

Bill as Introduced

SB 150-FN-A-LOCAL - AS INTRODUCED

2013 SESSION

13-0999
06/05

SENATE BILL ***150-FN-A-LOCAL***

ANACT making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

SPONSORS: Sen. Sanborn, Dist 9; Sen. Larsen, Dist 15; Sen. Boutin, Dist 16; Rep. Ratzki, Merr 1

COMMITTEE: Finance

ANALYSIS

This bill makes an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Thirteen

AN ACT making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

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

1 1 Merrimack River Basin; Reimbursement for Flood Control; Appropriation. The sum of
2 \$800,000, for the fiscal year ending June 30, 2014 is hereby appropriated to the department of
3 revenue administration for the purpose of reimbursing towns and cities in the Merrimack river basin
4 under the Connecticut river flood control compact in RSA 484:1 for flood control payments authorized
5 under RSA 122:4. The governor is authorized to draw a warrant for said sums out of any money in
6 the treasury not otherwise appropriated.

7 2 Effective Date. This act shall take effect July 1, 2013.

LEAO
13-0999
01/22/13

SB 150-FNA-LOCAL - FISCAL NOTE

ANACT making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill, as introduced, at this time. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

SB 150-FN-A-LOCAL -- AS AMENDED BY THE SENATE

03/07/13 0487s

2013 SESSION

13-0999
06/05

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SB 150-FN-A-LOCAL-- AS AMENDED BY THE SENATE

03/07/13 0487s

13-0999
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STATE OF NEW HAMPSHIRE

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

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2 \$800,000, for the fiscal year ending June 30, 2014 and the sum of \$800,000 for the fiscal year ending
3 June 30, 2015 are hereby appropriated to the department of revenue administration for the purpose
4 of reimbursing towns and cities in the Merrimack river basin under the Connecticut river flood
5 control compact in RSA 484:1 and the Merrimack river flood control compact in RSA 484:7 for flood
6 control payments authorized under RSA 122:4. The governor is authorized to draw a warrant for
7 said sums out of any money in the treasury not otherwise appropriated.

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LBAO
13-0999
Revised 03/28/13
Amended 03/18/13

SB 150 FISCAL NOTE

AN ACT making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

FISCAL IMPACT:

The Office of Legislative Budget Assistant states this bill, as amended by the Senate (Amendment #2013-0487s), will increase state general fund expenditures and local revenue by \$800,000 in FY 2014 and FY 2015. There is no fiscal impact on county and local expenditures, or state and county revenue.

This bill appropriates \$800,000 from the state general fund to the Department of Revenue Administration for each fiscal year of the biennium ending June 30, 2015, for the purpose of this act.

METHODOLOGY:

The Office of Legislative Budget Assistant states this bill appropriates \$800,000 for each fiscal year of the biennium ending June 30, 2015 to the Department of Revenue Administration for the purpose of reimbursing towns and cities in the Merrimack river basin under the Connecticut River Flood Control Compact in RSA 484:1 and RSA 122:4 for flood payments authorized under RSA 122:4. The governor is authorized to draw a warrant from funds not otherwise appropriated.

The Department of Revenue Administration states this bill cannot be administered as written due to discrepancies with RSA 484:1 and RSA 122:4. The Department offers the following concerns and questions related to this bill: the Connecticut River Flood Control Compact does not contemplate the towns and cities in the Merrimack River Basin; the bill does not cite which cities and towns should be reimbursed; the bill does not state how the reimbursements are to be apportioned among cities and towns; the bill does not state how the reimbursements are to be distributed; the bill does not state if the amount to be distributed is in addition to flood money already distributed under RSA 122:4; and the bill does not state what is to happen to the reimbursements if the unpaid outstanding obligations are collected from other states.

Amendments

SF
Sen. Sanborn, Dist. 9
February 15, 2013
2013-0417s
06/04

If this amendment is adopted by the Committee, please deliver to the House Clerk (Room 317) or Senate Clerk (Senate Chamber), the 2 originals and 2 copies.



OTP
5-0

Amendment to SB 150-FN-A-LOCAL

1 Amend the bill by replacing section 1 with the following:

2

3 1 Merrimack River Basin; Reimbursement for Flood Control; Appropriation. The sum of
4 \$800,000, for the fiscal year ending June 30, 2014 and the sum of \$800,000 for the fiscal year ending
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Sen. Sanborn, Dist. 9
February 15, 2013
2013-0417s
06/04



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Sen. Sanborn, Dist. 9
February 15, 2013
2013-0417s
06/04

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Senate Finance
February 20, 2013
2013-0487s
08/09

Amendment to SB 150-FN-A-LOCAL

1 Amend the bill by replacing section 1 with the following:

2

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4 \$800,000, for the fiscal year ending June 30, 2014 and the sum of \$800,000 for the fiscal year ending
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9 said sums out of any money in the treasury not otherwise appropriated.

