

Legislative Liaison Updates

January 25, 2012

HB1305, the pole tax bill is back as expected and, again, would grant the telephone companies freedom from paying their fair share of property taxes on the poles and conduits that they use while all other utility and cable companies pay the tax on theirs. Fairpoint Communications is leading the charge on this and has sought approval from the Public Utilities Commission (PUC) to charge a "Municipal Property Tax Surcharge" to their customers in order to target this expense as a burden from the municipalities. This is unprecedented in this industry and cause for concern. This bill should be killed and the hope is that our legislators will once again see the inequity in this and vote against it. This bill is in Committee with a hearing scheduled for 1/31/2012 and is due out on 2/9/2012.

Pension Spiking Bills

SB228 and **SB246** both deal with employer assessments for excess pension benefits. This pension spiking provision law was initially set up years ago as a way to charge employers for the increase in pension benefits resulting from a surge in payments for accrued sick/vacation leave, excessive overtime and special detail pay at the end of an employee's career. Legislation was passed last year in an effort to reform the retirement system and move to control this unfunded liability that, currently, is only funded at nearly 60%. Changes included capping the amount of special detail pay for current employees and eliminating that benefit in the calculation as well as the end-of-career payments altogether for employees hired after June 30, 2011. This will ultimately reduce many of the causes of spiking over a period of time. As it stands, the spiking penalty is slotted to be imposed starting July 1, 2012. **SB228** proposes to repeal the spiking provision altogether which is quite favorable as it would eliminate the huge financial impact to Dover. This bill is in Committee and has a hearing scheduled on 1/26/2012. **SB246** looks to amend the spiking formula by considering each retiree individually to include the contributions, the annual interest gains/losses and then compare to the expected pension benefits. Although the bill looks to make the formulation far more fair and equitable, the concern lies in the added administrative costs and the assessment value that still falls on the employer. This would still not be recommended for Dover. This bill is in Committee and has a hearing scheduled on 1/26/2012. Truthfully, the best overall approach is to change the definition of earned compensation.

HB1306 proposes requiring employers (City of Dover) to make contributions to the NH Retirement System (NHRS) for part time employees who are retired and in the NHRS. The primary purpose of this bill is to assist in the payoff of the unfunded liability of the NHRS which was \$4.3 Billion end of last June. This would have some negative effects on municipalities in hiring qualified employees that were previously employed and trained in similar positions. Additionally, there will be additional staff time needed to monitor and implement reporting, etc. This bill is in Committee and is due out on 2/23/12.

HB592 apportions state representative districts with relation to the boundaries of wards.

This bill went through the process in Committee and to the House pretty quickly without much being revealed along the way. It passed the House with amendments on 1/18/2012 and will crossover to the Senate in the future for their deliberation and vote. As passed, it isolates Dover Wards 5 and 6 from the other four Wards concerning state representation. This may change the dynamic of how our interests are represented at the State House with other connected community interests coming into play that may not best suit the citizens in those wards. In relation to **HB592** are **HB1670** relative to apportioning executive council districts and **HB1671** relative to apportioning congressional districts. Currently they are in Committee and there are no hearings or further action scheduled.

Bills relating to Conservation Commissions, Conservation Land Easements and Land Use Tax

HB1515 relative to the Land Use Change Tax. In Committee and due out 2/9/2012

HB1540 relative to conservation easements on public land. In Committee and due out 2/23/2012

HB1545 relative to control of land received or acquired by a conservation commission. In Committee and due out 2/23/2012

HB1586 relative to acquisition of land for conservation purposes. In Committee and due out 2/23/2012
I have communicated with the chair of Dover's Conservation Commission where they did discuss during one of their meetings and are taking action on opposing these bills.

Respectfully Submitted,

Councilor Bill Garrison