

Minutes
City Council Legislative Subcommittee
Friday, September 20, 2024 at 8:00 a.m.
Conference Room A, 1 Junkins Ave., Portsmouth, NH

- I. **Greeting:** Mayor McEachern. In attendance were Mayor McEachern, Councilor Tabor, Councilor Cook and Senior Assistant City Attorney Jane Ferrini.

- II. **Approval of February 23, 2024 Minutes:** Councilor Cook moved and Councilor Tabor seconded a **motion to approve the February 23, 2024 minutes**. The Motion **passed on a unanimous vote**.

- III. **Review and discussion of the New Hampshire Municipal Association's 2025-2026 Proposed Legislative Policy Positions and Proposed Legislative Principles** in order to present recommendations regarding these policies and principles to the City Council at its September 23, 2024 meeting, which will allow the City to participate in the NHMA Policy Conference on September 27, 2024.

Senior Assistant City Attorney Ferrini (Attorney Ferrini) presented the New Hampshire Municipal Association's 2025-2026 Proposed Legislative Policy Positions and Proposed Legislative Principles and two Floor policies to the Committee. The NHMA has a Policy Conference where its membership vote on the proposed Policies and Principles every two years. The approval of these Policies and Principles permits NHMA lobbyists to support and oppose legislation over the next biennium. Attorney Ferrini.

Attorney Ferrini reviewed the Proposed Principles and explained principle 12 was the only new principle that was added from the Principles adopted two years ago. Principle 12 supports city and towns' right to lobby. This principle was added in response to the anti-lobbying bills that have been proposed over the last two legislative sessions. Councilor Cook noted that principle 3 regarding maintaining local authority should be nuanced as it relates to housing. She gave the examples of NHMA opposing bills that would help create housing and gave examples of bills regarding 4 units by right and 2 ADU's by right in a single residential zone. The Committee decided to address the issue of opposing statewide mandates when discussing the Proposed Policies.

Councilor Tabor **moved to approve** the Proposed Principles and Councilor Cook seconded the motion. The motion **passed on a unanimous vote**.

Attorney Ferrini explained the Proposed Policies were divided into three categories, General Administration and Governance, Finance and Revenue and Infrastructure, Development, and Land Use. Most of the policies had not changed from the policies approved two years ago. Attorney Ferrini summarized the policy changes:

General Administration and Governance policies:

- * Opposed eliminating governmental immunity or expanding liabilities;
- * Added support for giving municipalities the right to petition the Right-to-Know Ombudsman. The Committee members noted that a proposed policy recommendation was coming before the Council for charging fees under certain circumstances under the new Right-To-Know law; and
- * Regarding sale of cannabis, the Committee discussed the attempt to amend last year's policy regarding increases for police related to cannabis was defeated.

Councilor Cook moved and Councilor Tabor seconded a **motion to approve the General Administration and Governance policies**. The motion **passed on a unanimous vote**.

Finance and Revenue:

- * Support for the creation of a study committee regarding homestead exemptions was added; and
- * Opposition to education funding policies that would reduce municipal state aid, revenue sharing or create conflict with existing taxing authority, statutes or tax collection.

Councilor Tabor moved and Councilor Cook seconded a **motion to approve the Finance and Revenue policies**. The motion **passed on a unanimous vote**.

Infrastructure, Development, and Land Use:

- New policies were added that support funding for housing, including workforce housing and housing for the homeless population, assistance to homeowners in FEMA flood areas and state funding to regional planning commissions that help municipalities meet housing needs;
- Regarding Land Use policies, Council Cook moved and Councilor Tabor seconded a **motion to add a NHMA policy that would support legislation and policies that would take into consideration the value of housing as a regional resource**. The **motion passed on a unanimous vote**;
- Councilor Cook moved and Councilor Tabor seconded a motion to strike two policies NHMA opposes relative to housing:
 1. New state mandates requiring municipalities to allow specific types of housing; and
 2. All other statewide land use mandates.The **motion passed by a unanimous vote**; and
- New IT policies relative to AI were also noted.

Council Cook moved and Councilor Tabor seconded a **motion to approve the Infrastructure, Development and Land Use** as amended. The motion passed on a unanimous vote.

Floor Policies:

First Floor Policy: Lebanon's Floor policy on education funding. The Committee discussed the floor policy that supports rescinding tax cuts and opposes further reductions for Interest Dividends, Business Profit Tax and Business Enterprise Tax to restore revenue sources other than SWEPT to the Education Trust Fund. Councilor Tabor moved and Councilor Cook seconded a **motion to support the Floor policy**. The motion passed on a unanimous vote.

Second Floor Policy: Waterville Valley Floor policy on solid waste disposal. The proposed Floor policy supports the prevention of the disposal of municipal solid waste generated outside of New Hampshire in New Hampshire landfills and further supports the state to act expeditiously to plan for long term municipal solid waste disposal and waste reduction initiatives. Councilor Cook moved and Councilor Tabor seconded a motion to support the Floor policy. The **motion passed on a unanimous vote**.

- IV. **Discussion of Coalition Communities 2.0 annual meeting** and update on the status of the education funding cases appealed to the Supreme Court. Attorney Ferrini noted that the annual meeting of the CC2 had been continued until November in order to give the town of Hampton an opportunity to send information regarding new assessments suggestion for the membership based on each member's percentage of the total amount of SWEPT retained by the membership, rather than percentage of total equalized property value of the membership. Once the MOU is approved by the membership, Attorney Ferrini said it would be brought forward for Council approval. Attorney Ferrini gave a brief summary of the Rand and ConVal appeals. Briefs have been filed by the AG and CC2's attorney in the Rand case and defendants' briefs are due at the end of September. The general expectation is that oral arguments will be in the spring of 2025 with a decision issued in a year from now. The CC2 lobbyist advised that Ways and Means had three bills in interim study regarding education funding and two of those were SWEPT bills that support the excess SWEPT being paid into the Education Trust Fund. Those bills were moved forward but the CC2 lobbyist said it was not so much that the Committee supported the bills, but so that the legislature would have active bills in case the ConVal and Rand decision came down during the legislative session.
- V. **Discussion of legislative issues of interest for the City of Portsmouth for next session.** Councilor Tabor addressed the net metering issue and noted that the PUC was concluding its rule making and may want to try to weaken current net metering rules. Councilor Tabor reported that Senator David Watters will be monitoring those rules and will support protecting net metering. Councilor Tabor just wanted the Committee to be aware.

Attorney Ferrini advised that most of the bills that were tracked last session did not pass. She updated the Committee on several bills, such as the Columbus Day bill, the fees for Right-To Know in certain circumstances, the requirement for Planning Boards to consider alternative parking solutions if requested, new definition of abutters for zoning appeals and the restrictions of local amendments to the State Building Code.

The Committee discussed scheduling the next meeting after the election in November with our legislative delegates.