Committee Minutes

**SENATE CALENDAR NOTICE
FINANCE**

Senator Chuck Morse Chairman
 Senator Jeanie Forrester V Chairman
 Senator Peter Bragdon
 Senator Lou D'Allesandro
 Senator Sylvia Larsen
 Senator Bob Odell

For Use by Senate Clerk's Office ONLY		
<input type="checkbox"/>	Bill Status	
<input type="checkbox"/>	Docket	
<input type="checkbox"/>	Calendar	
Proof	<input type="checkbox"/> Calendar	<input type="checkbox"/> Bill Status

Date: February 13, 2013

HEARINGS

Tuesday

2/19/2013

FINANCE

SH 103

1:00 PM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

<p>1:00 PM SB150-FN-A-L</p> <p>1:15 PM SB168-FN-A-L</p> <p>1:45 PM SB158-FN</p> <p>2:00 PM SB177-FN</p> <p>2:30 PM SB174-FN-A</p>	<p>making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.</p> <p>appropriating funds to the department of environmental services for the purpose of funding eligible and completed drinking water, wastewater, and landfill closure projects under the state aid grant program.</p> <p>relative to habitual truancy.</p> <p>relative to the procurement process for state services and establishing a state contracting standards board.</p> <p>making an appropriation for the purpose of reimbursing the spouse of a law enforcement officer who died in the line of duty.</p>
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Sponsors:

SB150-FN-A-L

Sen. Andy Sanborn

Sen. Sylvia Larsen

Sen. David Boutin

Rep. Mario Ratzki

SB168-FN-A-L

Sen. Andy Sanborn

Sen. David Boutin

Sen. David Watters

Sen. Sylvia Larsen

Sen. Jim Rausch

Sen. Martha Fuller Clark

Sen. Jeb Bradley

Sen. Jeanie Forrester

Sen. Sharon Carson

SB158-FN

Sen. David Watters

Sen. Nancy Stiles

Rep. Mary Gile

Rep. James Verschueren

Rep. Dorothea Hooper

SB177-FN

Sen. Donna Soucy

Sen. David Pierce

Rep. Robert Perry

Rep. Sylvia Gale

Rep. Jeffrey Goley

Sen. Jeff Woodburn

SB174-FN-A

Sen. Sharon Carson

Sen. Lou D'Allesandro

Rep. Betsy McKinney

Rep. Sherman Packard

Rep. Robert Introne

SENATE FINANCE COMMITTEE

Shannon Whitehead, Legislative Aide

SB 150-FN – making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

Hearing Date: Feb. 19, 2013

Time Opened: 1:00pm

Time Closed: 1:23pm

Members of the Committee Present: Senators: Morse, Bragdon, Odell, Larsen and D'Allesandro

Members of the Committee Absent: Senator Forrester

Bill Analysis: This bill makes an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

Sponsors: Sen. Sanborn, Dist 9; Sen. Larsen, Dist 15; Sen. Boutin, Dist 16; Rep. Ratzki, Merr 1

Who supports the bill: Senator Sanborn, Senator Boutin, Russ Fiorey (Town of Surry) Pam Brenner (Town of Peterborough) George Langwasser (Selectmen) Ken Ross- (Selectmen- Town of Raymond) Jim O'Brien (Selectmen- Town of Hopkinton) Barbara Reid (N.H. Municipal Assoc.) Sen. Forrester, and Bob Velosk (Town of Sanbornton)

Who opposes the bill: No one appeared in opposition

Summary of testimony presented in support:

Sen. Sanborn

- Asking the committee for an appropriation in the budget to comply with the law.
- N.H. is responsible for seeking reimbursement from the Commonwealth of Massachusetts for over 70% of the payments made in the Merrimack River Compact and 50% in the Connecticut River Compact.
- Massachusetts has neglected to live up to its agreement.
- 18 communities impacted by flood control compact
- Payments are to compensate for valuable land taken from taxpayers by the State of N.H.
- Explained he sponsored a bill last year, SB 326, bringing the same issue forward.
- Handout to committee: Chapter 122 Acquisition of Land by U.S. for Flood control and Navigation (section 122:4) Chapter 484 Water Management and Protection Compacts. Conn. River Flood Control Compact (section 484:1)

- Amendment was handed to committee. Replacing section 1. Merrimack River Basin. Sum of \$800,000 for FY ending June 30 2014 and sum of \$800,000 for the FY year ending June 30, 2015 appropriated to DRA for the purpose of reimbursing.

Russ Fiorey

- Working with DRA setting the 2011 tax rate for Town of Surry was informed that they would not be receiving the flood control reimbursement money from Massachusetts or Connecticut.
- Impact was 20% tax rate increase
- Town of Surry's budget amount was to be raised by taxes for 2011 was \$217, 908 the flood control reimbursement was expected to be \$75,000.
- 2012 the amount to be raised by taxes was \$304, 715.
- The town had surplus to draw from helping to hold tax rate increase down. Without tax rate increase would have been 23%.

Ken Ross:

- This issue has been discussed too many times in towns on the local level. Why does this take so many bills to restore this funding. This should be a legal concern.

Jim O'Brien

- Home to a large Army Corp of Engineers Dam along Contoocook River- Major Contributor to the Merrimack River.
- West Hopkinton Dam occupies 4,000 acres of land. Assessed at \$10 million.
- The dam is well being of the region alleviated damaging floods for over 50 years, saving lives and millions in property damage.
- These payments are to compensate for valuable land taken from Hopkinton tax payers by the State of NH.
- Hopkinton has budgeted to receive about \$200,000 in flood control payments this year.
- In FY12/FY13 state budget suspended paying communities the full cost downshifting over a half of a million dollars
- Hopkinton tax payers should not be asked by the state to forfeit this land without just compensation.

Barbara Reid

- Supports the bill because of the financial implication. There was legislation last year that thought took care of this issue. (SB 326)
- Thinking this would put its process back to what it does.
- This is a budget issue we tend to support full funding for the municipalities.

Sen. Larsen:

- Attorney Generals Office is pursuing a case with the state of Massachusetts. Ann Rice said that someone has indicated that there has been no one that's been appointed to a commission going forward.
- \$4.5 million is owed to the state.
- Encouraging an agreement for the states. In years past, N.H. made up the payments from the lack of Massachusetts.
- This is property tax relief in these towns and means a lot to their budget.

