Bill as Introduced

HB 468-FN - AS INTRODUCED

2011 SESSION

11-0404 06/03

HOUSE BILL	468-FN
AN ACT	relative to assessments for aquatic resource compensatory mitigation.
SPONSORS:	Rep. Ahlgren, Carr 4
COMMITTEE:	Resources, Recreation and Development

ANALYSIS

This bill decreases the percentage rate of certain administrative assessments related to aquatic resource compensatory mitigation.

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removed from current law appears [in brackets and struckthrough.]Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 468-FN - AS INTRODUCED

11-0404 06/03

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT relative to assessments for aquatic resource compensatory mitigation.

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

1 1 Payment for Freshwater and Tidal Wetlands Losses. Amend RSA 482-A:30, III to read as 2 follows:

III. An administrative assessment which equals [20] 10 percent of the sum of paragraphs I
and II.

II. An administrative assessment equal to [20] 10 percent of the amount in paragraph I.

5 2 Payment for Stream or Shoreline Losses. Amend RSA 482-A:30-a, II to read as follows:

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3 Rulemaking. Amend RSA 482-A:31, II to read as follows:

8 II. The method of calculating the amount of in lieu payments under RSA 482-A:30 and 9 RSA 482-A:30-a which shall approximate the total cost of wetlands construction, stream and river 10 construction, or such other mitigation actions as would have been required by the department and 11 incurred by the applicant in the absence of making such payments. An administrative assessment of 12 [20] 10 percent of the total cost shall be added as part of the calculation method.

13 4 Effective Date. This act shall take effect July 1, 2011.

HB 468-FN - AS INTRODUCED - Page 2 -

LBAO 11-0404 01/19/11

HB 468-FN - FISCAL NOTE

AN ACT relative to assessments for aquatic resource compensatory mitigation.

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 Environmental Services. When completed, the fiscal note will be forwarded to the House Clerk's Office.

HB 468-FN – AS AMENDED BY THE HOUSE

23Feb2011... 0269h 30Mar2011... 1124h

2011 SESSION

11-0404 06/03

HOUSE BILL 468-FN

AN ACT relative to assessments for aquatic resource compensatory mitigation.

SPONSORS: Rep. Ahlgren, Carr 4

COMMITTEE: Resources, Recreation and Development

AMENDED ANALYSIS

This bill modifies the percentage rate of certain administrative assessments related to aquatic resource compensatory mitigation.

Explanation:

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HB 468-FN – AS AMENDED BY THE HOUSE

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> 11-0404 06/03

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2 Payment for Stream or Shoreline Losses. Amend RSA 482-A:30-a, II to read as follows:

5 6

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II. An administrative assessment equal to [20] 10 percent of the amount in paragraph I.

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4 Aquatic Resource Compensatory Mitigation; Effective Date. Amend 2010, 16:10, I to read as
 follows:

15 I. Sections 3, 5, and 7 of this act shall take effect July 1, [2012] 2013.

16 5 Effective Date. This act shall take effect July 1, 2011.

HB 468-FN - AS AMENDED BY THE HOUSE - Page 2 -

LBAO 11-0404 Amended 03/09/11

HB 468 FISCAL NOTE

AN ACT relative to assessments for aquatic resource compensatory mitigation.

FISCAL IMPACT:

The Department of Environmental Services states this bill, <u>as amended by the House</u> (Amendment #2011-0269h), will decrease state restricted expenditures by \$120,000 in FY 2012 and increase state restricted expenditures in \$60,000 in FY 2103 and each year thereafter, and may increase state general fund expenditures by \$35,774 in FY 2012 and each year thereafter. There is no fiscal impact on county and local expenditures, or state, county, and local revenue.