- VI. **Adjournment.** Councilor Tabor moved and Councilor Cook seconded a motion to adjourn. The motion passed by a unanimous vote and the meeting adjourned at 9:15 a.m.

CITY COUNCIL PRINCIPLES FOR LEGISLATIVE POSITIONS:

PRINCIPLES FOR LEGISLATIVE POLICIES

The City Council has adopted Principles for Legislative Positions listed below in order for the Mayor and City Staff to be able to offer testimony to the Legislature in a timely manner on bills of interest to the City. The Principles for Legislative Positions are as follows:

1. Advocate to maintain local authority
2. Authorize local options
3. Support revenue streams to aid municipalities, specifically those that name Portsmouth or will directly support Portsmouth
4. Advocate for municipal representation on state committees
5. Support incentives for regional cooperation
6. Support plans to fund/support infrastructure
7. Support incentives for sustainability and increasing energy efficiency and increasing renewable energy production.
8. Support directing revenues to the purposes for which they are raised
9. Support measures that increase the efficiency of local government operations
10. Maintain and improve health, life and safety issues including protecting the safety of our First Responders
11. Encourage citizens to vote and support eliminating barriers to voting
12. Rely on locally generated financial data for decisions relating to local taxes and assessments
13. Protect local decision making about local zoning
14. Require the State to honor existing financial commitments to communities before new financial commitments are awarded, e.g. infrastructure reimbursements
15. Support the civil rights of individuals and oppose discrimination against any individual because of age, sex, race, creed, color, marital status, familial status, physical or mental disability, national origin, sexual orientation or gender identity
16. Use expertise and research in decision making

17. Support policies that create affordable housing as well as incentives for the construction of affordable housing and oppose any policies that block efforts to create affordable housing
18. Support lobbying efforts of organizations and associations to which the City belongs and supports as a municipality, unless contrary to other city policies
19. Oppose legislation that does not apply scientific and technical standards that are broadly accepted by peer reviewed scientific study and can reasonably be achieved by sustainable best management practices and technology
20. Support legislation that provides education funding based on an equitable and sustainable framework and oppose the return of the donor town concept

APPROVED AND AMENDED BY CITY COUNCIL FEBRUARY 7, 2022

HB 97-FN - AS INTRODUCED

2025 SESSION

25-0132

08/11

HOUSE BILL **97-FN**

AN ACT making an appropriation to the department of environmental services for
wastewater infrastructure projects.

SPONSORS: Rep. Bucu, Carr. 1; Rep. N. Murphy, Hills. 12; Rep. Preece, Hills. 17; Sen.
Ricciardi, Dist 9

COMMITTEE: Finance

ANALYSIS

This bill makes an appropriation to the department of environmental services for eligible
wastewater projects.

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 Twenty Five

AN ACT making an appropriation to the department of environmental services for
wastewater infrastructure projects.

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

1 1 Department of Environmental Services; Eligible Wastewater Projects; Appropriation. There is
2 hereby appropriated to the department of environmental services the sum of \$15,000,000 for the
3 fiscal year ending June 30, 2026 and \$15,000,000 for the fiscal year ending June 30, 2027, which
4 shall be nonlapsing, for the purpose of funding wastewater projects approved pursuant to RSA 486
5 on or before June 30, 2026. The governor is authorized to draw a warrant for said sums out of any
6 money in the treasury not otherwise appropriated.

7 2 Effective Date. This act shall take effect July 1, 2025.

**HB 97-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT making an appropriation to the department of environmental services for wastewater infrastructure projects.

FISCAL IMPACT: This bill does not authorize new positions.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$15,000,000	\$15,000,000	\$0
<i>Funding Source(s)</i>	General Fund			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	\$0	\$0	\$0
Local Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Local Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill makes nonlapsing appropriations of \$15,000,000 in FY 2026 and FY 2027 to the Department of Environmental Services for eligible wastewater projects under the state aid grant program. The actual payback periods, annual payments, and interest rates will vary with each application. While the bill appropriates the nonlapsing funds in the coming biennium, the state aid grant payments for the projects will be over twenty years or more.

AGENCIES CONTACTED:

Department of Environmental Services

HB 197-FN - AS INTRODUCED

2025 SESSION

25-0019

06/05

HOUSE BILL ***197-FN***

AN ACT relative to payment by the state of a portion of retirement system contributions of political subdivision employers.

SPONSORS: Rep. Edgar, Rock. 29; Rep. Cloutier, Sull. 6; Rep. Knab, Rock. 12; Rep. Muns, Rock. 29; Rep. Rung, Hills. 12; Rep. Wilhelm, Hills. 21; Rep. Malloy, Rock. 24; Rep. Balboni, Rock. 38; Rep. N. Murphy, Hills. 12; Sen. Altschiller, Dist 24; Sen. Perkins Kwoka, Dist 21; Sen. Rosenwald, Dist 13

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill provides that the state shall pay 7.5 percent of contributions of retirement system employers other than the state for group I teachers and group II members.

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 Twenty Five

AN ACT relative to payment by the state of a portion of retirement system contributions of political subdivision employers.

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

1 1 Short Title; Purpose.

2 I. This act may be known as the "Property Tax Relief Act of 2025."

3 II. This act renews a promise made by state to municipalities and restores the state's
4 contribution of a portion of the retirement costs of teachers, firefighters, and local police. Its purpose
5 is to help ease the local property tax burden, provide property tax relief to the cities and towns, and
6 enhance public education and public safety.

7 2 Retirement System; Employer Contributions; State Share of Contributions. Amend RSA 100-
8 A:16, II(b) and (c) to read as follows:

9 (b) The contributions of each employer for benefits under the retirement system on
10 account of group II members shall consist of a percentage of the earnable compensation of its
11 members to be known as the "normal contribution," and an additional amount to be known as the
12 "accrued liability contribution;" provided that beginning with state fiscal year [2013] **2026** and for
13 each state fiscal year thereafter, any employer [~~shall pay the full amount of such total contributions~~]
14 ***other than the state, shall pay 92.5 percent of such total contributions, and 7.5 percent***
15 ***thereof shall be paid by the state; and provided further that, in case of group II members***
16 ***employed by the state, the state shall pay both normal and accrued liability contributions.***
17 The rate percent of such normal contribution, including contributions on behalf of group II members
18 whose group II creditable service is in excess of 40 years, in each instance shall be fixed on the basis
19 of the liabilities of the system with respect to the particular members of the various member
20 classifications as shown by actuarial valuations, except as provided in subparagraph (i).

21 (c) The contributions of each employer for benefits under the retirement system on
22 account of group I members shall consist of a percentage of the earnable compensation of its
23 members to be known as the "normal contribution," and an additional amount to be known as the
24 "accrued liability contribution;" provided that beginning with state fiscal year [2013] **2026** and for
25 each state fiscal year thereafter, ***in the case of teachers, any employer other than the state,***
26 ***shall pay 92.5 percent of such total contributions, and 7.5 percent thereof shall be paid by***
27 ***the state; and provided further that, in case of teacher members employed by the state, the***
28 ***state shall pay both normal and accrued liability contributions.*** The rate percent of such normal
29 contribution in each instance shall be fixed on the basis of the liabilities of the system with respect to

HB 197-FN - AS INTRODUCED

- Page 2 -

1 the particular members of the various member classifications as shown by actuarial valuation,
2 except as provided in subparagraph (i).