Fiscal Note: Revised 02/19/13

Future Action: OTP-A on a vote of 5-0. Senator Larsen for the committee

sgw

Date hearing report completed: Feb. 22 2013

[file: SB 0150-FN report]

SENATE FINANCE COMMITTEE

State House, Room 103
Concord, NH
Tuesday, February 19, 2013

SENATE BILL 150-~~FN-A-L~~, AN ACT making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

TESTIMONY OF:

Senator Andy Sanborn	Pg. 2
Russ Fiorey	Pg. 3
Ken Ross-Raymond	Pg. 5
Jim O'Brien	Pg. 6
George Langwasser	Pg. 8
Barbara Reid	Pg. 8
Senator Sylvia Larsen	Pg. 9

(Hearing commenced at 1:02 p.m.)

CHAIRMAN MORSE: Okay. I'm going to open the hearing on Senate Bill 150 and ask the prime sponsor, Senator Sanborn, to introduce the legislation.

SEN. ANDY SANBORN, State Senator, Senate District #9: Mr. Chair, thank you so much for inviting me. I do appreciate it, and, other Senators, thanks so much for allowing me the opportunity to come talk today. For the record, I am State Senator Andy Sanborn representing District #9, two counties, 14 towns. I'll save you the agony of saying every single one of them unless asked because I can.

You'll see before you on Senate Bill 150, to start, that there is an amendment which I'll talk about in just a minute. You know, my grandfather dropped out of school in the fifth grade so he could work and go feed his family. And although he wasn't an overly educated man, from time to time he came out with snippets that will always stick with me. One of those was don't break the law if you're going to get caught.

I'm frustrated as a Senator, as a taxpayer, as a representative of a number of towns. This is an issue, as you know, Mr. Chair, we've been -- we've been dealing -- the Senate's been dealing with for a decade of not just ensuring that we stick to our promises and acknowledging -- Senator D'Allesandro had some very valid questions a few years ago about who was a responsible party to ensure that a compact we signed up with in 1953, of ensuring who was responsible to pay these 18 communities who willingly in conjunction with the State of New Hampshire, Massachusetts, Connecticut, and Rhode Island, willingly gave up their land to protect our fine citizens to the south.

I think we had a very good discussion, and I don't want to rehash too much of it. I hopefully answered Senator D'Allesandro's questions that beyond question RSA -- bless you -- 122:4 specifically states that the state shall pay the towns. We agreed to it. We passed legislation. It was signed into law in June. My frustration today for my constituents is in constructing the new budget that you all have before you -- or will have you before you in August -- I'm sorry -- in April, apparently there's not an appropriation to comply with the law of the State of New Hampshire. That appropriation specifically said that there needs to be roughly \$800,000 appropriated both in the 2014 and 2015 fiscal years. As of this date, my understanding is there's approximately 230, \$250,000 appropriated in each year.

So I come before you today representing 18 communities, some of which I represent directly, some of which others of you represent, asking for you to consider and hopefully support making an appropriation in the budget so our state complies with the law and complies with the compact that we have been respecting for the past 50 years.

And with that, Chairman Morse, there's plenty of people behind me who would love to chat with you. I will close my testimony and be more than willing to answer any questions you may have.

CHAIRMAN MORSE: Questions for Senator Sanborn? Thank you, Senator Sanborn.

SEN. SANBORN: Thank you, gentlemen.

CHAIRMAN MORSE: Senator Boutin signed up in favor. Russ Fiorey.

RUSS FIOREY, Selectman, Town of Surry, New Hampshire: Good afternoon. I'm Russ Fiorey. Town of Surry. Population, 740 people, and we have an assessed value of a flood control project of 3.2 million dollars within our small town. That's part of the reason for the impact. Two years ago when I worked with DRA to get our tax rate set, and I'm on the phone having a discussion with them, and I was informed that our tax rate was going to go up over 20 percent that year, so I quickly asked why is it going up 20 percent, and the answer was because you will not be receiving the \$7,000 flood control reimbursement that you have in previous years.

So, with that in mind, we didn't know what to do. We didn't feel it was appropriate that we could pass on the 20-something percent tax increase to the citizens, so we looked at our budget, saw what we had to do, and we actually were fortunate that we've been able to build a surplus up over the years, and we used \$100,000 of surplus to offset the money that we didn't receive.

We thought it had been resolved, and then last -- also, along that line you can see that our budget is \$217,908 that we have to make up other than revenues that we receive. So the Town of Surry, a pretty small budget, not a lot of money there, so by losing that 75,000, you can see the impact it has on us. 2012, we ran into the same situation. The most that we raised by taxes was 304,715. And we again found out we weren't going to be receiving the revenue, so in that year the impact

would have been 23 percent on our tax rate. So we again took 100,000 out of our surplus and used that, but, believe me, the surplus is getting pretty thin.

We did the budget this year to receive the revenues as we thought we were going to. If we don't get it, we're going to have to take another look at what to do, but as a small town, you can see the impact that \$75,000 has on us.

We have been receiving the New Hampshire portion, which runs about 5,500 a year. We received that. We haven't received any Massachusetts. We haven't received any Connecticut. So we haven't received either one. So we're asking that you definitely put that back in. A town the size of us, I mean, to have a 20 percent tax increase of citizens in this economy, you know, as a Selectman, I just didn't feel we could do that. I'm trying to look at all the alternatives, but there aren't many left. Thank you.

CHAIRMAN MORSE: Thank you. Are there any questions? Thank you very much. Pam Brenner signed up in favor. George Langwasser -- slaughtered that one -- signed up in favor. Ken Ross.

