

LEGISLATIVE BULLETIN

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The Penultimate Bulletin

This is the last weekly *Legislative Bulletin* until December, when legislative activity for 2012 will begin in earnest. We will publish the *Final Legislative Bulletin* as soon as all of the 2011 session laws are available. In the meantime, if any action is needed by local officials, we will issue a Legislative Alert.

There are a number of retained and re-referred bills that will be considered in coming months, as well as new and existing study committees and commissions that will be meeting through the fall. If you are interested in any of these, you should look regularly at the [House](#) and [Senate](#) calendars on line. You can also see all bills as they become law at the [Chaptered Final Version](#) link on the legislature's website.

Thank you all for your assistance during the legislative session, and do not hesitate to contact us if you have questions about any legislative issues. Please have an enjoyable and restful summer.

State Budget Passes By Super Majorities

On Wednesday **HB 1** and **HB 2**, the state operating budget and related trailer bill for fiscal years 2012-2013, passed by super majorities in both the House and Senate. Those bills now go to the Governor, who will have five days from the time the bills reach his desk to either sign the bills, veto them, or allow them to become law without his signature.

This two-year budget includes (1) meals and rooms tax distributions at \$58.8 million for each year of the biennium, which continues for another two years the suspension of the growth formula, (2) highway block grant funding at \$34.9 million and \$30.25 million for fiscal years 2012 and 2013 respectively, with the drop in 2013 a result of the repeal of the \$30 motor vehicle surcharge, (3) environmental aid at the level necessary to fund grant commitments authorized by the Governor and Executive Council prior to October 2008, and (4) retirement reforms and eventual elimination of the state retirement contribution. Last week's *Bulletin* provided a detailed explanation of the state retirement contribution for teachers, police, and firefighters (see *Committee of Conference Reaches Compromise on State Budget*).

State Budget - continued

There are a number of reductions and statutory changes in **HB 1** and **HB 2** which may have a direct or indirect impact on municipalities. Reductions at the Department of Health and Human Services have been widely reported in the media, but the impact of those cuts, particularly to municipalities, is difficult to quantify. The elimination of the Unemployed Parent Program in the Temporary Assistance to Needy Families (TANF) program has been identified by local welfare officials as likely to shift people to local welfare programs, as is the inclusion of SSI payments as income.

Other provisions affecting municipalities are:

- Reduction of staff at the Department of Revenue Administration.
- Reduction of staff and cuts in grants at the Office of Energy and Planning for land use board training and regional planning commissions.
- Diversion of money from the vital records improvement fund to the state general fund.
- Elimination of grant funding for the Land and Community Heritage Investment Program (LCHIP).
- Continuation of the suspension of RSA 167:11 relative to funeral expenses for recipients of public assistance.
- Reduction in flood control reimbursements to municipalities.
- Reduction from four to three members of the Board of Tax and Land Appeals and repeal of the requirement that at least one member be an attorney.
- Merging of the functions of the Equalization and Assessing Standards Boards.

Should the Governor veto the budget and/or the trailer bill, the House and Senate would need to meet to act on a veto override. The House is “tentatively” scheduled to meet next Thursday, June 30, presumably to be available should a gubernatorial veto become a reality.

Effective Dates of Retirement Reforms

As reported in last week’s *Bulletin*, the retirement reform provisions in **SB 3**, which was vetoed by the Governor, are also contained in **HB 2**, which is now awaiting action on the part of the Governor. Recognizing that employers are anxious about the rates that will be in effect on July 1, 2011, as well as other changes, the New Hampshire Retirement System issued a [news release](#) dated June 23, 2011, addressing a number of questions. NHMA has also updated the [table](#) of retirement impacts on our website to reference the retirement sections included in **HB 2**.

Voter ID Goes to Governor

We understand that **SB 129**, requiring each voter to show a photo identification to obtain a an election ballot, has arrived at the Governor’s desk. Although we have no inside information, we believe there is a good chance he will veto the bill.

Voter ID - continued

We have written previously about the problems with the bill, and those problems have not been fixed. It will cause delays and disruption at the polls as voters object to being forced to establish their identity. Further, the bill's escape hatch - allowing voters to cast provisional ballots and then present a photo identification to the city or town clerk by noon on the following Friday - will create problems for candidates who must decide by the end of Friday whether to request a recount, and for the majority of town clerks' offices that are closed part or all of the time Wednesday through Friday.

If the Governor vetoes the bill, we hope the legislature will sustain the veto. The bill passed the House with more than enough votes to override a veto, but on its final vote in the Senate, only 14 members voted in favor; 16 votes would be necessary to override a veto. If the Governor vetoes it, he will need nine of the 24 votes in the Senate to sustain his veto. We assume the five Democratic senators would continue to oppose the bill and vote to sustain the veto, so four Republican votes would be needed in addition.