METHODOLOGY:

The Department of Environmental Services states this bill decreases the percentage rate from 20 percent to 10 percent for administrative assessments related to aquatic resource compensatory mitigation. The Department assumes this bill will supersede the change in RSA 482-A:31-a from 20 percent to 5 percent effective July 1, 2012. The Department estimates \$1,200,000 will be contributed to the aquatic resources mitigation fund on an annual basis. down slightly from previous years due to the depressed economy. The fund, less the administrative assessment paid to the Department, is distributed to organizations for wetland enhancement projects. The administrative assessment will decrease from an estimated \$240,000 to \$120,000 a year by reducing the percent allowable from 20 percent to 10 percent in FY 2012, and increase the administrative assessment from an estimated \$60,000 to \$120,000 by increasing the percent allowable from 5 percent to 10 percent in FY 2013 and each year thereafter. The Department states the change in the administrative assessment will result in the loss of one full time staff position (labor grade 27). Depending on how the change in the administrative assessment affects workload a part-time position may be impacted, but the Department has no information to determine the impact.

	FY 2012	FY 2013	FY 2014	FY 2015
Full Time Staff Position (LG 27)	\$60,567	\$60,567	\$63,180	\$63,180
Benefits	30,283	30,283	31,590	31,590
Total	\$90,850	\$90,850	\$94,770	\$94,770

HB 468-FN - AS AMENDED BY THE HOUSE - Page 3 -

In addition, the Department assumes the general fund would need to pick up costs associated with building maintenance of \$19,374, and information technology of \$16,400 in FY 2012 and each year thereafter.

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LBAO 11-0404 Amended 04/04/11

HB 468 FISCAL NOTE

AN ACT relative to assessments for aquatic resource compensatory mitigation.

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The Department of Environmental Services states this bill, <u>as amended by the House</u> (Amendment #2011-1124h), will decrease state restricted expenditures by \$120,000 in FY 2012 and increase state restricted expenditures in \$60,000 in FY 2103 and each year thereafter, and may increase state general fund expenditures by \$35,774 in FY 2012 and each year thereafter. There is no fiscal impact on county and local expenditures, or state, county, and local revenue.

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In addition, the Department assumes the general fund would need to pick up costs associated with building maintenance of \$19,374, and information technology of \$16,400 in FY 2012 and each year thereafter.

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CHAPTER 171 HB 468-FN – FINAL VERSION

23Feb2011... 0269h 30Mar2011... 1124h 05/11/11 1771s

2011 SESSION

11-0404 06/03 -----

HOUSE BILL 468-FN

AN ACT relative to assessments for aquatic resource compensatory mitigation.

SPONSORS: Rep. Ahlgren, Carr 4

COMMITTEE: Resources, Recreation and Development

AMENDED ANALYSIS

This bill modifies the percentage rate of certain administrative assessments related to aquatic resource compensatory mitigation.

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CHAPTER 171 HB 468-FN - FINAL VERSION

23Feb2011... 0269h 30Mar2011... 1124h 05/11/11 1771s

11-0404 06/03

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT relative to assessments for aquatic resource compensatory mitigation.

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

1	171:1 Payment for Freshwater and Tidal Wetlands Losses. Amend RSA 482-A:30, III to read as
2	follows:
3	III. An administrative assessment which equals [20] 10 percent of the sum of paragraphs I
4	and II.
5	171:2 Payment for Freshwater and Tidal Wetlands Losses. Amend RSA 482-A:30, III to read as
6	follows:
7	III. An administrative assessment which equals [10] 20 percent of the sum of paragraphs I
8	and II.
9	171:3 Payment for Stream or Shoreline Losses. Amend RSA 482-A:30-a, II to read as follows:
10	II. An administrative assessment equal to [20] 10 percent of the amount in paragraph l.
11	171:4 Payment for Stream or Shoreline Losses. Amend RSA 482-A:30-a, II to read as follows:
12	II. An administrative assessment equal to [40] 20 percent of the amount in paragraph 1.
13	171:5 Rulemaking. Amend RSA 482-A:31, II to read as follows:
14	II. The method of calculating the amount of in lieu payments under RSA 482-A:30 and
15	RSA 482-A:30-a which shall approximate the total cost of wetlands construction, stream and river
16	construction, or such other mitigation actions as would have been required by the department and
17	incurred by the applicant in the absence of making such payments. An administrative assessment of
18	[20] 10 percent of the total cost shall be added as part of the calculation method.
19	171:6 Rulemaking. Amend RSA 482-A:31, II to read as follows:
20	II. The method of calculating the amount of in lieu payments under RSA 482-A:30 and
21	RSA 482-A:30-a which shall approximate the total cost of wetlands construction, stream and river
22	construction, or such other mitigation actions as would have been required by the department and
23	incurred by the applicant in the absence of making such payments. An administrative assessment of
24	[10] 20 percent of the total cost shall be added as part of the calculation method.
25	171:7 Repeal. 2010, 16:3, 16:5, and 16:7, relative to administrative assessments, are repealed.
26	171:8 Effective Date.
27	I. Sections 2, 4, and 6 of this act shall take effect July 1, 2015.
28	II. The remainder of this act shall take effect July 1, 2011.