3 3 Effective Date. This act shall take effect July 1, 2025.

**HB 197-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to payment by the state of a portion of retirement system contributions of political subdivision employers.

FISCAL IMPACT: This bill does not provide funding.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	\$28.00 million	\$28.74 million	\$29.51 million
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	(\$28.00 million)	(\$28.74 million)	(\$29.51 million)

***The New Hampshire Retirement System states it is not able to separate the fiscal impact of this legislation between county and local government, therefore the fiscal impact is shown together as political subdivisions.**

METHODOLOGY:

The bill requires the State to pay 7.5 percent of contributions of retirement system employers other than the State for group I teachers and group II members beginning in FY 2026. The New Hampshire Retirement System (NHRS) states the proposed change affects the pension contribution rate, but not the medical subsidy contribution rate. The NHRS indicates this bill does not impact the NHRS unfunded actuarial accrued liability (UAAL) or funded ratio because it does not change the total amount of employer contributions due to the retirement system, only the funding source. Because this bill shifts the impact from political subdivisions to the state the fiscal impact of this bill is an increase in general fund expenditures and decrease in political subdivision expenditures by \$28.0 million in FY 2026 and \$28.74 million in FY 2027, and \$29.51 million in FY 2028. See tables below for more detail of fiscal impact.

Net Impact on State Employer Contributions

Expected Employer Dollar Increase (Decrease) Due to Proposal (\$ in Millions)				
	FY 2025	FY 2026	FY 2027	FY 2028
Employees	-	-	-	-
Teachers	-	\$18.61	\$19.07	\$19.55
Police	-	\$6.00	\$6.18	\$6.37
Fire	-	<u>\$3.39</u>	<u>\$3.49</u>	<u>\$3.59</u>
TOTAL	\$0	\$28.00	\$28.74	\$29.51

Net Impact on Political Subdivisions Employer Contributions

Expected Employer Dollar Increase (Decrease) Due to Proposal (\$ in Millions)				
	FY 2025	FY 2026	FY 2027	FY 2028
Employees	-	-	-	-
Teachers	-	(\$18.61)	(\$19.07)	(\$19.55)
Police	-	(\$6.00)	(\$6.18)	(\$6.37)
Fire	-	<u>(\$3.39)</u>	<u>(\$3.49)</u>	<u>(\$3.59)</u>
TOTAL	\$0.00	(\$28.00)	(\$28.74)	(\$29.51)

This bill does not appropriate funds to cover the expenditures in FY 2026 or FY 2027. Additionally, the costs for FY 2028 and forward would need to be included in the NHRS's operating budget.

AGENCIES CONTACTED:

New Hampshire Retirement System

SB 113-FN-A - AS INTRODUCED

2025 SESSION

25-1007

05/09

SENATE BILL ***113-FN-A***

AN ACT making appropriations to the department of health and human services for homeless services and homeless prevention.

SPONSORS: Sen. Birdsell, Dist 19

COMMITTEE: Finance

ANALYSIS

This bill makes appropriations to the department of health and human services to support homeless prevention, rehousing, and homeless shelter services, and directs the renewal of the 1915(i) Medicaid state plan amendment for supportive housing services.

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 Twenty Five

AN ACT making appropriations to the department of health and human services for homeless services and homeless prevention.

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

1 1 Appropriation; Department of Health and Human Services; Homeless Services.

2 I. The sum of \$12,000,000 for the fiscal year ending June 30, 2026, and the sum of
3 \$12,000,000 for the fiscal year ending June 30, 2027, are hereby appropriated to the department of
4 health and human services for the purpose of contracting with nonprofits that provide a continuum
5 of services to individuals and families who are experiencing homelessness. The appropriations made
6 in this section shall be in addition to any other funds appropriated to the department. The governor
7 is authorized to draw a warrant for said sums out of any money in the treasury not otherwise
8 appropriated. Notwithstanding RSA 14:30-a, VI, the department is authorized, without prior
9 approval of the fiscal committee of the general court, to accept and expend any matching federal
10 funds available for services.

11 II. The sum of \$3,000,000 for the fiscal year ending June 30, 2026, and the sum of
12 \$3,000,000 for the fiscal year ending June 30, 2027, are hereby appropriated to the department of
13 health and human services for the housing stabilization fund to contract with nonprofits that provide
14 eviction prevention and rehousing services. Funding may be used for assistance with rental
15 deposits, rental guarantees, or rental assistance. The department of health and human services
16 shall annually report the usage of this fund with regional breakdowns according to populations
17 including families with children, low-income seniors, and veterans.

18 III. The commissioner of the department of health and human services shall submit a
19 renewal of the state plan amendment as provided in Section 1915(i) of the Social Security Act or a
20 waiver under other provisions of the Act to the Centers for Medicare and Medicaid Services to
21 sustain a state Medicaid benefit for supportive housing services. The department of health and
22 human services shall fully implement the new supportive housing Medicaid benefit and provide a
23 report to the legislature on its implementation on November 1, 2025 and November 1, 2026.

24 2 Effective Date. This act shall take effect July 1, 2025.

LBA
25-1007
1/21/25

**SB 113-FN-A- FISCAL NOTE
AS INTRODUCED**

AN ACT making appropriations to the department of health and human services for homeless services and homeless prevention.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Health and Human Services. The Department was contacted on 1/6/25 for a fiscal note worksheet. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

AGENCIES CONTACTED:

Department of Health and Human Services

HB 137 - AS INTRODUCED

2025 SESSION

25-0273

07/02

HOUSE BILL **137**

AN ACT relative to allocating excess statewide education property tax funds for local school and municipal purposes.

SPONSORS: Rep. Cordelli, Carr. 7; Rep. Weyler, Rock. 14; Sen. McConkey, Dist 3

COMMITTEE: Education Funding

ANALYSIS

This bill allocates excess statewide education property tax funds to the local municipality for other school and municipal purposes.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struck through.]~~
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 Twenty Five

AN ACT relative to allocating excess statewide education property tax funds for local school and municipal purposes.

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

1 1 Apportionment, Assessment and Abatement of Taxes; Commissioner's Warrant; Allocation of
2 Excess Taxes Collected. Amend RSA 76:8, II and II-(a) to read as follows:

3 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
4 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
5 December 15 directing them to assess such sum and pay it to the municipality for the use of the
6 school district or districts. Such sums shall be assessed at such times as may be prescribed for other
7 taxes assessed by such selectmen or assessors of the municipality. ***Any such sum collected in***
8 ***excess of the adequacy grant under RSA 198:40-a by a municipality shall remain with the***
9 ***municipality for the use of the school district or districts.***

10 II-a. At the time the warrant is issued pursuant to paragraph II, the commissioner shall
11 report to the governor, the speaker of the house of representatives, the president of the senate, ***the***
12 ***chairs of the senate and house education committees,*** and the commissioner of education, a
13 statement of the education tax warrants to be issued for the tax year commencing April 1 of the
14 succeeding year.