KEN ROSS-RAYMOND, Selectman, Town of Salisbury, New Hampshire: Ross-Raymond, thank you. Ken Ross-Raymond. I'm a Selectman with Salisbury. First of all, I'd like to thank Senator Sanborn for all the efforts he put into this bill, and I share his frustration. I hope that I didn't prematurely tell our taxpayers that full funding would be restored in 2014 in regards to the flood control issues. I can

go back and explain to them that the money's not there to do that, but I'd really rather not.

Um -- I think this issue has been discussed many times -- um -- at the local level and at this level, and it's pretty discouraging that, you know, this -- this many bills have to be proposed and passed in order to restore this funding. It seems like it should be a legal issue at this point. And, as you're all well-aware, the decrease in funding on this particular issue is an increased burden for the taxpayers. And that's my concern. I'd like to thank you all for any attention to this matter.

CHAIRMAN MORSE: Thank you. Any questions for Ken? Thank you. Barbara Reid.

MR. LANGWASSER: I'm George Langwasser.

CHAIRMAN MORSE: Would you like to speak?

MR. LANGWASSER: Please.

CHAIRMAN MORSE: Barbara, can we let him speak first, and then you can wrap it up?

MS. REID: Oh, sure.

GEORGE LANGWASSER, Selectman, Town of Hopkinton, New Hampshire: If it pleases the Chair, could I have my colleague, Jim O'Brien, also at the same time? We're both from the same town.

CHAIRMAN MORSE: Okay.

MR. LANGWASSER: Go ahead. Go ahead, open it

up.

CHAIRMAN MORSE: Could you just state your name before you speak.

JIM O'BRIEN, Chairman of the Board of Selectman, Town of Hopkinton, New Hampshire: Sure. I'm Jim O'Brien. I'm Chairman of the Board of Selectmen in the Town of Hopkinton.

MR. LANGWASSER: I'm George Langwasser, and I'm a Selectman in the Town of Hopkinton.

MR. O'BRIEN: Well, thank you for this opportunity to address the Committee. So we're here in support of Senate Bill 150. The Town of Hopkinton is home to a large Army Corps dam. It encompasses about 4,000 acres in our community -- um -- with an assessed property value of about 10 million dollars, and so we -- we receive about \$200,000 annually -- or that's what we should be receiving, \$200,000 annually as revenue for the loss of that land for our tax base.

And, as you remember, the last state budget for fiscal years '13 -- I'm sorry -- '11 and '12 -- um -- took that money -- took all -- took 70 percent of those dollars and didn't give it to the towns and gave the towns a 30 percent. And a lot of that was based upon frustration with the State of Massachusetts for not reimbursing the State for money that they owed the State.

Last year, with Senator Sanborn's help and other Senators, Senator Larsen, that -- that was changed out of the law or they struck out -- out of

the law so that starting in this budget year, 2014, 100 percent of the dollars would once again flow from the State of New Hampshire, who would then seek reimbursement from the State of Massachusetts. We feel that this bill is in line with the law that was changed last year.

Um -- we are a bit frustrated that the Department of Revenue's budget didn't encompass 100 percent of the funds, and so we hope that through this appropriation that that -- the Legislature will live up to what they passed in last year's Senate Bill 324.

MR. LANGWASSER: Senator Morse, Senators, I, too, am here in support of Senate Bill 150. I was living in the Town of Hopkinton at the time that this compact was signed. To my knowledge, none of the citizens objected to this because they believed that the State of New Hampshire would step in and make sure that they would become whole.

We've lost 4,000 plus acres to taxation to support a worthwhile cause. The Town of Hopkinton does not have any industrial base. It's very minimal. So all of the revenue that comes into the town comes through taxation on real estate.

For the mom-and-pops and everyone else, we're here today to ask you to stand up for the towns, the 18 towns that willingly gave up their land to support this but now would like to have the hand shaken and say here's the money that you were denied. We thank you, and we'll answer any questions you might have.

CHAIRMAN MORSE: Any questions for George or Jim? Thank you very much.

MR. LANGWASSER: Thank you.

CHAIRMAN MORSE: Now Barbara Reid.

BARBARA REID, New Hampshire Municipal Association: Thank you. For the record, I'm Barbara Reid with the New Hampshire Municipal Association, and we certainly do support Senate Bill 150 because of the financial implication that it has on -- um -- the 18 towns that are involved, and -- um -- as Jim indicated, there was legislation last year in Senate Bill 326 which I had thought basically took care of this issue.

Um -- my notes from the Committee of Conference -- um -- I quoted in my notes -- um -- -- Senator Odell saying the legislation in Senate Bill 326 would put this process back to where it was, meaning that municipalities would be fully reimbursed and that the issue between the State of Massachusetts and the State of New Hampshire would be just that, an issue between the State of New Hampshire and the State of Massachusetts.

So I, too, was surprised to see -- um -- the budget that's come forth so far only having the New Hampshire municipal share in it. So I recognize that -- um -- it -- this is a -- a budget issue that -- um -- we intend to fully support through the budget process to include the full funding for the municipalities. So thank you.

CHAIRMAN MORSE: Questions for Barbara? Thank

you. Senator Sanborn, you mentioned an amendment. Is it available?

SEN. SANBORN: Yes, sir.

(The aide distributes documents.)

CHAIRMAN MORSE: Is there anyone else wishing to testify on Senate Bill 150? Seeing --

(Senator Larsen speaks off the record to Chairman Morse.)

SEN. SYLVIA LARSEN, State Senator, Senate District #15: Thank you, Mr. Chairman. For the record, my name is Senator Sylvia Larsen. I represent District 15 in the Senate which includes the Towns of Hopkinton, Henniker, Warner, and the City of Concord. I speak as a co-sponsor of this bill, and, having just spent time this morning in the House hearing on a very similar bill, I would just want to catch the Committee up.