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CHAPTER 171 HB 468-FN – FINAL VERSION – Page 2 -

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2 Approved: June 14, 2011

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- 3 Effective Date: I. Sections, 2, 4 and 6 shall take effect July 1, 2015.
 - II. Remainder shall take effect July 1, 2011.

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Amendments

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Amendment to HB 468-FN

1	Amend the bill by replacing all after the enacting clause with the following:
2	
3	1 Payment for Freshwater and Tidal Wetlands Losses. Amend RSA 482-A:30, III to read as
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8	follows:
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10	and II.
11	3 Payment for Stream or Shoreline Losses. Amend RSA 482-A:30-a, II to read as follows:
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30	II. The remainder of this act shall take effect July 1, 2011.

Energy and Natural Resources May 5, 2011 2011-1771s 03/04

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30	II. The remainder of this act shall take effect July 1, 2011.

Committee Minutes

Printed: 04/21/2011 at 2:01 pm

AMENDED SENATE CALENDAR NOTICE ENERGY AND NATURAL RESOURCES

Senator Bob Odell Chairman Senator John Gallus V Chairman VSenator Jeb Bradley Senator Gary Lambert Senator Amanda Merrill

.

For Use by Senate Clerk's Office ONLY
Bill Status
Docket
Calendar
Proof: Calendar Bill Status

Date: April 21, 2011

HEARINGS

	r	Thursday	4/28/2011	
ENERGY	AND NATURAL	RESOURCES	LOB 201-203	9:00 AM
(Name of	Committee)		(Place)	(Time)
		EXECUTIVE SES	SION MAY FOLLOW	
Commen		the hearing was previousl usly recessed on 4/21/11	y scheduled for LOB room 102.	Please note HB 519-FN
9:00 AM	HB205-FN	relative to notice to owner	s of upstream dams.	
√9:20 AM	HB468-FN	relative to assessments for	r aquatic resource compensatory m	itigation.
10:00 AM	HB519-FN	repealing New Hampshire controlling carbon dioxide	's regional greenhouse gas initiativ emissions.	ve cap and trade program for
•	'N y Patten 'N topher Ahlgren	Rep. Priscilla Lockwood		
HB519-F Rep. Richa Sen. James	ird Barry	Rep. Neal Kurk Sen. Tom De Blois	Rep. Paul Mirski Rep. Lucien Vita	Rep. Andrew Manuse Sen. Raymond White

START: 9:20m END: 9:48AM

Richard Parsons 271-3076

Sen. Bob Odell

Chairman

Energy and Natural Resources Committee

Hearing Report

TO: Members of the Senate

FROM: Richard Parsons, Legislative Aide

RE: Hearing report on HB 468-FN – relative to assessments for aquatic resource compensatory mitigation.

HEARING DATE: 4/28/2011

MEMBERS OF THE COMMITTEE PRESENT: Senators Odell, Gallus, Bradley, Merrill

MEMBERS OF THE COMMITTEE ABSENT: Senator Lambert

Sponsor(s): Rep. Ahlgren, Carr 4

What the bill does: This bill modifies the percentage rate of certain administrative assessments related to aquatic resource compensatory mitigation.

