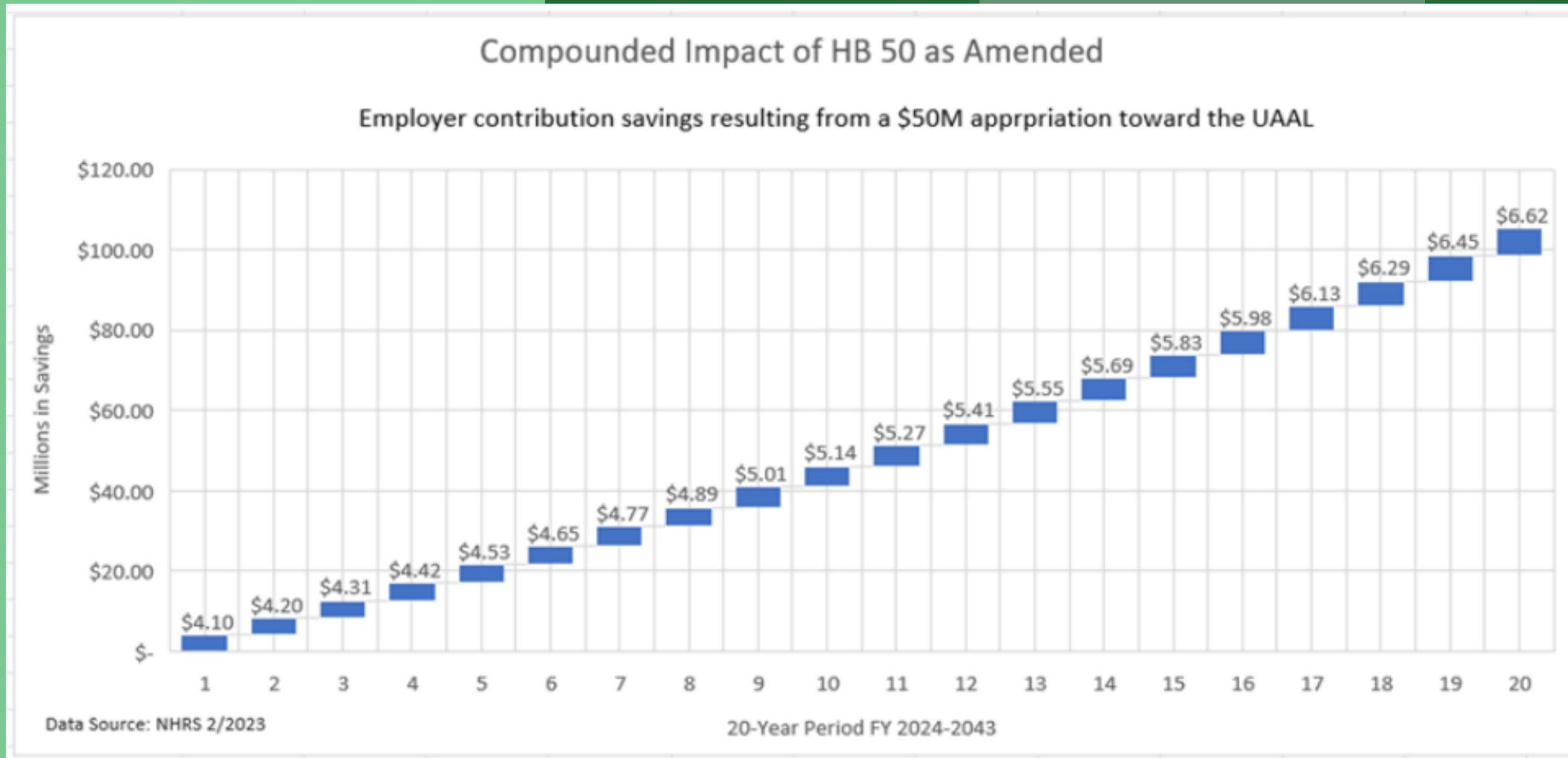
HB 461 – as amended establishes a committee to study elimination by political subdivision employers of a retirement system position.

HB 436 (HB 2)- as amended establishes a commission to study retirement benefits and retention of employees



Bills proposed significant changes or modifications to NHRS

NHRS Legislative Proposals



- HB 50 (HB 2) would appropriate \$50 million to pay off the UAAL
- HB 555 policy change would use state surplus to pay down the UAAL

Roll Back of 2011 Pension Reform

*Removed from HB 2
by the Senate*

*Created a Study
Commission in HB 2*

- HB 436 (HB 2) *As amended establishes a commission to study retirement benefits and retention of employees.*

Original policy proposal would have called for the state to appropriate \$25 million per year through State FY 2033 (\$50 million total during next biennium- \$ 250 million total) to fund retirement contributions for certain state and local police and fire employees who were not vested prior to 2012 but would have been prior to 2013. (approx. 1, 824 Group II members eligible)

The original bill would have also required the state to fund the municipal portion of this policy change- estimated at an additional \$3.2 million per year for the next 20 years (not including salary increases, inflation or changes in investments returns) .