15 2 Effective Date. This act shall take effect April 1, 2026.

HB 675-FN-A-LOCAL - AS INTRODUCED

2025 SESSION

25-0505

02/05

HOUSE BILL

675-FN-A-LOCAL

AN ACT

increasing the total revenue raised under the statewide education property tax, requiring municipalities to remit excess statewide education property tax payments to the department of revenue administration, limiting the authority of school districts to make certain appropriations, and increasing base adequacy costs per pupil.

SPONSORS: Rep. Sweeney, Rock. 25; Rep. Osborne, Rock. 2

COMMITTEE: Education Funding

ANALYSIS

This bill changes the formula for determining statewide adequacy aid, ties education funding increases to the Consumer Price Index, requires municipalities to remit excess education tax revenue back to the state, establishes a tax cap for local school districts, and increases the total revenue raised under the statewide education property tax.

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 Twenty Five

AN ACT increasing the total revenue raised under the statewide education property tax, requiring municipalities to remit excess statewide education property tax payments to the department of revenue administration, limiting the authority of school districts to make certain appropriations, and increasing base adequacy costs per pupil.

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

1 1 Education Tax. RSA 76:3 is repealed and reenacted to read as follows:

2 76:3 Education Tax.

3 I. For the fiscal year beginning July 1, 2025, statewide base adequacy aid paid through
4 statewide education property tax shall be \$773,000,000.

5 II. Beginning July 1, 2026, the definition of statewide base adequacy aid shall be calculated
6 by multiplying the total average daily membership in residence by the base aid amount in RSA
7 198:40-a, II(a) utilized in the previous fiscal year's adequacy calculation multiplied by 68 percent.
8 The department of education shall provide the calculation of the amount to be raised by May 1 before
9 the warrant is issued on December 15 pursuant to RSA 76:8, II.

10 III. Beginning July 1, 2026, the commissioner of the department of revenue administration
11 shall set the education tax rate at a level sufficient to generate revenue to satisfy the statewide base
12 adequacy aid paid through the statewide education property tax pursuant to paragraph II, when
13 imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax
14 under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following
15 fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required
16 in this section.

17 2 Commissioner's Warrant. Amend RSA 76:8, II to read as follows:

18 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
19 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
20 December 15 directing them to assess such sum and pay it to the municipality for the use of the
21 school district or districts ***and, if there is an excess statewide education property tax payment***
22 ***pursuant to RSA 198:47-a, directing them to assess the amount of the excess payment and***
23 ***pay it to the department of revenue administration for deposit in the education trust fund.***
24 Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such
25 selectmen or assessors of the municipality.

26 3 New Paragraphs; Commissioner's Warrant. Amend RSA 76:8 by inserting after paragraph III
27 the following new paragraphs:

HB 675-FN-A-LOCAL - AS INTRODUCED
- Page 2 -

1 IV. Until June 30, 2027, school district appropriation amounts, less facilities acquisition and
2 construction, authorized in paragraph III and reported pursuant to RSA 198:4-a, shall not be more
3 than the previous year's appropriation, less facilities acquisition and construction, times the
4 previous 3 years average Consumer Price Index pursuant to paragraph VI.

5 (a) After June 30, 2027, the school district appropriation amount, less facilities
6 acquisition and construction, authorized in paragraph III shall not be more than the greater of the
7 following:

8 (1) The 3-year average percent change in ADMR used for the purposes of calculating
9 adequate education grants pursuant to RSA 198:40-a applied to the previous year's appropriation,
10 less facilities acquisition and construction, or

11 (2) The 3-year average appropriation, less facilities acquisition and construction.

12 (b) School districts seeking appropriations, less facilities acquisition and construction, to
13 assess local property taxes in excess of paragraph IV, as applicable, shall do so by a 2/3 majority vote
14 of their legislative body on each vote or warrant article in excess of the appropriation determined in
15 paragraph V. The vote to exceed the excess shall not be a voice vote.

16 (c) Districts seeking emergency appropriations shall follow the provisions of RSA 197:3.

17 V. Within 45 days after the reported appropriation amounts are submitted pursuant to RSA
18 198:4-a, the commissioner of the department of revenue administration shall notify the school board
19 of any excess appropriations not made in accordance with RSA 76:8, IV and delete those
20 appropriations when computing district taxation pursuant to RSA 198:4-a, IV.

21 VI. Previous 3 years average Consumer Price Index shall be calculated by using the All
22 Urban Consumers, Northeast Region, using the "services less medical care services" special
23 aggregate index, as published by the Bureau of Labor Statistics, United States Department of Labor.
24 The average annual change shall be calculated using the 3 calendar years ending 18 months before
25 the start of the fiscal year.

26 4 New Sections; Excess Statewide Education Property Tax Payment. Amend RSA 198 by
27 inserting after section 47 the following new sections:

28 198:47-a Excess Statewide Education Property Tax Payment.

29 I. Any statewide education property tax collected by a municipality pursuant to a warrant
30 issued by the commissioner of the department of revenue administration pursuant to RSA 76:8 that
31 exceeds the amount determined by the department of education to pay for an adequate education in
32 that municipality shall be remitted to the department of revenue administration.

33 (a) The department of education shall calculate the amount of excess statewide
34 education property tax above and beyond an adequate education as defined in RSA 198:40-a and
35 report that calculation to the department of revenue administration by October 1st.

HB 675-FN-A-LOCAL - AS INTRODUCED

- Page 3 -

1 (b) The department of revenue administration shall submit an invoice with the total
2 amount to be remitted to any municipality with excess statewide education property tax by January
3 1st.

4 (1) The municipality shall be required to make a payment of 30 percent of the total
5 amount due by February 1.

6 (2) The municipality shall be required to make a payment of the remainder of the
7 excess statewide education property tax no later than 75 days following issuance of the
8 municipality's final tax bill notice of the fiscal year.

9 (3) No later than 75 days following the issuance of the municipality's final tax bill
10 notice of the fiscal year, the municipality shall submit to the department of revenue administration a
11 report of the total amount collected pursuant to RSA 76:3 by the municipality.

12 (c) The commissioner of revenue administration may petition the state treasurer to
13 withhold all meals and rooms distribution due under RSA 78-A:26 for a municipality delinquent on
14 an excess education tax payment.

15 (d) The commissioner of the department of education may withhold any state education
16 aid, including adequacy payments under RSA 198:42, to the school districts of any municipality the
17 department of revenue administration reports as delinquent on an excess education tax payment.