We did have some testimony from the Attorney General's Office that they are in fact pursuing a case with the State of Massachusetts. Letters have been sent. The Assistant Attorney General, Ann Rice, spoke to us that she had spoken with someone in the Attorney General's Office who indicated that one of the problems in payment has been that there has not been an appointment of commissioners from the State of Massachusetts, and Ann Rice, the commissioner -- the Deputy Attorney General, indicated to us that there would in fact soon be an appointment.

I think these bills are valuable in that they help to have all of us understand the obligation that the State of Massachusetts has to us. The sum total is approximating 4.5 million dollars owed to us now by the state. It is one which I think we must aggressively continue to pursue repayment, and I do believe we have a contract. The attorney -- Assistant Attorney General did inform us that there was -- that they have appealed to the Supreme Court -- United States Supreme Court, but the likelihood that -- what the United States Supreme Court will be encouraging is a -- an agreement between the states. They aren't as likely to quickly move on court action until they see some sincere effort on our part to reach an agreement amongst our states.

So I just want to catch the Committee up on that update. In years past, the State of New Hampshire, including when I was Senate President, the State of New Hampshire made up the difference for the lack of payment by Massachusetts, and then of course with the recession and any number of other budget constraints, that became more difficult for our state to make up for New Hampshire -- for Massachusetts's lack of responsibility in meeting the terms of the contract or other compact.

So I just wanted to catch the Committee up that the House Ways and Means Committee had a similar hearing this morning which was very productive, and a number of the Selectmen were at that, but I wanted to make sure that that kind of most recent information was available and that people were able to hear it in the Senate as well.

And I stand ready to help do whatever we need to do to pursue this because it is genuinely a matter of property tax relief. For the Town of Hopkinton, it's in the 144,000 range; for the Town of Henniker, it's in the 26,000 range. And I'm sure you -- we can get our list of every town and what it means to their budgets. And it's significant, so -- um -- I stand ready to help in any way I can with this bill.

CHAIRMAN MORSE: Questions for Senator Larsen? Senator Larsen, if we were to adopt this amendment that Senator Sanborn has given us, would we follow the procedure that the Senate has been doing in the last couple of bienniums and table this on the floor of the Senate until we get the budget from the House?

SEN. LARSEN: I understand that is the process we've used in the Senate, and I think that the interest is to make sure we address the problem, and we need to do it within the context of the budget. If in fact we have to rely on our own state funds to make up the difference, we need to figure out how it fits into the budget. I am aware of that.

CHAIRMAN MORSE: Okay. Thank you.

SEN. LARSEN: Thank you.

CHAIRMAN MORSE: Senator D'Allesandro.

SEN. D'ALLESANDRO: Senator Chair, what's the receivable? I mean we've talked about this ad infinitum in the last budget session, but what's the receivable from Massachusetts now?

CHAIRMAN MORSE: It's over four million, I believe.

SEN. LARSEN: Four and a half.

SEN. D'ALLESANDRO: Four and a half million. Did Connecticut owe us anything?

CHAIRMAN MORSE: No.

SEN. D'ALLESANDRO: So we have four and a half million outstanding at the present time. This calls for 1.6 million. Thanks.

CHAIRMAN MORSE: Sure. Okay. We're all done with Senate Bill 150. Close the hearing on Senate Bill 150.

(Hearing concluded at 1:20 p.m.)

C E R T I F I C A T I O N

I, Debra L. Mekula, a Licensed Court Reporter—
Shorthand, do hereby certify that the foregoing
transcript is a true and accurate transcript from my
shorthand notes taken on said date to the best of my
ability, skill, knowledge and judgment.

Debra L. Mekula, LCR, RMR
State of New Hampshire
License No. 26

SENATE FINANCE COMMITTEE

FEBRUARY 19, 2013

SENATE BILL 150-FN-A-L

Speakers

SENATE FINANCE COMMITTEE

Date 2/19/13 Time 1:00 p.m. Public Hearing on SB 150-FN-A-L

(Making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.)

Please check box(es) that apply.

SPEAKING FAVOR OPPOSED NAME (Please print) REPRESENTING

 Sen Forrester SP2

 Bob Veloski SANBORNTON

Testimony

TITLE IX

ACQUISITION OF LANDS BY UNITED STATES; FEDERAL AID

CHAPTER 122

ACQUISITION OF LAND BY UNITED STATES FOR FLOOD CONTROL AND NAVIGATION

Section 122:4

122:4 Reimbursement to Cities and Towns. –

I. On a date not later than 30 days following the establishment and approval of tax rates for each city and town affected by and subject to the provisions of this chapter, the state treasurer shall pay to each town and city in which any taxable real estate or interest therein has been acquired under this chapter by the United States and thus become tax exempt for such year, a sum equal to the taxes which would have been assessed against the real estate or interest therein in such town or city if the same had been included in the list of taxable property as proposed by the commissioner of revenue administration in RSA 122:6. For land acquired by the United States under this chapter, reimbursement shall be made upon a valuation determined as provided herein on a permanently continuing basis, and if growing wood and timber was taxable as real estate on the date of acquisition by the United States of the land on which it stood, it shall be deemed to be land hereunder. For all artificial improvements on land acquired by the United States under this chapter, including buildings, structures and other artificial real estate fixtures of any kind, reimbursement shall be made upon a valuation determined initially as provided herein and thereafter annually reduced by 2- 1/2 percent so that at the end of 40 years reimbursement therefor shall have terminated. On land and improvements thereon acquired by the United States under this chapter the initial assessed valuation of the land and improvements for purposes of reimbursement shall be the locally assessed valuation thereon for the tax year in which acquired as adjusted by the assessors and the commissioner of revenue administration acting as a joint board, so as to make such valuation proportional to the value of all other property in such town or city subject to taxation. For purposes of this section the joint board may subdivide such assessment equitably between land and improvements thereon or between real estate acquired and that not acquired, if the official assessment was not thus subdivided. The valuations of improvements thus determined shall thereafter be annually reduced over a 40-year period as above provided. On land, and artificial improvements, the valuations initially established as above provided in a town or city shall be reviewed by the commissioner at least once in every 5 years and more frequently if reasonably necessary and be changed as necessary to make them proportional with the assessed value of all other taxable property in such town or city. The amount of the reimbursement due to each town and

