

Legislative Liaison Updates

March 27, 2013

State Budget FY2014-2015: Last week the three House Finance subcommittees, known as Divisions, completed work on their respective sections of HB1 (State biennial operating budget) and HB2 (“Trailer” bill that enacts statutory changes necessary to implement the budget). All three divisions presented their recommendations to the full House Finance Committee on Monday March 25th. The next step is for their approval to be presented to the full House for action by April 4th, 2013. Then it will cross over to the Senate for its review. Much debate revolves around the Governor’s revenue projections and whether the Casino bill will get through the House for the much needed \$80 million in licensing fees. The Casino bill passed the Senate, but is not expected to pass the House, so the Divisions have been crafting a budget proposal that does not include those revenues.

The House Finance Committee held public hearings around the state. There was one held in Rochester on Monday, March 18th where the Mayor, Deputy Mayor, myself, Councilors Hooper, Weston and Crago attended. Additionally, Dover State Reps Verschuere and Schmidt also attended. The Mayor read a statement on behalf of the Dover City Council in recognition of the deficiencies in the State Education Adequacy funding, where Dover and other communities are receiving less aid than they should. The statement called for support from our legislators on this critical issue to properly fund Dover’s fair share. There will be continued work on this expected through this year for preparations of a resolution next legislative session.

I spoke in support for the Governor’s proposed budget of allocating up to \$5 million in year 2 to restore the growth formula for the Meals and Rooms Tax distribution to communities. Also, I spoke in support of the \$3 million allocated in year 2 for the State Aid Grant program.

Action taken on previously reported bills:

HB183 which repeals the requirement that moderators wait until 1:00 pm on Election Day to begin processing absentee ballots. The House passed an amended version, which allows processing to begin two hours after the polls open. This has been referred to the Senate Public and Municipal Affairs Committee.

HB541 relative to City Charters and City Clerks. As introduced, it would have required the City Clerk be elected by the City Council and to reside in the City in which they work. **Voted Inexpedient to Legislate (ITL), so rendered dead.**

HB617 relative to the road toll (or gas tax). This has been a very active bill as it has gone through deliberations starting with the House Public Works and Highways Committee where it was amended by taking out the motor vehicle fee component and changed to increase a total of 15 cents over the next four years, as I previously reported. It then went to the full House where it passed as amended and was referred to the House Ways and Means Committee which deals with all revenue bills. Last week, this committee voted to amend the proposal from a 15 cent increase over four years to a 12 cent increase over three years (4 cent increase per year). Although it would raise less revenue, this amendment would still provide significant increases in highway block grant funding to municipalities of an estimated increase of \$100 million over the next 10 years. Dover could see an increase of approximately \$1.65 million over the 10 year period which is about \$330g below the projections at 15 cents. Additionally, the state would receive increased funding for the maintenance of state highways and bridges which has fallen well below required levels to properly maintain. This is to be voted on by the full House today, but I was unable to get the latest status at this point.

New Hampshire Retirement System (NHRS) Bills

I continue to report regularly on these types of bills as they directly impact the City of Dover.

As previously reported, the unfunded liability of the NHRS has been a big issue and many bills through the years have sought to close the gap.

SB132 relative to part-time employment in the retirement system. As introduced, this was to change the hours a part-time employee in the retirement system could work from 32 hours/week to 1600 hours/year so as to provide greater flexibility. Additionally, it was to establish a committee to study police special details and their impact on the NHRS formulation. This bill was passed on the Senate floor, with an amendment to eliminate the change in hours worked, but to keep the establishment of a committee to study police details that will be made up of Senate and House members. It is now to be passed on to the House.

HB342 changes the definition of part-time employment of retired members of the NHRS.

As introduced, this bill was to reduce the number of part-time hours worked by a retiree in the NHRS and hold the employer responsible to make contributions for unfunded liabilities if the employee exceeds the hours of part-time service. Additionally, it was to require notice of rules to prospective hires by the employer. This bill was passed on the House floor as amended to eliminate the change in hours, the employer responsibility for unfunded liabilities and giving notice of rules. The final outcome is that it requires the employer to report quarterly to the retirement system the name, all compensation and number of hours worked for each retired member of the retirement system. It is now in the Senate Executive Departments and Administration Committee. FYI, **HB364** relates to the requirement of giving notice of maximum hours a retiree may work and the potential effect of exceeding those hours. It passed the House amended to require notice be given by the NHRS and the employer with reporting to the NHRS. Proper notice and reporting by the employer would hold them harmless of paying unfunded liabilities of hours worked above the limitation. It is now in committee in the Senate.

HB620 relative to the adjustment of member and employer contribution rates in the retirement system. As introduced, this bill was to change the current law to require the 50/50 split so the municipality is not fully responsible for the increase or decrease. **Voted Inexpedient to Legislate (ITL), so rendered dead.**

Respectfully Submitted,

Councilor Bill Garrison