18 II. The commissioner of the department of revenue administration shall collect from the
19 municipality the excess tax and pay the excess tax over to the state treasurer for deposit in the
20 education trust fund.

21 198:47-b Forms. The commissioner of the department of revenue administration shall approve
22 and provide forms relative to the reporting and remitting of excess statewide education property tax
23 by the municipalities.

24 5 Cost of an Opportunity for an Adequate Education. Amend RSA 198:40-a, II(a) to read as
25 follows:

26 (a) A cost of [~~\$4,100~~] **\$7,356.01** per pupil in the ADMR, plus differentiated aid as
27 follows:

28 6 Effective Date. This act shall take effect July 1, 2025.

LBA
25-0505
1/11/25

**HB 675-FN-A-LOCAL- FISCAL NOTE
AS INTRODUCED**

AN ACT increasing the total revenue raised under the statewide education property tax, requiring municipalities to remit excess statewide education property tax payments to the department of revenue administration, limiting the authority of school districts to make certain appropriations, and increasing base adequacy costs per pupil.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Education. The Department was contacted on 12/27/24 for a fiscal note worksheet. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration

HB 669-FN-A - AS INTRODUCED

2025 SESSION

25-0341

02/06

HOUSE BILL ***669-FN-A***

AN ACT relative to requiring all revenue raised under the statewide education property tax to be deposited in the education trust fund, and setting an equalized statewide tax rate.

SPONSORS: Rep. M. Smith, Straf. 10; Rep. Cloutier, Sull. 6; Rep. Girard, Sull. 6; Rep. Wheeler, Hills. 33

COMMITTEE: Ways and Means

ANALYSIS

This bill requires all revenue raised from the statewide education property tax to be deposited in the education trust fund and sets an equalized statewide tax rate.

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 Twenty Five

AN ACT relative to requiring all revenue raised under the statewide education property tax to be deposited in the education trust fund, and setting an equalized statewide tax rate.

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

1 1 Assessment of Education Tax; Commissioner's Warrant. Amend RSA 76:8, II to read as
2 follows:

3 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
4 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
5 December 15 directing them to assess such sum and [~~pay it to the municipality for the use of the~~
6 ~~school district or districts~~] **transmit the amount collected to the state treasurer for deposit in**
7 **the education trust fund created pursuant to RSA 198:39.** Such sums shall be assessed at such
8 times as may be prescribed for other taxes assessed by such selectmen or assessors of the
9 municipality.

10 2 Education Tax. Amend RSA 76:3 to read as follows:

11 76:3 Education Tax. Beginning July 1, [~~2005,~~] **2025**, and every fiscal year thereafter, the
12 commissioner of the department of revenue administration shall set the education tax rate at [~~a level~~
13 ~~sufficient to generate revenue of \$363,000,000~~] a **rate of \$5.00 per \$1,000 of property valuation**
14 when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to
15 tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following
16 fiscal year. [~~The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required~~
17 ~~in this section.~~]

18 3 Repeal. RSA 198:41, I(b), relative to determination of education grants, is repealed.

19 4 Effective Date. This act shall take effect July 1, 2025.

HB 669-FN-A- FISCAL NOTE
AS INTRODUCED

AN ACT relative to requiring all revenue raised under the statewide education property tax to be deposited in the education trust fund, and setting an equalized statewide tax rate.

FISCAL IMPACT: This bill does not provide funding.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$1.26 Billion Increase	Indeterminable Increase - Similar Magnitude to FY 2026	
<i>Revenue Fund(s)</i>	Education Trust Fund			
Expenditures*	\$0	\$28.6 Million Decrease	Indeterminable Decrease - Similar Magnitude to FY 2026	
<i>Funding Source(s)</i>	Education Trust Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Local Revenue	\$0	\$28.6 Million Decrease	Indeterminable Decrease - Similar Magnitude to FY 2026	
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill, effective July 1, 2025 (FY 2026):

- Requires all Statewide Education Property Tax (SWEPT) revenue be remitted to the state for deposit in the Education Trust Fund (ETF). Under current law, SWEPT revenue is raised and retained locally as part of the state education funding formula.
- Sets the SWEPT rate at \$5.00 per \$1,000 of property valuation (assumed to be *equalized* property valuation for the purpose of this fiscal note).
- Repeals RSA 198:41,I(b), relative to the SWEPT component of the determination of state adequacy grants.
- Effectively eliminates the ability for municipalities to retain “excess SWEPT”. The term “excess SWEPT” is assumed to be the amount of a municipality’s SWEPT collection that exceeds the amount of its calculated cost of an opportunity for an adequate education.

Based on FY 2026 preliminary data (published November 15, 2024), this bill would have the following impact on state revenue and expenditures, and local school district revenue:

- State ETF expenditures and local school district revenue, relative to adequate education grants, would decrease by approximately \$28.6 million per year. This is entirely due to municipalities no longer retaining “excess SWEPT”.
- State revenue, relative to SWEPT, would increase by approximately \$1.26 billion dollars per year. Under current law, approximately \$363 million is raised per year and this bill would generate approximately \$1.623 billion per year.

The Department of Revenue Administration believes it could implement this bill without any new positions, however, there would be a cost associated with implementing the electronic filing and payment mechanism within the Department’s Revenue Information System (RIMS) and the Granite Tax Connect portal (GTC). This one-time cost is estimated to be \$300,000 in FY 2026.

The Treasury Department has indicated this bill will have no impact on its budget.

AGENCIES CONTACTED:

Department of Education, Department of Revenue Administration, and Treasury Department

HB 595-FN - AS INTRODUCED

2025 SESSION

25-0824
08/09

HOUSE BILL **595-FN**

AN ACT relative to coastal resilience zones.

SPONSORS: Rep. Muns, Rock. 29; Rep. Khan, Rock. 30; Rep. Malloy, Rock. 24; Rep. de Vries, Rock. 29; Rep. Grote, Rock. 24; Rep. Maggiore, Rock. 23; Rep. Edgar, Rock. 29; Rep. Balboni, Rock. 38; Rep. Manos, Rock. 12; Sen. Gannon, Dist 23; Sen. Altschiller, Dist 24; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Resources, Recreation and Development

ANALYSIS

This bill:

I. Adds flood resiliency improvements to the definition of qualifying improvements for the purposes of C-PACE and R-PACE funding.

II. Enables municipalities to offer property owners who engage in flood resilience projects a property tax abatement or tax assessment freeze for a specified period of time.

III. Enable municipalities to assess a fee on properties in a flood resilience zone to be deposited into a non-lapsing flood resilience investment fund.

IV. Makes an appropriation to the department of business and economic development to fund a statewide analysis of the costs and benefits of flood risk and flood risk mitigation efforts.

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 Twenty Five

AN ACT relative to coastal resilience zones.

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

1 1 District; Energy Efficiency and Clean Energy Districts. Amend RSA 53-F:1, II to
2 read as follows:

3 II. "District" means an energy efficiency and clean energy, **or flood resilience** district
4 established under this chapter.

