



NEW HAMPSHIRE CITY AND TOWN CLERK'S ASSOCIATION
(ORGANIZED OCTOBER 19, 1926)

March 8, 2018

The Honorable Karen Umberger, Chairman
House Finance Committee, Division II
Legislative Office Building
Concord, NH 03301

Re. **POSITION PAPER IN OPPOSITION TO HB 579**

Dear Chairman Umberger and Members of the House Finance Committee, Division II:

Both the New Hampshire City & Town Clerks Association and the NH Tax Collectors Association continue to strongly oppose HB 579, and the following is offered in our hope you will oppose this bill. This legislation has been amended numerous times, and there continues to be statements made and described as "indisputable facts" which misrepresent the facts and cause confusion. We would like to provide a brief summary of the major problems with this legislation.

This bill creates a two-tiered system which is negatively disproportionate to our residents. Example: a non-resident fleet of 30 semi-trailers for a 12-year period would cost of \$5,700 plus agent fees. However, our NH resident fleet of 30 trailers would pay \$49,830 for the same 12-year period—89% greater than their out-of-state competitors.

There is a monetary outlay risk associated with implementing this bill. A monetary outlay of \$500,000 by the State is not an insignificant cost. No data has been presented to support the generation of revenue, other than reference to the State of Maine's revenue. We are not going to get our NH semi-trailers back from Maine—most are in the mist of multi-year registration periods, and they would still have to pay the municipal permit fees here in New Hampshire.

There is a risk to revenue. The creation of a two-tiered system providing non-residents with an 89% cost savings (due to current municipal permit fees) is risky. It is unreasonable to think our business-minded residents would not seek 'creative' alternatives to gain the same economical advantage we would be offering to non-residents. When current NH registrations are lost and registered as 'non-residents', the revenue risk is realized directly by municipalities.

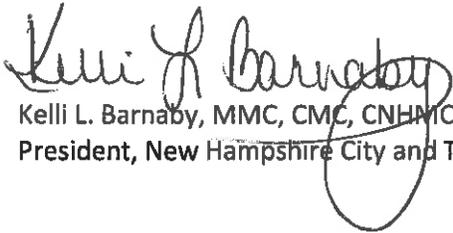
Boat registrations by marina agents have been similarly compared to this bill but the process is, in fact, a very different scenario. The municipal 'boat fee' is collected by the municipal boat agent regardless of whether boats are owned by residents or non-residents. Non-resident boats must be on NH waters at least 51% of the time in order to be registered in NH. The town in which the Marina is situated receives the 'boat fee' collected by the marina. Non-residents and residents alike pay the same amount of boat registration fee.

This bill creates a slippery slope. This bill has been described as a 'pilot' program. The original legislation proposed a similar program for other additional types of trailers. Once the \$500,000 outlay is spent to implement this program and whether it is successful (or not) in creating revenue, this opens the door to putting other municipal motor vehicle revenue at risk. Any loss of motor vehicle revenue directly increases the property tax burden on our residents.

It is not legal for NH residents to 'skirt the law' and register their semi-trailers, utility trailers, campers, and boat trailers in Maine. This is a direct violation to RSA 261:40.

New Hampshire city and town clerks and tax collectors strongly support extra revenue being generated for both the State and municipalities. We have worked closely with the Division of Motor Vehicles over the years in supporting legislation and opposing legislation which we believe has been in the best interest of our residents and our municipalities. We are all in agreement and 'on board' with the right legislation to create revenue, but this bill is not it.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelli L. Barnaby". The signature is fluid and cursive, with a large loop at the end.

Kelli L. Barnaby, MMC, CMC, CNHMC

President, New Hampshire City and Town Clerks' Association

HB 579-FN - AS AMENDED BY THE HOUSE

8Feb2018... 0866h

2017 SESSION

17-0376

03/05

HOUSE BILL **579-FN**

AN ACT relative to registration of semi-trailers.