city hereunder shall be determined by the commissioner and certified by it to the state treasurer not later than 30 days following the establishment and approval of the tax rates of each town and city under this chapter. The commissioner shall reduce the amount of reimbursement thus determined by any amount paid or due that town or city for that year by or from the United States, another state, an interstate flood control agency or other source, because of such loss of taxable valuation. The governor is authorized to draw a warrant for the payment of such reimbursements out of any money in the treasury not otherwise appropriated. Provided, however, that reimbursement payments for loss of taxes on account of the acquisition of railroad or public utility property shall be reduced to the extent that such railroad or public utility property is relocated and reconstructed in the same town or city as a result of such acquisition, and thereby is included to that extent in the list of taxable property in said town or city as relocated.

[Paragraph II repealed by 2012, 286:1 effective July 1, 2013.]

II. Notwithstanding paragraph I, the commissioner of revenue administration shall reduce the amount of reimbursement thus determined by any amount paid or due the state on behalf of a town or city for that year by or from the United States, another state, an interstate flood control agency or other source, because of such loss of taxable valuation. Any subsequent payments received by the state from the United States, another state, an interstate flood control agency, or other source shall first be applied to outstanding amounts due the state, and any remainder shall be apportioned to the towns.

Source. 1939, 204:1. 1941, 81:1. L 4:4. 1945, 41:1. 1949, 260:1. 1953, 128:1. RSA 122:4. 1955, 315:1. 1969, 278:1. 1973, 544:8. 1989, 50:11, eff. June 18, 1989; 350:1, eff. June 19, 1989. 2011, 224:195, eff. July 1, 2011. 2012, 286:1, eff. July 1, 2013.

TITLE L

WATER MANAGEMENT AND PROTECTION

CHAPTER 484

WATER MANAGEMENT AND PROTECTION COMPACTS

Connecticut River Flood Control Compact

Section 484:1

484:1 Interstate Compact. – The governor and council, on behalf of this state, are authorized to enter into and execute a compact substantially in the following form with the states of Vermont, Massachusetts and Connecticut, by and through the commissioners or duly authorized representatives appointed or who may be appointed under or by virtue of a law of the legislatures of the respective states, and the legislature signifies in advance its approval and ratification of such compact, so entered into, such approval and ratification to be effective as set forth in this compact:

Whereas, the federal government exercises jurisdiction over the nation's navigable rivers and their tributaries through passage of the Flood Control Act of 1936 and various amendments to that act; and

Whereas, these acts provide for construction by the United States of dams for flood control and, where feasible, in addition to flood control, for storage of water to be used for irrigation, recreation or hydroelectric power or for any of these purposes; and

Whereas, the Connecticut is an interstate river and control of major floods on it can be obtained only by the construction of dams by the United States under authorization of the above mentioned acts; and

Whereas, the Commonwealth of Massachusetts and the states of Connecticut, New Hampshire and Vermont recognize that it is in the interest of their general welfare that the United States construct in the Connecticut River Valley a comprehensive system of local protection works and dams and reservoirs to control floods and prevent loss of life and property, the disruption of orderly processes and the impairment of commerce between the aforesaid states; and

Whereas, the United States has constructed dikes, flood walls and other local protection works at Hartford and East Hartford in the state of Connecticut, and at Springfield, Riverdale, West Springfield, Chicopee, Northampton, Holyoke, and Springdale in the Commonwealth of Massachusetts, and dams and reservoirs for the storage of flood waters at Knightville, Birch Hill and Tully in the Commonwealth of Massachusetts, at Surry Mountain in the state of New Hampshire and at Union Village in the state of Vermont and has reached agreements with the state in which these facilities are located

for construction of dams and reservoirs for the storage of flood waters at Barre Falls in the Commonwealth of Massachusetts and at Ball Mountain and at Townshend in the state of Vermont; and

Whereas, the Congress has at various times authorized construction by the United States of other dams and reservoirs for the storage of flood waters in the Commonwealth of Massachusetts and in the states of New Hampshire and Vermont and has more recently instructed the Corps of Engineers to determine what additional local protection works and dams and reservoirs are required for a comprehensive system to control floods in the Connecticut River and its tributaries; and

Whereas, it is believed that such a comprehensive flood control system should include dams and reservoirs controlling flood runoff from approximately 25 percent of the total drainage area of the Connecticut River above Hartford, Connecticut, and strategically located in reference to characteristics of tributaries and to damage centers; and

Whereas, construction by the United States of additional dams and reservoirs in the Commonwealth of Massachusetts and in the states of New Hampshire and Vermont to complete such a comprehensive flood control system will remove from the tax rolls of local governments of those states such property as is acquired by the United States and may work other hardships against the people of Massachusetts, New Hampshire and Vermont; and

Whereas, it is highly desirable that any flood control dam and reservoir constructed by the United States in the Connecticut River Valley have the approval of the state in which it is located and that states benefiting from construction of such dam and reservoir make reimbursement for such loss of taxes and for such hardships; and

Whereas, a comprehensive system for the prevention of destructive floods and for water resources utilization in the Connecticut River Valley can best be accomplished by cooperation between the several states in the valley and by and through a common and joint agency of said several states;

Now, therefore, the said Commonwealth of Massachusetts and states of Connecticut, New Hampshire and Vermont do enter into the following compact, to-wit:

Article I

The principal purposes of this compact are: (a) to promote interstate comity among and between the signatory states; (b) to assure adequate storage capacity for impounding the waters of the Connecticut River and its tributaries for the protection of life and property from floods; and (c) to provide a joint or common agency through which the signatory states, while promoting, protecting and preserving to each the local interest and sovereignty of the respective signatory states, may more effectively cooperate in accomplishing the object of flood control and water resources utilization in the basin of the Connecticut River and its tributaries.