Who supports the bill: Rep. Andy Renzullo, Hills 27; Rep. Chris Ahlgren, Carr 4; Rene Pelletier, NH DES;

Who opposes the bill: No one.

Summary of testimony received:

Rep. Christopher Ahlgren, Carr 4 - prime sponsor

- Hearing opened 9:20 am
- Aquatic resource mitigation or ARM program is a worthwhile program and its ability to resolve wetland mitigation standstills cannot be disputed.
- DES always encourages on-site mitigation but sometimes mitigation on the site is not practical or possible.
- Essentially, what this does is place a monetary value on a wetland in one area that will be lost during a development.
 - That money is placed into the ARM fund and then used to purchase and preserve off site wetlands with higher functions and values.
- The advantages are:

- 1.) It expedites the mitigation process saving the developers time and money.
- 2.) It helps the real estate owners by making their land more developable and thus more valuable.
- 3.) It enhances the environment by assuring the protection of high function and value wetlands.
- Before July 2010, the program was federally subsidized through grant funding.
- The fee paid at that time was 5% of the assessment.
- When the grant funding was discontinued DES proposed legislation to increase the fee to 20% which was passed with a sunset clause of July 2012and enacted last session.
- The problem is that we are greatly increasing the cost to developers in an already depressed market.
 - The increases in these costs were not going to preserve more land but to pay DES for the brokering of the land.
 - DES agrees that they can make due with this fee structure at this time but warn that it may be difficult to maintain during better economic times.
- As the sponsor, made the change permanent to provide stability for the developers and efficiency to DES.
 - It regained a sunset clause while being vetted in Ways and Means in the House.
- Question from Odell: There was a federal subsidy for this at some point. What we are saying is a value is placed on a piece of land and if you want to develop land, and you can't mitigate in that parcel, then you pay currently 20% of that assessed evaluation to the mitigation fund to find and secure similar or higher quality land at another location. Is that correct?
 - Yes, that is correct in a nutshell.
 - If you have a wetland on your parcel the size of the wetland determines what its monetary value is.
 - When the grant funding from the federal funding discontinued than the cost of the DES assessment what up from 5% to 20%.
 - So you would pay the money to the ARM fund and then pay the 20% fee.
- Question from Senator Odell: So you want to decrease the fee by 50%?
 Correct.
- Question from Senator Odell: That will have a staffing impact at DES?
 DES will testify, but believe that they can get by with one staff member and that this 10% will work.
 - They are concerned that as the economy revs up that they may have a difficulty keeping up.
- Question from Senator Odell: Someone told me that these charges are de minimis and are fees that are just part of doing business. What are your thoughts on that statement?

• The fee should be based on the cost of what it takes for DES to implement this and if the fee is more than 125% of the total cost it is basically a tax.

Rep. Andrew Renzullo, Hills 27

- The committee supports this but the only issue is how much of a fee DES should be charging.
- The House Ways and Means Committee felt that it is a reasonable fee.
- The issue is there really isn't anyone building so there isn't much history for this fee to go by.
- Question from Senator Merrill: In looking at the minority blurb, the report says that the committee received no testimony that the current fee is too high, do you recollect that?
 - Yes, but there hasn't been anyone coming forward to build anything.
- Question from Senator Merrill: Also, in that report it refers to the fact that people aren't building and that waiting a year or two to establish a fee would help get more data. What are your thoughts on that interpretation?

• The committee felt that the fee is large and may be too large. Rene Pelletier, DES

- What happened is the ARM fund included rivers into the fund with the expectation that would require more resources.
- The Department does not support HB 468 as amended for a number of reasons.
 - Under the US Army Corps of Engineers State General Programmatic Permit for NH, mitigation for proposed wetlands dredge and fill impacts is required for major projects to comply with federal standards under the Clean Water Act.
 - Wetlands permit project applicants have the option to pay into the ARM Fund to comply with these federal mitigation requirements when other types of mitigation, such as restoration or preservation, are unavailable to offset proposed wetland impacts or are not cost effective.
 - Participation in this program is voluntary for wetlands permit applicants.
 - Dedicated ARM Fund monies are collected by DES and then distributed on a competitive basis to outside organizations to fund projects that preserve or restore wetlands in the watershed where the permitted project occurred.
 - In NH, these funds have already been used for many projects to preserve and restore wetlands.
 - This program has been very successful for permit applications and has resulted in many significant wetlands preservation and restoration projects across the state.
 - A detailed list of projects funded by the ARM Fund is available upon request.