Bills Awaiting Gubernatorial Action

HB 244: Changing Latest Time
Absentee Ballot Can Be Requested

HB 308: Remote Meetings for State
Boards

HB 321: Sealed Minutes

SB 111: Municipal Charter
Clarification



Ways to Engage your Legislator

- ✓ Provide your legislators with summaries of issues that are important to your town or city;
 - ✓ include accurate facts and data.
- ✓ Invite them to address a council meeting;
 - ✓ participate in city/town-hosted events;
 - ✓ visit public meeting
 - ✓ highlight projects or facilities that are important to your municipality
- ✓ Conduct “informal” meetings;
 - ✓ invite business and community leaders, non-profit partner and other stakeholder groups.
- ✓ Respond to NHMA Legislative Bulletin or a legislative alert will frequently ask for your assistance in analyzing the effects of a bill or in communicating with legislators.

NHMA Bill Tracker: FastDemocracy

The New Hampshire Municipal Association (NHMA) represents the interests of cities and towns before the New Hampshire General Court (House and Senate) and various state agencies based on its member-adopted [principles and policies](#). The New Hampshire legislative session happens each year between the months of January and June. Each legislative cycle, NHMA tracks state actions that could significantly affect New Hampshire's 234 municipalities.

In addition to the 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. Members do not need to create a FastDemocracy account to access this information, but they are able to create an account if they wish.

Click on the subgroups below to see information on bills from either the previous, or current legislative cycle within each category, and view the NHMA's stance on the measures. Subscribe to the bill list(s) to receive daily or weekly email updates, including new bill actions and upcoming hearings.

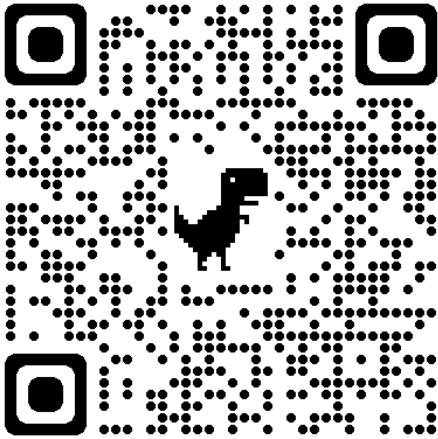
- ALL BILLS
- ECONOMIC DEVELOPMENT
- EDUCATION FUNDING
- ELECTIONS
- ENERGY AND ENVIRONMENT
- INFORMATION TECHNOLOGY
- LABOR
- LAND USE
- LOCAL AUTHORITY
- PROPERTY TAX
- RETIREMENT
- RIGHT-TO-KNOW
- STATE AID
- SUBSTANCE USE
- TRANSPORTATION

FAST DEMOCRACY:
REVISIONS THIS SUMMER



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[NH 2023 LSR 2023-0830](#)

relative to New Hampshire workforce training programs.

 David Watters

[Track Bill](#)

[NH 2023 LSR 2023-0832](#)

relative to the payment of salaried employees.

 Keith Murphy

[Track Bill](#)

[NH 2023 LSR 2023-0833](#)


establishing a first responder career development, recruitment, and retention program.

 David Watters

[Track Bill](#)

[NH 2023 LSR 2023-0836](#)

relative to the definition of "way" in driving or operating under the influence of drugs or liquor.

 Regina Birdsell

[Track Bill](#)

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NHMA's Legislative Policy Process

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NHMA Launches *FREE* Financial Policies Certificate Program

A new certificate program has launched to help municipal officials develop a long-term, strategic approach to financial management.

NHMA has developed this free certificate program for municipal officials who want to explore and improve the fiscal operations of their city or town. The certificate program complements the updating of NHMA's publication, *The Basics of Financial Policy*, which provides municipal officials with an overview of basic financial policies. The first cohort of municipal officials will begin the new certificate program in September.

These courses are flexibly designed so you can sign up for as many courses, or as few, as you want. Participants who take all the courses in the series earn a Certificate of Completion and get a free digital download of the publication *The Basics of Financial Policy* (a \$70.00 value).

[EXPLORE COURSE CURRICULUM](#)

FREE TO MEMBERS: Attendance is free and open to members from municipalities and village districts that are members of NHMA.



NHGFOA members will receive GFOA CPE Credits for each session attended.