SPONSORS: Rep. Pearl, Merr. 26; Rep. R. Smith, Merr. 3; Rep. H. Moffett, Merr. 9; Rep. Hill, Merr. 3; Rep. Wallace, Rock. 33; Sen. French, Dist 7; Sen. Sanborn, Dist 9

COMMITTEE: Transportation

ANALYSIS

This bill:

- I. Authorizes registration of semi-trailers through nongovernmental agents of the department of safety.
- II. Authorizes multiyear semi-trailer registrations.
- III. Provides discounts on fees for semi-trailer registrations.
- IV. Allows registrations through the agents by nonresidents for semi-trailers not garaged exclusively in this state.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT relative to registration of semi-trailers.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Surety Bonds. Amend the introductory paragraph of RSA 41:6, I to read as follows:

2 I. Town treasurers, trustees as provided in RSA 31:22 and [23] **RSA 31:23**, trustees as
3 provided in RSA 53-B:8-a, I, library trustees including alternate library trustees, if any, town
4 clerks, tax collectors and their deputies, agents authorized to collect the boat fee,
5 **nongovernmental registering trailer agents appointed under RSA 261:74-t**, and persons
6 delegated treasury functions under RSA 41:29, VI shall be bonded by position under a blanket bond
7 from a surety company authorized to do business in this state. The bond shall indemnify against
8 losses through:

9 2 New Paragraph; Expiration of Registration. Amend RSA 261:62 by inserting after paragraph
10 III the following new paragraph:

11 IV. Multiyear registrations may be issued for semi-trailers in accordance with RSA 261:141,
12 XI. Multiyear registrations shall expire in the anniversary month otherwise applicable under this
13 section in the final year of the registration.

14 3 New Subdivision; Registrations by Nongovernmental Registering Trailer Agents. Amend
15 RSA 261 by inserting after section 74-s the following new subdivision:

16 Registrations by Nongovernmental Registering Trailer Agents
17 261:74-t Registrations by Nongovernmental Registering Trailer Agents.

18 I. Out-of-state semi-trailer registrations may be issued, renewed, or transferred through
19 nongovernmental registering trailer agents appointed in accordance with this subdivision. Trailer
20 agents shall be residents of and have a verified business address in this state. The director is
21 authorized to limit the number of nongovernmental registering trailer agents appointed under this
22 subdivision based on resource limitations, provided that at least 3 trailer agents are appointed and
23 provided that any limitation established shall not be the basis for revoking any appointment
24 previously made.

25 II.(a) Each applicant for appointment as a trailer agent shall furnish the following to the
26 department:

- 27 (1) Whether the application is an original, renewal, or change of location;
- 28 (2) Corporate or business name;
- 29 (3) Trade name, if applicable;
- 30 (4) Legal address;
- 31 (5) Mailing address;

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- 1 (6) Telephone number;
- 2 (7) Business hours;
- 3 (8) Name, address, and date of birth of at least one owner, partner, or officer, and
4 title, if applicable;
- 5 (9) Name of the person who will be responsible for filing monthly reports;
- 6 (10) An agreement to notify the department of any change of ownership, address, or
7 corporate or trade name; and
- 8 (11) Signature and title of the person identified in subparagraph (8) and date
9 signed.
- 10 (b)(1) Upon submission of an application that is incomplete or might indicate lack of
11 fitness or qualification for appointment as a trailer agent, the director or his or her designee shall
12 require an applicant to appear for an interview.
- 13 (2) The director or his or her designee shall inform the applicant in writing of the
14 interview. The written notice shall include the date, time, and location of the interview.
- 15 (3) At the interview, the director or his or her designee shall:
- 16 (A) Explain any discrepancy or concerns to the applicant.
- 17 (B) Answer any questions that the applicant may have about the process.
- 18 (C) Allow the applicant to make corrections to the application or address any
19 concerns expressed.
- 20 (4) If an applicant refuses or neglects to appear for a scheduled interview, the
21 director shall deny his or her application.
- 22 (5) If an applicant fails to explain any discrepancy or concerns at the interview, the
23 director shall deny his or her application.
- 24 (c) In order to be appointed as a trailer agent by the director, each applicant shall:
- 25 (1) Complete the application.
- 26 (2) Complete the training requirements.
- 27 (3) Complete an interview if applicable.
- 28 (4) Obtain a surety bond.
- 29 (5) Agree to allow the director or his or her designee to enter the agent's premises
30 during business hours for the purposes of auditing or verifying compliance with the terms and
31 conditions of this section.
- 32 (6) Agree to keep current with forms and software as determined by the
33 department.
- 34 (d) Trailer agents:
- 35 (1) Shall furnish registration information concerning vehicle information as the
36 director may require.
- 37 (2) Collect fees.
- 38 (3) Issue registrations.

1 (e)(1) Each trailer agent shall maintain a record of all trailer registration certificates
2 issued by him or her, including:

- 3 (A) Date of registration.
- 4 (B) Full name of the registrant.
- 5 (C) Identifying number.
- 6 (D) Address and phone number of record.