Five Republicans voted against the bill last time - Senators Gallus, Forsythe, Odell, White, and Prescott. If one of them is your senator, please make sure he understands the problems this bill will cause for municipalities, and encourage him to continue to oppose the bill.

Ding Dong!

Yes, let the joyous news be spread - the pole exemption at last is dead! (With apologies to the Munchkins.) We have scoured all the committee of conference reports, monitored the House and Senate sessions, and looked everywhere else imaginable for evidence of the resurrection of the property tax exemption for telecommunication poles and conduits. After all that, we can report that it is undeniably and reliably dead.

The bill to reinstate the exemption, **SB 133**, remains on the table in the House. It cannot be taken off the table without a two-thirds vote, and that is not going to happen. Consequently, municipalities should proceed with assessing telecommunication poles and conduits as real property for the current tax year.

We would not be surprised to see another effort to revive the exemption next year. However, it will be that much harder for the telecommunications industry to convince legislators to give them an exemption after municipalities have been assessing and taxing the property for a year.

Thanks again to all of you who have worked so hard on this issue for the last two years.

In Other News . . .

The legislature - and the Governor - also took final, or near-final, action on a number of other bills of municipal interest in the last two weeks. These include the following:

Other News - continued

- The House and Senate approved the committee of conference report on **HB 462**, relative to employer assessments for excess benefits paid by employers in the retirement system - a/k/a the spiking provision. This legislation delays the implementation date of the spiking assessment until July 1, 2012, and applies to all contracts entered into on or after January 1, 2010.
- **HB 622**, an **NHMA policy bill** allowing the smoothing of tax payments, crossed the last milestone on its way to the Governor's desk when both the House and the Senate voted to adopt the committee of conference report.
- The Governor signed **SB 156**, allowing retail automobile dealers to register vehicles at the time of purchase, provided that all permit and other fees are remitted to the appropriate municipality.
- Both houses voted to override the Governor's veto of **HB 109**, which prohibits planning boards from requiring the installation of fire suppression sprinklers in one- and two-family dwellings as a condition of approval for any local permit. In a related action, both houses approved by large margins (284-92 in the House, voice vote in the Senate) the committee of conference report on **SB 91**, which prohibits municipalities from adopting any ordinance, code, regulation, or administrative practice requiring the installation of fire suppression sprinklers in one- and two-family dwellings.

The New LSRs Are Here! The New LSRs Are Here!

For those of you who don't *want* to take a break from legislative matters, you can start getting ready for next year by looking at the new LSR (legislative service request) titles. As many of you know, an LSR is a request by a legislator for the Office of Legislative Services to draft a bill for the upcoming session. In recent years the period for filing LSRs has always been in the fall, but this year the House moved it up to the spring. Senators will file their LSRs in the fall, as usual.

There is a [list](#) of LSRs filed by House members on the legislature's website. Unfortunately, they appear only by title - there is no bill text, as in most cases the bills have not actually been drafted yet. Thus, you can only guess, for example, which state employees would be prohibited from wearing fragrances under LSR #2257, or how the property tax credit for maintaining a vegetable garden would work under LSR #2291. Some titles, however, are pretty clear and hauntingly familiar - such as LSR #2093, "reducing the interest rate on late and delinquent property tax payments, subsequent payments, and other unpaid taxes."

Take a look, and you may agree that it's not too early to begin talking to your legislators about next year.

Free Energy Audits for Municipalities

The New Hampshire Office of Energy and Planning has been awarded *American Recovery and Reinvestment Act--State Energy Program* funds to provide thirty or more comprehensive energy audits in municipal and school facilities.

Municipalities and schools must submit a [brief application](#) to be considered for this opportunity. Submitting an application neither obligates your eventual involvement nor guarantees your selection.

Eligibility criteria include:

- Energy audits will be completed on municipal buildings, including public schools, located in New Hampshire.
- Applications must be submitted by an individual authorized to apply on behalf of the municipality and/or school.
- Municipal officials must ensure that energy auditors will have full access to the building during the audit.

Audits will be performed during the fall/winter of 2011. Applications must be received by **5:00 p.m. on July 15, 2011**; the application form can be accessed by clicking [here](#).

House Calendar

TUESDAY, JUNE 28

EXECUTIVE DEPARTMENTS AND ADMINISTRATION, Room 306, LOB

- 10:00 a.m. Subcommittee work session on retained **HB 260**, relative to the state fire code and the appeal process for decisions of the state fire marshal.
- 12:00 p.m. Rescheduled subcommittee work session on retained **HB 480-FN**, establishing a state renovation, repair, and painting (RRP) rule program relative to lead-safe practices and subcommittee work session on retained .