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When funds are paid into the ARM Fund, an administrative assessment is collected by DES in accordance with RSA 482-A:30, II to provide DES with the ability to mange the fund.

• During the 2010 legislative session, the administrative assessment was increased from 5% to 20%, for two reasons.

- 1.) The original 5% administrative assessment had been demonstrated by experience over several years to be insufficient to cover the expenses for the one full-time staff member assigned to manage the fund.
- 2.) The ARM Fund program had been expanded to include stream mitigation projects in addition to all wetlands mitigation projects.
 - This expansion is projected to further increase the work load beyond that which could be handled by one full-time staff member, especially as the economy improves.
 - In 2010, DES provided information to the Legislature to demonstrate that an increase in the administrative assessment to 20% would be sufficient to add one additional full time staff member to the program in the near future.
 - This information formed the basis for the legislative change to a 20% administrative assessment, which is also scheduled to revert to 5% effective July 1, 2012.

• As originally proposed by Rep. Ahlgren, HB 648 included a reduction in the administrative assessment to 10% from 20% and deleted the reversion to 5% scheduled to occur on July 1, 2012.

- DES concurred with this approach because 10% would provide sufficient resources to support one full time staff person, which is adequate staffing during the current slow economy, and a longer time period for DES to understand and evaluate program activity and required long term staffing levels.
- This was a reasonable modification recognizing that further discussions may be required in future years as the program matures.
 - However, the bill was amended by the House Ways and Means Committee to reduce the administrative assessment to 10%, while keeping the reversion to 5% and shifting the reversion date to July 1, 2013.
 - DES does not support the amended bill and request that the committee consider amending the bill as passed by the House back to the original bill language.
- DES seeks to ensure that the administrative assessment will provide adequate resources in the long term for effective ARM Fund program implementation.

• If this program cannot be

effectively managed, the US Army Corps of Engineers will not allow this option for applicants as a means to comply with federal wetland permit mitigation requirements.

- This would have a negative impact on NH's economy because 0 wetlands permit applicants for public works and development projects would be unable to use this option, which is frequently the most cost effective or only feasible means for achieving compliance with federal wetlands permitting requirements.
- Question from Senator Odell: Was there consideration of suspending the 20% and having the 10% go effect for a few years? No. 0
- Question from Senator Odell: Given up the 10% may not be that easy to get back. What are your thoughts?
 - DES felt that we could live with the 10% and hope that the funding stays to keep the staff on.
- Question from Senator Gallus: Is this the only fee that you have that impacts the same kind of building projects?
 - There are other fees but at the end of the day they chose to enter into the ARM Fund as it is a volunteer program.
- Question from Senator Gallus: You still have to mitigate though? Yes. 0
- Question from Senator Gallus: What other fees would impact this project?
 - Carroll County nursing home would be an example.
 - Will have terrain alteration, wetlands fee. So there would be two fees in addition.
 - Again, this fee is a choice that a developer makes because they think it is financially sound and the ARM fund is very good to get involved in.
- Question from Senator Bradley: The sunset is line 18, July 1st, 2012? No it is July 1, 2013.
- Question from Senator Bradley: Would the House be okay with 2015 sunset?
 - Rep. Ahlgren and Rep. Renzullo: Sure. o

Hearing closed at 9:48 AM

Funding:

The Department of Environmental Services states this bill, as amended by the House (Amendment #2011-1124h), will decrease state restricted expenditures by \$120,000 in FY 2012 and increase state restricted expenditures in \$60,000 in FY 2103 and each year thereafter, and may increase state general fund expenditures by \$35,774 in FY 2012 and each

year thereafter. There is no fiscal impact on county and local expenditures, or state, county, and local revenue.