7 (2) The trailer agent shall maintain all records for a period of 15 years.

8 (f)(1) Prior to being appointed as a trailer agent, each applicant shall complete a
9 training program conducted at the division of motor vehicles, or such other location as the
10 department shall determine.

11 (2) The training program shall include the following instruction:

- 12 (A) Completing a trailer registration using either online equipment furnished by
13 the department or offline equipment including forms and tables furnished by the department.
- 14 (B) Filing monthly reports.
- 15 (C) Collecting trailer registration fees.
- 16 (D) Maintaining records.
- 17 (E) Retaining the agent fee.
- 18 (F) Posting office hours.

19 (g)(1) If a trailer agent is deficient in any area, the department shall request the trailer
20 agent to undergo retraining.

21 (2) Depending upon the areas of deficiency, retraining shall consist of one or more of
22 the following:

- 23 (A) Repeat the training program.
- 24 (B) Repeat any portion of the training program.
- 25 (C) Undergo further training, the substance of which shall be determined by the
26 department.

27 (h) Before any appointment shall become effective, each trailer agent shall file a surety
28 bond with the department, pursuant to RSA 41:6.

29 (i)(1) Each trailer agent shall mail a monthly report of nonresident registrations to the
30 department containing:

- 31 (A) The physical address and telephone number where the trailer agent is
32 located;
- 33 (B) Period the report begins and ends;
- 34 (C) Number of trailers registered; and
- 35 (D) Amount of registration fee collected.

36 (2) The monthly reports shall be submitted along with all fees due to the
37 department in the form of a check or money order.

38 (j) Whenever a trailer agent's office is closed or unattended, all decals, stamps, and

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1 other registration materials shall be placed in a locked file cabinet or other secure container.

2 III. A nonresident may register a semi-trailer in this state through a nongovernmental
3 registering trailer agent, even if the trailer is not garaged exclusively in this state in accordance
4 with RSA 261:46. Registrations of nonresidents for semi-trailers that are not garaged exclusively in
5 this state shall bear the address of the owner's residence and the address of the nongovernmental
6 registering trailer agent.

7 261:74-u Fees.

8 I. A nongovernmental registering trailer agent may collect and retain a fee for each
9 registration processed as compensation for processing the registration.

10 II. The nongovernmental registering trailer agent shall collect and remit to the department
11 the registration fee established in RSA 261:141, XI.

12 261:74-v Revocation of Agency Status.

13 I. If the director determines that a trailer agent has not continued to fulfill the
14 requirements of RSA 261:74-t or has violated any of the rules adopted pursuant to RSA 261:74-w,
15 the director shall commence the procedure established in paragraph II.

16 II. Any trailer agent whose appointment is sought to be revoked shall be afforded the
17 opportunity of a hearing before the director or designee prior to such revocation. Following the
18 hearing, the director may revoke the appointment as a trailer agent upon satisfactory evidence that
19 the provisions of this subdivision have been violated and that the revocation is in the best interest of
20 the state. A written statement outlining the evidence and violations shall accompany the
21 revocation.

22 III. Upon the revocation of such agency, the person shall surrender to the department or its
23 authorized agent all materials issued by the state under the provisions of this subdivision and all
24 records pertaining to all matters authorized by this subdivision.

25 IV. Whenever an authorized auditor of the department, with the approval of the
26 commissioner, determines that the public interest requires immediate action, the director may issue
27 a temporary order suspending the authority of a nongovernmental registering trailer agent to issue,
28 renew, or transfer registrations, pending a hearing.

29 261:74-w Rulemaking. The director shall adopt rules pursuant to RSA 541-A relative to
30 application forms for appointment as a nongovernmental registering trailer agent.

31 4 New Paragraph; Fees; Multiyear Semi-Trailer Registrations. Amend RSA 261:141 by
32 inserting after paragraph X the following new paragraph:

33 XI.(a) Persons may register semi-trailers for up to 12 years. Multiyear registrations for
34 semi-trailers shall be subject to the following fees:

35 (1) One year: \$20.

36 (2) Two years: \$40.

37 (3) Three years: \$55.

38 (4) Four years: \$65.

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1 (5) Five years: \$85.

2 (6) Ten years: \$160.

3 (7) Twelve years: \$190.

4 (b) Semi-trailers owned by nonresidents of New Hampshire registered under this
5 paragraph shall not require a municipal permit for registration and shall not be subject to any
6 municipal fees.