Article II

There is created "The Connecticut River Valley Flood Control Commission," referred to

in this compact as the "commission," which shall consist of 12 members, 3 of whom shall be residents of the Commonwealth of Massachusetts, 3 of whom shall be residents of the state of Connecticut, 3 of whom shall be residents of the state of New Hampshire, and 3 of whom shall be residents of the state of Vermont.

The members of the commission shall be chosen by their respective states in such manner and for such term as may be fixed and determined from time to time by the law of each of said states respectively by which they are appointed. A member of the commission may be removed or suspended from office as provided by the law of the state for which he shall be appointed, and any vacancy occurring in the commission shall be filled in accordance with the laws of the state in which such vacancy exists.

A majority of the members from each state shall constitute a quorum for the transaction of business, the exercise of any of its powers or the performance of any of its duties, but no action of the commission shall be binding unless at least 2 of the members from each state shall vote in favor of such action.

The compensation of members of the commission shall be fixed, determined, and paid by the state which they respectively represent. All necessary expenses incurred in the performance of their duties shall be paid from the funds of the commission.

The commission shall elect from its members a chairman, vice-chairman, clerk and treasurer. Such treasurer shall furnish to the commission, at its expense, a bond with corporate surety, to be approved by the commission, in such amount as the commission may determine, conditioned for the faithful performance of his duties.

The commission shall adopt suitable bylaws and shall make such rules and regulations as it may deem advisable not inconsistent with laws of the United States, of the signatory states or with any rules or regulations lawfully promulgated under this compact.

The commission shall make an annual report to the governor and legislature of each of the signatory states, setting forth in detail the operations and transactions conducted by it pursuant to this compact.

The commission shall keep a record of all its meetings and proceedings, contracts and accounts, and shall maintain a suitable office, where its maps, plans, documents, records and accounts shall be kept, subject to public inspection at such times and under such regulations as the commission shall determine.

Article III

The commission shall constitute a body, both corporate and politic, with full power and authority: (1) to sue and be sued; (2) to have a seal and alter the same at pleasure; (3) to appoint and employ such agents and employees as may be required in the proper performance of the duties committed to it and to fix and determine their qualifications, duties and compensation; (4) to enter into such contracts and agreements and to do and perform any and all other acts, matters and things as may be necessary and essential to the full and complete performance of the powers and duties committed to and imposed upon it and as may be incidental to such powers and duties; and (5) to have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of any of said states, concurred in by the legislatures of the other states and by the Congress of the United States.

The commission shall make, or cause to be made, such studies as it may deem necessary, in cooperation with the Corps of Engineers and other federal agencies, for the development of a comprehensive plan for flood control and for utilization of the water resources of the Connecticut River Valley.

The commission shall not pledge the credit of the signatory states or any of them.

Article IV

The signatory state in which is located the site of each of the following dams and reservoirs agrees to the construction by the United States of each such dam and reservoir in accordance with authorization by the Congress: In the Commonwealth of Massachusetts, (1) at Barre Falls on the Ware River controlling a drainage area of approximately 57 square miles and providing flood storage of approximately 8 inches of runoff from said drainage area.

In the state of Vermont:

(1) At West Townshend on the West River controlling a net drainage area of approximately 106 square miles and providing flood control storage of approximately 6 inches of runoff from said drainage area.

(2) At Ball Mountain on the West River controlling a net drainage area of approximately 132 square miles and providing flood control storage of approximately 6 inches of runoff from said drainage area.

(3) At North Hartland on the Ottauquechee River controlling a drainage area of approximately 222 square miles and providing flood control storage for approximately 6 inches of runoff from said drainage area.

(4) At Groton Pond on the Wells River controlling a drainage area of approximately 17.3 square miles and providing flood control storage for approximately 8 inches of runoff from said drainage area.

(5) At Victory on the Moose River controlling a drainage area of approximately 66 square miles and providing flood control storage for approximately 7 inches of runoff from said drainage area.

(6) In Bloomfield on the Nulhegan River controlling a drainage area of approximately 70 square miles and providing flood control storage for approximately 9 inches of runoff from said drainage area.

In the state of New Hampshire:

(1) At South Keene on the Otter Brook, tributary of the Ashuelot River, controlling a drainage area of approximately 47 square miles and providing flood control storage for approximately 7 inches of runoff from said drainage area.

(2) At Walpole on the Cold River controlling a drainage area of approximately 101 square miles and providing flood control storage for approximately 8 inches of runoff from said drainage area.

(3) At Bethlehem Junction on the Ammonoosuc River controlling a drainage area of approximately 90 square miles and providing flood control storage for approximately 6 inches of runoff from said drainage area.

(4) At Franconia on the Ammonoosuc River controlling a drainage area of approximately 30 square miles and providing flood control storage for approximately 8 inches of runoff

from said drainage area.

(5) At Swiftwater on the Wild Ammonoosuc River controlling a drainage area of approximately 57 square miles and providing flood control storage for approximately 10 inches of runoff from said drainage area.