If interested, please email NHMAregistrations@nhmunicipal.org.

governmentaffairs@nhmunicipal.org /603.224.7447/www.nhmunicipal.org



Upcoming Webinars



CHARTER GOVERNMENT HANDBOOK

RESCHEDULED TO SEPTEMBER 7:
Charter Government in New Hampshire Webinar

Rescheduled to 12:00 noon - 1:30 pm, Thursday, September 7, 2023. Presentation by NHMA attorneys will provide city and town council members, and alderpersons, a thorough introduction to the governance of municipalities with municipal charters.

REGISTRATION OPEN!

[REGISTRATION OPEN!](#)

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Upcoming Workshops



Save these dates for Budget & Finance Workshops in September

9:00 am - 4:45 pm, Tuesday, September 12 (Derryfield Country Club, Manchester) and Tuesday, September 19 (Littleton Opera House). Cost is \$90 in-person and \$70 virtual. **A must for local officials involved in the budget process.**

Registration to Open Soon!

Thank you sponsors!



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NHMA's 82nd Annual Conference & Exhibition

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HealthTrust

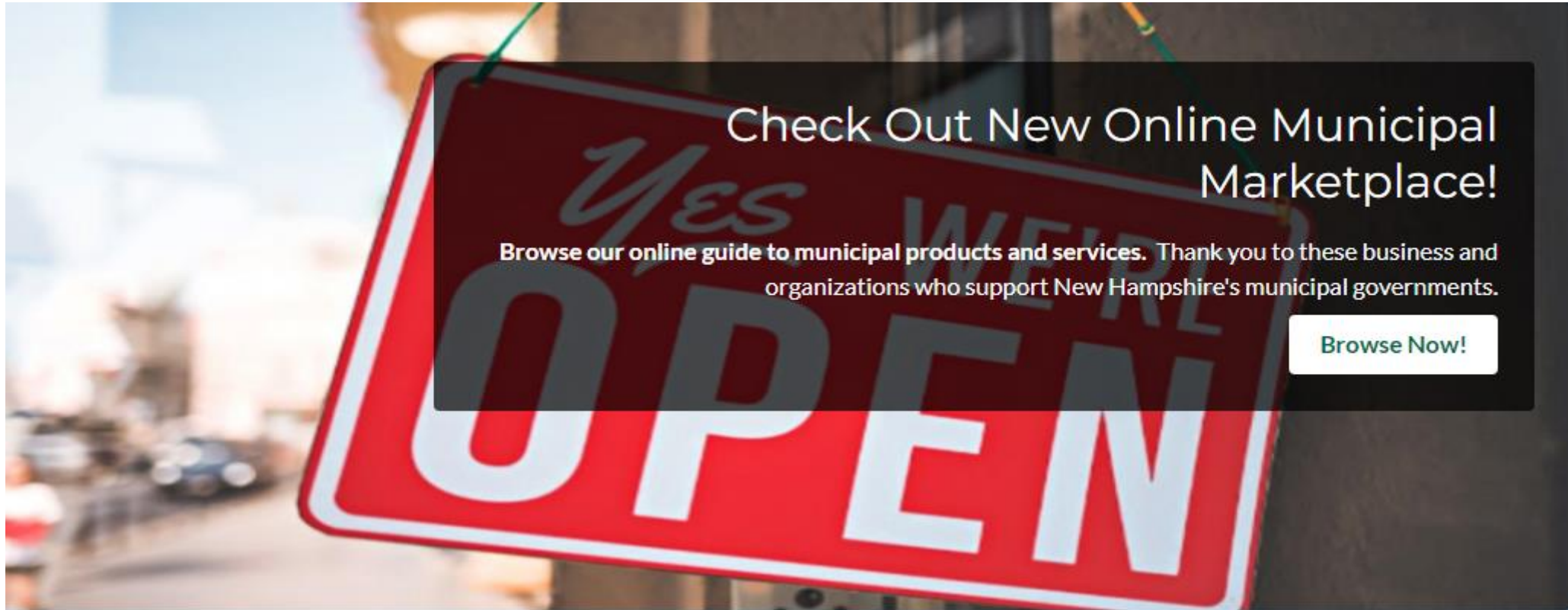
Primex
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**SAVE THE DATES: Zap the Gap: How to
Make Peace & Work Effectively in a
Multigenerational World**

Join us for NHMA's 82nd Annual Conference and Exhibition on Wednesday, November 15 and
Thursday, November 16 at the DoubleTree by Hilton Manchester Downtown Hotel.

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Thank you!

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The New Hampshire Municipal Association is a nonprofit, non-partisan association working to strengthen New Hampshire cities and towns and their ability to serve the public as a member-funded, member-governed and member-driven association since 1941. We serve as a resource for information, education and legal services.

NHMA is a strong, clear voice advocating for New Hampshire municipal interests.