7 5 Nonresident Registration. Amend RSA 261:46 to read as follows:

8 261:46 Nonresident Registration. Notwithstanding RSA 261:45, a nonresident who garages a
9 vehicle exclusively in this state ***or who registers a semi-trailer through a nongovernmental***
10 ***agent*** may register such vehicle in this state as a nonresident. No exemption from the payment of
11 a permit fee shall be granted by reason of nonresidence except by the director, who shall in all cases
12 require proof satisfactory to him or her of residence elsewhere, and of the liability of a nonresident
13 owner, otherwise entitled to such exemption, to pay a property tax on the vehicle for the current
14 year in the state of his or her residence.

15 6 New Paragraph; Fees for Registration Permits; Multiyear Registrations. Amend RSA 261:153
16 by inserting after paragraph VI the following new paragraph:

17 VII. A person registering a semi-trailer for multiple years in accordance with RSA 261:141,
18 XI shall, when offering the semi-trailer for registration, pay all permit fees and other municipal fees
19 associated with the registration for the entire multiyear period. Permit fees for the multiyear
20 period shall be determined under paragraph I. If the registration is for 12 years, the permit fee
21 shall be reduced by 10 percent.

22 7 Inspection of Trailers; Exemptions. Amend RSA 266:1-b, II to read as follows:

23 II. ***Semi-trailers shall be exempt from periodic vehicle inspection requirements***
24 ***under this chapter if the semi-trailer is fully compliant with the regulations of the Federal***
25 ***Motor Carrier Safety Administration.***

26 III. The director may authorize properly qualified dealers holding utility dealer
27 registrations to inspect trailers of more than 10,000 pounds gross vehicle weight, to determine
28 whether they are fit to be driven, and to issue inspection stickers, under rules adopted for this
29 purpose pursuant to RSA 541-A. This section shall not apply to full trailers as defined in
30 RSA 259:37-a [~~or semi-trailers as defined in RSA 259:98~~], and shall not prohibit other official
31 inspection stations from inspecting trailers.

32 8 Effective Date. This act shall take effect July 1, 2017.

HB 579-FN- FISCAL NOTE
 AS AMENDED BY THE HOUSE (AMENDMENT #2017-0866h)

AN ACT relative to registration of semi-trailers.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2019	FY 2020	FY 2021	FY 2022
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input type="checkbox"/> General <input type="checkbox"/> Education <input checked="" type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Reflectorized Plate Fund and Restricted Cost of Collections*			

*Pursuant to Part II, article 6-a of the New Hampshire constitution, any costs associated with the collection and administration of Highway Funds by the Department of Safety shall be deducted by the Department before such funds are credited to the Highway Fund as unrestricted revenue.

LOCAL:

Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	\$0	\$0	\$0

METHODOLOGY:

This bill authorizes nongovernmental entities to register semi-trailers, authorizes multi-year semi-trailer registrations (up to 12 years), at a discounted rate, and allows nonresidents to register semi-trailers in the State, even if the trailer is not garaged exclusively in New Hampshire.

This bill will result in the following fiscal impacts:

- An indeterminable impact to state revenue relative to semi-trailer registration fees. This bill may result in an increase of semi-trailer registrations from nonresidents, but the bill also offers discounted rates for multi-year registrations. It is unknown what the net impact of these provisions will be. Furthermore, pursuant to RSA 235:23, not less than 12 percent of the total motor vehicle fee revenue collected in the previous year is distributed to municipalities by the Department of Transportation as highway block grants. Therefore, this bill would have an indeterminable impact on highway fund expenditures and local revenues.
- The Division of Motor Vehicles (DMV) currently procures registration decals for up to three years in advance. Under this bill, it would need to purchase registration decals for an additional nine years in advance, at an estimated cost of \$216,000.

- To make the necessary system changes, DMV estimates one-time programming costs of \$151,800.
- To comply with the requirements in this bill (agent training, auditing, administration, etc...), DMV estimates it would need three new clerk IV positions at a total cost of \$177,000 in FY 2019, \$171,000 in FY 2020, \$180,000 in FY 2021, and \$186,000 in FY 2022.
- Providing equipment to online agents is estimated to cost \$1,500 per set-up.
- In addition to the aforementioned impact to highway block grants, local revenue will be impacted by an indeterminable amount to the extent this bill will affect municipal permit fees for semi-trailers. Local expenditures may also increase to make any necessary system programming changes.

AGENCIES CONTACTED:

Department of Safety