Future Action: Pending

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RMP [file: HB 0468-FN report] Date: 5/2/11

Speakers

Senate Energy and Natural Resources Committee: Sign-In Sheet

Date: 4/28/2011

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Time: 9:20 AM

Public Hearing on HB 468-FN

HB 468-FN

relative to assessments for aquatic resource compensatory mitigation.

Name	Representing					
AndgRenzullo	Chairman, RRID Comm.	Support	Oppose	Speaking?	Yes 🗷	No
Andgilenzullis SCOULS ALLE WRON	RRID Comm. Sponson	Support	Oppose	Speaking?	Yes	No
Reve PELLETTS	e AIHDES	Support	-Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No □
		Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No □
	·	Support	Oppose	Speaking?	Yes	No
		Support	Oppose	Speaking?	Yes	No

Testimony



The State of New Hampshire DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

April 28, 2011

The Honorable Bob Odell, Chairman Energy and Natural Resources Committee Legislative Office Building, Room 102 Concord, NH 03301

Re: HB 468, as amended, relative to assessments for aquatic resource compensatory mitigation

Dear Chairman Odell:

Thank you for the opportunity to comment on HB 468, as amended, which would decrease the percentage rate of certain administrative assessments related to aquatic resource compensatory mitigation from 20% to 10% for FY 2012 and FY 2013. The Department of Environmental Services (DES) does not support HB 488 as amended for the reasons discussed below.

Under the United States Army Corps of Engineers State General Programmatic Permit (SPGP) for New Hampshire, mitigation for proposed wetlands dredge and fill impacts is required for major projects to comply with federal standards under the Clean Water Act. Wetlands permit project applicants have the option to pay into the ARM Fund to comply with these federal mitigation requirements when other types of mitigation, such as restoration or preservation, are unavailable to offset proposed wetland impacts or are not cost effective. Participation in this program is voluntary for wetlands permit applicants.

Dedicated ARM Fund monies are collected by DES and then distributed on a competitive basis to outside organizations to fund projects that preserve or restore wetlands in the watershed where the permitted project occurred. In New Hampshire, these funds have already been used for many projects to preserve and restore wetlands. This program has been very successful for permit applicants and has resulted in many significant wetlands preservation and restoration projects across the state. A detailed list of projects funded by the ARM Fund is available upon request.

When funds are paid into the ARM Fund, an administrative assessment is collected by DES in accordance with RSA 482-A:30, III to provide us with the ability to manage the fund. During the 2010 legislative session, the administrative assessment was increased from 5% to 20%, for two reasons. First, the original 5% administrative assessment had been demonstrated by experience over several years to be insufficient to cover the expenses for the one full time staff member assigned to manage the fund. Second, the ARM Fund program had been expanded to include stream mitigation projects in addition to all wetlands mitigation projects. This expansion is projected to further increase the work load beyond that which could be handled by one full time staff member, especially as the economy improves. In 2010, DES provided information to the Legislature to demonstrate that an increase in the administrative assessment to

DES Web site: www.des.nh.gov

P.O. Box 95, 29 Hazen Drive, Concord, New Hampshire 03302-0095 Telephone: (603) 271-3503 • Fax: (603) 271-2982 • TDD Access: Relay NH 1-800-735-2964 The Honorable Bob Odell, Chairman Energy and Natural Resources Committee Legislative Office Building, Room 102 Concord, NH 03301 April 28, 2011

20% would be sufficient to add one additional full time staff member to the program in the near future. This information formed the basis for the legislative change to a 20% administrative assessment, which is also scheduled to revert to 5% effective July 1, 2012.