5 2 Definitions; Qualifying Improvement. Amend RSA 53-F:1, III to read as follows:

6 III. **"Qualifying improvement" means:**

7 (a) "Energy conservation and efficiency improvements" means measures to reduce
8 consumption, through conservation or more efficient use, of electricity, fuel oil, natural gas, propane,
9 or other forms of energy on or off the property, including but not limited to air sealing, installation of
10 insulation, installation of heating, cooling, or ventilation systems meeting or exceeding ENERGY
11 STAR standards, building modifications to increase the use of daylighting, replacement of windows
12 with units meeting or exceeding ENERGY STAR standards, installation of energy controls or energy
13 recovery systems, and installation of efficient lighting equipment, provided that, to be covered by an
14 agreement with a property owner and financed under this chapter, all such improvements must be
15 permanently affixed to a building or facility that is part of the property and shall be qualifying
16 improvements under RSA 53-F:6.

17 (b) **"Flood resiliency improvement" means providing flood and water damage**
18 **mitigation and resiliency improvements, prioritizing repairs, replacement, or**
19 **improvements that qualify for reductions in flood insurance premiums, including raising a**
20 **structure above the base flood elevation to reduce flood damage; constructing a flood**
21 **diversion apparatus, drainage gate, or seawall improvement, including seawall repairs**
22 **and seawall replacements; purchasing flood damage-resistant building materials; or**
23 **making electrical, mechanical, plumbing, or other system improvements that reduce flood**
24 **damage.**

25 3 Adoption by Municipality. Amend RSA 53-F:2, IV to read as follows:

26 IV. The language of the question shall designate [~~an energy efficiency and clean energy~~] **the**
27 district, which may cover all or a portion of the area within the municipality, or may designate all or
28 a portion of the area within the municipality as part of [~~an energy efficiency and clean energy~~] **a**
29 district that encompasses all or portions of multiple municipalities.

30 4 Authority. Amend RSA 53-F:3 to read as follows:

31 53-F:3 Authority.

1 To achieve the public benefits of protecting the economic and social well-being by reducing
2 energy costs **and enhancing resiliency** in the community and risks to the community associated
3 with future escalation in energy prices, **threats to public and private property from more**
4 **frequent and severe flooding**, and addressing the threat of global climate change, any
5 municipality which has adopted the provisions of this chapter and established [~~an energy efficiency~~
6 ~~and clean energy~~] a district may, upon a finding by the governing body of the municipality, after
7 notice and hearing, that the [~~energy conservation and efficiency and clean energy~~] **qualifying**
8 improvements will serve the public purposes as set forth in this chapter and not primarily be for the
9 benefit of private persons or uses even though such private benefits and uses may incidentally
10 result, do the following:

11 I. A municipality which adopts this chapter shall thereafter be authorized to establish one or
12 more [~~energy efficiency and clean energy~~] districts.

13 II. Encourage private financing from individuals or institutions for qualifying improvements
14 to eligible properties within the district and enter into agreements with those private lenders to
15 administer the [~~energy conservation and efficiency improvements or clean energy~~] **qualifying**
16 improvements program on their behalf, including evaluating eligible properties, supervising the
17 improvements, arranging for the closing of the loans, collecting the special assessments, and
18 assisting them with the exercise of their lienholder rights, provided that anticipated expenses for the
19 administration of the program shall be borne by the owners of eligible properties participating in the
20 program.

21 III. Participate in state or federal programs providing support for municipal [~~energy~~
22 ~~efficiency and clean energy finance~~] **qualifying improvements** programs such as those authorized
23 by this chapter.

24 IV. Enter into agreements with owners of eligible property in which the owners consent to
25 make [~~energy conservation and efficiency improvements or clean energy~~] **qualifying** improvements
26 to their properties and to have the municipality include a special assessment to pay for such
27 improvements on their property tax bills, their bills for water or sewer service or another municipal
28 service, or separate bills, provided that such agreements shall not affect the tax liability or
29 municipal services charges of other participating or nonparticipating property owners in the district.

30 V. Collect charges from participating owners of eligible properties to cover the cost of
31 administration for the district.

32 VI. Otherwise administer a program for promoting and financing [~~energy efficiency and~~
33 ~~clean energy~~] **qualifying** improvements within a district in accordance with this chapter, enter into
34 an agreement with a public or private entity to administer such a program on its behalf in
35 accordance with this chapter, and enter into an agreement with one or more other municipalities to
36 share services and otherwise cooperate in the administration of a district or districts in accordance
37 with this chapter.

1 VII. Adoption of a [~~clean energy efficiency and clean energy~~] **a** district shall include a
2 commercial property assessed clean energy (C-PACE) **and residential property assessed clean**
3 **energy (R-PACE)** model implemented according to the most recent U.S. Department of Energy
4 (DOE) released best practice guidelines for PACE financing programs.

5 5 Agreement With Property Owner. Amend RSA 53-F:4, I(b) to read as follows:

6 (b) An agreement with an owner of eligible property shall provide that the owner shall
7 contract for qualifying improvements with one or more qualified contractors, purchase materials to
8 be used in making qualified improvements, or both, and that, upon submission of documentation
9 required by the municipality, the municipality shall disburse funds to those contractors and vendors
10 in payment for the qualifying improvements or materials used in making qualified improvements.
11 [~~An~~] **For energy conservation and efficiency improvements** agreement with a property owner
12 shall require that the property owner report post-installation energy use data for program
13 evaluation purposes over a period determined by the municipality. **For flood resiliency**
14 **improvements an agreement with a property owner shall require that the property owner**
15 **file a report confirming that all agreed upon improvements have been completed.**

16 6 Eligibility of Property Owners. Amend RSA 53-F:5, II to read as follows:

17 II. Prior to entering into an agreement with an owner of eligible property, the municipality
18 shall determine that:

19 (a) [~~all~~] **All** property taxes and any other assessments levied with property taxes are
20 current and have been current for 3 years or the owner's period of ownership, whichever is less; that
21 there are no involuntary liens such as mechanic's liens on the property; and that no notices of
22 default or other evidence of property-based debt delinquency have been recorded during the past 3
23 years or the property owner's period of ownership, whichever is less.

24 (b) [~~The municipality shall adopt additional criteria, appropriate to property assessed~~
25 ~~clean energy finance programs.~~] The municipality shall determine whether any mortgages or liens of
26 record exist in the registry of deeds on the property, whether they are current in the obligations, and
27 whether the total debt to equity ratio specified by the private lender will be met. If any such
28 mortgage or lien exists, the municipality shall notify each such mortgagee or lienholder in writing
29 that a private lender is considering making a loan secured by a municipal lien pursuant to the
30 provisions of this chapter and request the consent of each such mortgagee or lienholder to the
31 making of such loan. Each mortgagee or lienholder shall have the right to determine in its sole
32 discretion whether or not it will consent to such loan. If all of the mortgagees or lienholders of
33 record elect to consent, the consents shall be in writing and recorded with the municipal lien in the
34 registry of deeds. The legal effect of having all consents shall be that the municipal lien shall not be
35 extinguished in the event of a foreclosure or sheriff's sale by the mortgagee or lienholder as provided
36 in RSA 53-F:8. If all of the mortgagees or lienholders of record do not consent, but the private lender

1 determines that it will proceed in making such loan, then in the event of a foreclosure or sheriff's
2 sale by a mortgagee or lienholder, the municipal lien shall be extinguished.