As originally proposed by Representative Christopher Ahlgren, the bill sponsor, HB 468 included a reduction in the administrative assessment to 10% from 20% and deleted the reversion to 5% scheduled to occur on July 1, 2012. DES concurred with this approach because 10% would provide sufficient resources to support one full time staff person, which is adequate staffing during the current slow economy, and a longer time period for us to understand and evaluate program activity and required long term staffing levels. This was a reasonable modification recognizing that further discussions may be required in future years as the program matures. HB 468 in its original form was approved by the House Resources, Recreation and Development Committee of which Representative Ahlgren is a member. However, the bill was amended by the House Ways and Means Committee to reduce the administrative assessment to 10%, while keeping the reversion to 5% and shifting the reversion date to July 1, 2013. We do not support the amended bill and request that you consider amending the bill as passed by the House back to the original bill language as proposed by Representative Ahlgren.

In closing, DES seeks to ensure that the administrative assessment will provide adequate resources in the long term for effective ARM Fund program implementation. If this program cannot be effectively managed, the United States Army Corps of Engineers will not allow this option for applicants as a means to comply with federal wetland permit mitigation requirements. This would have a negative impact on New Hampshire's economy because wetlands permit applicants for public works and development projects would be unable to use this option, which is frequently the most cost effective or only feasible means for achieving compliance with federal wetlands mitigation permitting requirements.

Thank you for this opportunity to comment. Please call me at 271-2958, or Rene Pelletier at 271-2951, if you have any questions or need additional information.

Very truly yours,

PriThomas S. Burack, Commissioner

cc: Representative Ahlgren

HB 468 Relative to assessments for aquatic resource mitigation fund.

Thank you Chairman -Odell. For the record, I am Rep. Chris Ahlgren and I represent Carroll County District #4. The intent of this bill is to reduce the administrative fee imposed for aquatic resource mitigation from the current 20% of assessment down to 10%.

As you know, aquatic resource mitigation or ARM program is a worthwhile program and its ability to resolve wetland mitigation standstills cannot be disputed. DES always encourages on site mitigation but sometimes mitigation on the site is not practical or possible. Essentially, what the does is place a monetary value on a wetland in one area that will be lost during a development. That money is placed into the ARM fund and then used to purchase and preserve off site wetlands with higher functions and values. The advantages are 3 fold. 1.) It expedites the mitigation process saving the developers time and money. 2.) It helps the real estate owners by making their land more developable and thus more valuable. 3.) It enhances the environment by assuring the protection of high function and value wetlands.

Let me give some back round information leading up to the introduction of this bill. Before July of 2010, the program was federally subsidizes through grant funding. The fee paid at that time was 5% of the assessment. When the grant funding was discontinued DES proposed legislation to increase the fee to 20% which was passed with a sunset clause of July 2012 and enacted last session.

The problem with this of course is that we were greatly increasing the cost to developers in an already depressed market. Remember the increases in these costs were not going to preserve more land but to pay DES for the brokering of the land. DES agrees that they can make due with this fee structure at this time but warn that it may be difficult to maintain during better economic times. As the sponsor of this bill I did make the change permanent to provide stability for the developers and efficiency for DES. The bill however regained a sunset clause while being vetted in Ways and Means as a second committee in the House.

Thank You

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: May 5, 2011

THE COMMITTEE ON Energy and Natural Resources

to which was referred House Bill 468-FN

AN ACT relative to assessments for aquatic resource compensatory mitigation.

Having considered the same, the committee recommends that the Bill:

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 4-1

AMENDMENT # 1771s

Senator Amanda Merrill For the Committee

Richard Parsons 271-3076

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New Hampshire General Court - Bill Status System

Docket of HB468

Docket Abbreviations

Bill Title: relative to assessments for aquatic resource compensatory mitigation.

Official Docket of HB468:

Date	Body	Description
1/21/2011	н	Introduced 1/6/2011 and Referred to Resources, Recreation and Development; HJ 11, PG. 187
2/2/2011	н	Public Hearing: 2/10/2011 10:30 AM LOB 305 ==Executive Session to Follow==
2/11/2011	н	Majority Committee Report: Ought to Pass with Amendment #0269h for Feb 23 (Vote 10-3; RC); HC 15 , PG.277
2/11/2011	н	Proposed Majority Committee Amendment #2011-0269h; HC 15, PG.304
2/11/2011	н	Minority Committee Report: Inexpedient to Legislate; HC 15, PG.277
2/23/2011	н	Amendment #0269h Adopted, VV; HJ 21, PG.474-475
2/23/2011	н	Ought to Pass with Amendment #0269h: MA RC 261-90; HJ 21, PG.474- 477
2/23/2011	Н	Referred to Ways and Means; HJ 21, PG.477
2/23/2011	н	Reconsider (Rep Renzullo): MF VV; HJ 21, PG.501
3/1/2011	H	Public Hearing: 3/10/2011 11:00 AM LOB 202
3/1/2011	H	==RESCHEDULED== Public Hearing: 3/9/2011 11:30 AM LOB 202
3/1/2011	н	Executive Session: 3/9/2011 1:00 PM LOB 202
3/10/2011	н	Continued Executive Session: 3/22/2011 1:00 PM LOB 202
3/22/2011	Н	Committee Report: Ought to Pass with Amendment #1124h for Mar 30 (Vote 21-0; RC); HC 27, PG.822
3/22/2011	н	Proposed Committee Amendment #2011-1124h; HC 27, PG.843
3/30/2011	н	Amendment #1124h Adopted, VV; HJ 34, PG.1159
3/30/2011	н	Ought to Pass with Amendment #1124h: MA VV; HJ 34, PG.1159-1160
3/30/2011	S	Introduced and Referred to Energy and Natural Resources; SJ 12, Pg.243
4/14/2011	S	Hearing: 4/28/11, Room 102, LOB, 9:00 a.m.; SC20
4/21/2011	S	Hearing: === ROOM CHANGE === 4/28/11, Room 201-203, LOB, 9:20 a.m.; SC21
5/5/2011	S	Committee Report: Ought to Pass with Amendment #2011-1771s , 5/11/11; SC23
5/11/2011	S	Committee Amendment 1771s, AA, VV; SJ 16, Pg.323
5/11/2011	S	Ought to Pass with Amendment 1771s, MA, VV; OT3rdg; SJ 16, Pg.323
5/11/2011	S	Passed by Third Reading Resolution
5/25/2011	Н	House Concurs with Senate AM #1771s (Reps Renzullo and Stepanek): MA VV; HJ 46 , PG.1582
6/8/2011	S	Enrolled
6/8/2011	н	Enrolled; HJ 51, PG.1724
6/14/2011	Н	Signed By Governor 06/14/2011; I. Section 2, 4, 6 Effective 07/01/2015; II. Remainder Effective 07/01/2011; Chapter 0171
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http://www.gencourt.state.nh.us/bill_status/bill_docket.aspx?lsr=404&sy=2011&sortoptio... 7/21/2011

Other Referrals

COMMITTEE REPORT FILE INVENTORY

HB 468-FN ORIGINAL REFERRAL

_____ RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.

2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.

3. The documents which have an "X" beside them are confirmed as being in the folder.

4. The completed file is then delivered to the Calendar Clerk.

- X DOCKET (Submit only the latest docket found in Bill Status)
- \times COMMITTEE REPORT
- ★ CALENDAR NOTICE
- \mathbf{X} HEARING REPORT
- HANDOUTS FROM THE PUBLIC HEARING
- \times PREPARED TESTIMONY AND OTHER SUBMISSIONS
- \times SIGN-UP SHEET(S)

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

- <u>×</u> AMENDMENT # <u>/6855</u> _____ AMENDMENT # _____
- <u>×</u> AMENDMENT # <u>17715</u> _____ AMENDMENT # _____

ALL AVAILABLE VERSIONS OF THE BILL:

 \times AS INTRODUCED \times AS AMENDED BY THE HOUSE

 \underline{x} FINAL VERSION ____ AS AMENDED BY THE SENATE

XOTHER (Anything else deemed important but not listed above, such as
amended fiscal notes):Amended important but not listed above, such as

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK 7/22/11

BY COMMITTEE AIDE