3 ***(c) The municipality shall adopt additional criteria, appropriate to C-PACE***
4 ***and R-PACE programs.***

5 7 Qualifying Improvements. Amend RSA 53-F:6, I-III to read as follows:

6 I. Improvements financed pursuant to an agreement under this chapter shall be based upon
7 an audit performed by a person who has been certified as a building analyst by the Building
8 Performance Institute or who has obtained other appropriate certification as determined by the
9 department of energy or another appropriate New Hampshire-based entity. The audit shall identify
10 recommended energy conservation and efficiency and clean energy improvements ***or flood***
11 ***resiliency improvements***; provide the estimated [energy] cost savings, useful life, benefit-cost ratio,
12 and simple payback or return on investment for each improvement; and provide the estimated
13 overall difference in annual [energy] costs with and without recommended improvements. Financed
14 improvements shall be consistent with the audit recommendations. The cost of the audit may be
15 included in the total amount financed under this chapter.

16 II. Improvements shall be permanently affixed to an existing building or facility that is part
17 of the eligible property. The owner of the property may not finance projects in buildings or facilities
18 under new construction.

19 III. Improvements shall be made by a contractor or contractors, which may include a
20 cooperative or not-for-profit organization, determined by the municipality to be qualified to make the
21 energy efficiency or clean energy improvements ***or flood resiliency improvements*** in the
22 agreement. Contractors may be designated as qualified by an electric or gas utility program or
23 another appropriate New Hampshire-based entity. Any work requiring a license under any
24 applicable law shall be performed by an individual holding such license. A municipality may elect to
25 permit the financing pursuant to an agreement under this chapter of improvements made by the
26 owner of the property, but shall not permit the value of the owner's labor to be included in the
27 amount financed.

28 8 Financing Terms. Amend RSA 53-F:7, I to read as follows:

29 I. Improvements shall be financed pursuant to an agreement under this chapter only on
30 terms such that the total [energy] cost savings realized by the property owner and the property
31 owner's successors during the useful lives of the improvements are expected to exceed the total cost
32 to the property owner and the property owner's successors of the improvements.

33 9 Priority; Collection and Enforcement. Amend RSA 53-F:8 to read as follows:

34 53-F:8 Priority; Collection and Enforcement. Collection of special assessments under this
35 chapter shall be made by the tax collector or other official responsible for property tax or municipal
36 service charge collection. A municipality shall commit bills for amounts due on the special
37 assessments, including interest and any charges, to the tax collector with a warrant signed by the

1 appropriate municipal officials requiring the tax collector to collect them. Each year bills for
2 amounts due on the special assessments shall coincide with bills for property taxes or municipal
3 service charges. Each special assessment imposed under a ~~[clean energy efficiency and clean energy]~~
4 district program pursuant to an assessment contract, including any interest on the assessment and
5 any penalty, shall, upon recording of the assessment contract in the county in which the district area
6 is located, constitute a lien against the property on which the assessment is imposed until the
7 assessment, including any interest or penalty, is paid in full. The lien of the assessment contract
8 shall run with the property until the assessment is paid in full and a satisfaction or release for the
9 same has been recorded by the town, city, or district or its program administrator and shall have the
10 same lien priority and status as other property tax and special assessment liens as provided in RSA
11 80. The town, city, or district, or any permitted assignee, shall have all rights and remedies in the
12 case of default or delinquency in the payment of an assessment as it does with respect to delinquent
13 property taxes and other delinquent special assessments as set forth in RSA 80, except that all prior
14 recorded mortgages or liens shall retain priority over the lien of the assessment contract unless all
15 such mortgagees or lienholders of record have consented to the lien as provided for in RSA 53-F:5.

16 10 New Subdivision; Flood Resiliency Improvement Exemption. Amend RSA 72 by inserting
17 after section 87 the following new subdivision:

18 **Flood Resiliency Improvement Exemption**

19 72:88 Definition of Flood Resiliency Improvement. For purposes of an exemption under RSA
20 72:89, in this subdivision "flood resiliency improvement" means providing flood and water damage
21 mitigation and resiliency improvements, prioritizing repairs, replacement, or improvements that
22 qualify for reductions in flood insurance premiums, including raising a structure above the base
23 flood elevation to reduce flood damage; constructing a flood diversion apparatus, drainage gate, or
24 seawall improvement, including seawall repairs and seawall replacements; purchasing flood
25 damage-resistant building materials; or making electrical, mechanical, plumbing, or other system
26 improvements that reduce flood damage.

27 72:89 Exemption for Flood Resiliency Improvement. Each city and town may adopt under RSA
28 79-E an exemption from the assessed value, for property tax purposes, for real property which is
29 includes a flood resiliency improvement as defined in RSA 72:88. The value of such exemption shall
30 not exceed the value of the flood resiliency improvement made and shall attach to the property and
31 not the property owner.

32 72:90 Flood Resiliency Improvement Credit. In addition to or in place of an exemption for flood
33 resiliency improvement as provided under RSA 72:89, each city and town may, upon adoption
34 pursuant to RSA 72:27-a, offer an annual property tax credit of between \$100 and \$1,000 for a period
35 of not to exceed 5 years. The accumulated value of such credit over the period it is offered shall not
36 exceed the value of the flood resiliency and the credit shall attach to the property and not the
37 property owner.

1 11 Application for Exemption or Tax Credit. Amend the introductory paragraph of RSA 72:33, I
2 to read as follows:

3 I. No person shall be entitled to the exemptions or tax credits provided by RSA 72:28, 28-b,
4 28-c, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-b, 39-b, 62, 66, [~~and~~] 70, **and 89** unless the person
5 has filed with the selectmen or assessors, by April 15 preceding the setting of the tax rate, a
6 permanent application therefor, signed under penalty of perjury, on a form approved and provided
7 by the commissioner of revenue administration, showing that the applicant is the true and lawful
8 owner of the property on which the exemption or tax credit is claimed and that the applicant was
9 duly qualified upon April 1 of the year in which the exemption or tax credit is first claimed, or, in the
10 case of financial qualifications, that the applicant is duly qualified at the time of application. The
11 form shall include the following and such other information deemed necessary by the commissioner:

12 12 Procedure for Adoption Modification, or Rescission. Amend the introductory paragraph of
13 RSA 72:27-a, I to read as follows:

14 I. Any town or city may adopt the provisions of RSA 72:28, RSA 72:28-b, RSA 72:29-a, RSA
15 72:35, RSA 72:37, RSA 72:37-b, RSA 72:38-b, RSA 72:39-a, RSA 72:62, RSA 72:66, RSA 72:70, RSA
16 72:76, RSA 72:82, RSA 72:85, [~~or~~] RSA 72:87, **RSA 72:80, or RSA 72:90** in the following manner:

17 13 Appeal from Refusal to Grant Exemption, Deferral, or Tax Credit. Amend RSA 72:34-a to
18 read as follows:

19 72:34-a Appeal From Refusal to Grant Exemption, Deferral, or Tax Credit. Whenever the
20 selectmen or assessors refuse to grant an applicant an exemption, deferral, or tax credit to which the
21 applicant may be entitled under the provisions of RSA 72:23, 23-d, 23-e, 23-f, 23-g, 23-h, 23-i, 23-j,
22 23-k, 28, 28-b, 28-c, 29-a, 30, 31, 32, 35, 36-a, 37, 37-a, 37-b, 38-a, 38-b, 39-a, 39-b, 41, 42, 62, 66, [~~or~~]
23 70, **89, or 90** the applicant may appeal in writing, on or before September 1 following the date of
24 notice of tax under RSA 72:1-d, to the board of tax and land appeals or the superior court, which may
25 order an exemption, deferral, or tax credit, or an abatement if a tax has been assessed.

26 14 New Section; Flood Resilience Investment Funds. Amend RSA 72 by inserting after section
27 11-a the following new section:

28 72:11-b Flood Resilience Investment Funds.

29 I. The legislative body of a municipality may vote to apply and collect a municipal flood
30 resilience fee on each property within the entire town or city or within only a designated flood
31 resiliency district as defined in RSA 53, for deposit into a flood resilience investment fund. The fee
32 may be collected as an additional assessment on the assessed value of all property in the designated
33 flood resilience district of up to \$0.50 per \$1,000 assessed valuation. Enforcement powers for
34 nonpayment shall be the same as those provided under RSA 31:39-c, RSA 31:39-d, and RSA 47:17-b,
35 relative to enforcement of ordinances.

36 II. The revenues collected shall be deposited in a flood resilience investment fund
37 established by the municipality under the provisions of RSA 31:95-c or RSA 47:1-b. Such flood

HB 595-FN - AS INTRODUCED

- Page 7 -

1 resilience investment fund shall be structured in such a way that other sources of public and private
2 funding intended to address risks from flooding in the flood resilience district may be deposited into
3 it and so that funding (through grants or below market loans) can be provided to individuals and
4 businesses within the flood resiliency districts who are intending to invest in qualifying flood
5 resilience improvements.

6 15 Appropriation; Statewide Economic Impact Study. The sum of \$500,000 for the fiscal year
7 ending June 30, 2026 is hereby appropriated to the department of business and economic affairs to
8 fund a statewide analysis of the costs and benefits of flood risk and flood risk mitigation efforts.
9 This study shall include a comprehensive analysis of the fiscal and economic impacts of flood risk
10 mitigation across all flood-prone properties in New Hampshire; an assessment of statewide property
11 elevation strategies, examining varying flood risks, property values, and climate projections like sea-
12 level rise; quantifying benefits such as reduced damages, increased property values, and enhanced
13 tax revenues, while highlighting the costs of inaction, including displacement and economic decline;
14 equipping policymakers with data to guide flood mitigation investments using GIS mapping, climate
15 modeling, and economic forecasting; forecasting the economic ripple effects of mitigation measures—
16 such as job creation and insurance premium savings—and prioritizing high-risk areas for targeted
17 action; and emphasizing the long-term economic benefits of proactive adaptation. This effort aims to
18 position New Hampshire as a leader in climate resilience and sustainable growth. This
19 appropriation shall be offset by any federal or private grants the department is able to secure for this
20 purpose. The governor is authorized to draw a warrant for said sum out of any money in the
21 treasury not otherwise appropriated.

22 16 Effective Date. This act shall take effect upon its passage.

LBA
25-0824
1/6/25

**HB 595-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to coastal resilience zones.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from Department of Business and Economic Affairs, Department of Energy, Department of Revenue Administration and New Hampshire Municipal Association. The Departments were contacted on 1/6/25 for a fiscal note worksheet. When completed, the fiscal note will be forwarded to the House Clerk's Office.

AGENCIES CONTACTED:

Department of Business and Economic Affairs, Department of Energy, Department of Revenue Administration, and New Hampshire Municipal Association

HB 760-FN - AS INTRODUCED

2025 SESSION

25-0896

05/09

HOUSE BILL **760-FN**

AN ACT relative to utility default service.

SPONSORS: Rep. Corman, Graf. 15; Rep. W. Thomas, Hills. 12; Rep. Muns, Rock. 29; Rep. McGhee, Hills. 35; Rep. Darby, Hills. 11; Rep. Caplan, Merr. 8; Rep. Ammon, Hills. 42; Rep. Osborne, Rock. 2; Sen. Watters, Dist 4

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill clarifies certain policy principles regarding electric utility default service, including default service rates and recovery for over or under collection. The bill also repeals certain electric utility restructuring policy principles regarding universal service and the provision of default service.

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 Twenty Five

AN ACT relative to utility default service.

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

1 1 Electric Utility Restructuring; Restructuring Policy Principles; Universal Service. Amend
2 374-F:3, V(c) to read as follows:

3 (c) Default service should be designed to provide a safety net and to assure universal
4 access and system integrity, ***minimize customer risk, not unduly harm the development of***
5 ***competitive markets, and mitigate against price volatility without creating new deferred***
6 ***costs.*** Default service should be procured through the competitive market and may be administered
7 by independent third parties. Any prudently incurred costs arising from compliance with the
8 renewable portfolio standards of RSA 362-F for default service or [~~purchased power agreements~~]
9 ***purchases of power, capacity, and ancillary services to serve default service*** shall be
10 recovered through [the] default service [charge] ***charges.*** ***To the extent there are separate utility***
11 ***default service rates, the costs to serve customers on those separate default service rates,***
12 ***including any prior period under- or over- collections, shall be recovered through the***
13 ***respective future default service rates over no more than one year.*** The allocation of the costs
14 of administering default service should be borne by the customers of default service in a manner
15 approved by the commission. If the commission determines it to be in the public interest, the
16 commission may implement measures to discourage misuse, or long-term use, of default service.
17 Revenues, if any, generated from such measures should be used to defray stranded costs.

18 2 Repeal. RSA 374-F:3,V(d), (e) and (f), relative to electric utility restructuring policy principles
19 regarding universal service, are repealed.

20 3 Effective Date. This act shall take effect upon its passage.

**HB 760-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to utility default service.

FISCAL IMPACT:

The Office of Legislative Budget Assistant states this bill has no fiscal impact on state, county and local expenditures or revenue.

AGENCIES CONTACTED:

Department of Energy and Public Utilities Commission