Article V

The Commonwealth of Massachusetts agrees to reimburse the state of New Hampshire 50 percent and the state of Vermont 50 percent of the amount of taxes lost to their political subdivisions by reason of ownership by the United States of lands, rights or other property therein for the flood control dams and reservoirs at Surry Mountain in New Hampshire and at Union Village in Vermont.

The state of Connecticut agrees to reimburse the Commonwealth of Massachusetts 40 percent, the state of New Hampshire 40 percent and the state of Vermont 40 percent of the amount of taxes lost to their political subdivisions by reason of ownership by the United States of lands, rights or other property therein for the flood control dams and reservoirs at Tully, at Knightville and at Birch Hill in Massachusetts, at Surry Mountain in New Hampshire and at Union Village in Vermont.

The Commonwealth of Massachusetts agrees to reimburse the state of New Hampshire 50 percent and the state of Vermont 50 percent of the amount of taxes lost to their political subdivisions by reason of acquisition and ownership by the United States of lands, rights or other property therein for construction in the future of any flood control dam and reservoir specified in Article IV and also for any other flood control dam and reservoir hereafter constructed by the United States in the Connecticut River Valley.

The state of Connecticut agrees to reimburse the Commonwealth of Massachusetts 40 percent, the state of New Hampshire 40 percent and the state of Vermont 40 percent of the amount of taxes lost to their political subdivisions by reason of acquisition and ownership by the United States of lands, rights or other property therein for construction in the future of any flood control dam and reservoir specified in Article IV and also for any other flood control dam and reservoir hereafter constructed by the United States in the Connecticut River Valley.

Annually, not later than November 1 of each year, the commission shall determine the loss of taxes resulting to political subdivisions of each signatory state by reason of acquisition and ownership therein by the United States of lands, rights or other property in connection with each flood control dam and reservoir for which provision for tax reimbursement has been made in the four paragraphs next above. Such losses of taxes as determined by the commission shall be based on the tax rate then current in each such political subdivision and on the average assessed valuation for a period of 5 years prior to the acquisition by the United States of such property; provided that whenever a political subdivision in which a flood control dam and reservoir or portion of such dam or reservoir is located shall have made a general revaluation of property subject to the annual municipal taxes of such subdivision, the commission may use such revaluation for the purpose of determining the amount of taxes for which reimbursement shall be made. Using the percentage of payment agreed to in said four paragraphs, the commission shall then compute the sum, if any, due from each signatory state to each other signatory state

and shall send a notice to the treasurer of each signatory state setting forth in detail the sums, if any, each is to pay to and to receive from each other signatory state in reimbursement of tax losses.

Each signatory state on receipt of formal notification from the commission of the sum which it is to pay in reimbursement for tax losses shall, not later than July 1 of the following year, make its payment for such tax losses to the signatory state in which such loss or losses occur, except that in case of the first annual payment for tax losses at any dam or reservoir such payment shall be made by payor states not later than July 1 of the year in which the next regular session of its legislature is held. Payment by a signatory state of its share of reimbursement for taxes in accordance with formal notification received from the commission shall be a complete and final discharge of all liability by the payor state to the payee state for each flood control dam and reservoir within the payee state for the time specified in such formal notification. Each payee signatory state shall have full responsibility for distributing or expending all such sums received, and no agency or political subdivision shall have any claim against any signatory state other than the payee state, nor against the commission relative to tax losses covered by such payments.

Whenever a state which makes reimbursement for tax losses and a state which receives such reimbursement from it shall agree, through the commission, on a lump sum payment in lieu of annual payments and such lump sum payment has been made and received, the requirement that the commission annually shall determine the tax losses, compute sums due from each state and send notice thereof to the treasurer of each state shall no longer apply to the aforesaid states with respect to any flood control dam and reservoir for which lump sum payment has been made and received.

The Commonwealth of Massachusetts and the state of Connecticut each agrees to pay its respective share in reimbursement, as determined by the commission under the procedure following, for economic losses and damages occurring by reason of ownership of property by the United States for construction and operation of a flood control dam and reservoir at any site specified in Article IV, and for any other flood control dam and reservoir constructed hereafter by the United States in the Connecticut River Valley; provided, however, that no reimbursement shall be made for speculative losses and damages or losses or damages for which the United States is liable.

On receipt of information from the chief of engineers that request is to be made for funds for the purpose of preparing detailed plans and specifications for any flood control dam and reservoir proposed to be constructed in the Connecticut River Valley, including those specified in Article IV, the commission shall make an estimate of the amount of taxes which would be lost to and of economic losses and damages which would occur in political subdivisions of the signatory state in which such dam and reservoir would be located, wholly or in part, by reason of acquisition and ownership by the United States of lands, rights or other property for the construction and operation of such flood control dam and reservoir and shall decide whether the flood control benefits to be derived in the signatory states from such flood control dam and reservoir, both by itself and as a unit of a comprehensive flood control plan, justifies, in the opinion of the commission, the assumption by signatory states of the obligation to make reimbursement for loss of taxes and for economic losses and damages. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as the United States shall

have acquired title to the site of such flood control dam or plans for its construction are abandoned. The commission shall notify the governor, the members of the United States Senate and the members of the United States House of Representatives from each signatory state and the chief of engineers as to the commission's decision and as to any change in such decision.

On receipt of information from the chief of engineers that any flood control dam and reservoir is to be constructed, reconstructed, altered or used for any purpose in addition to flood control, including those flood control dams and reservoirs previously constructed and those specified in Article IV, the commission shall make a separate estimate of the amount of taxes which would be lost to and of economic losses and damages which would occur in political subdivisions of the signatory state in which such dam and reservoir would be located, wholly or in part, by reason of acquisition and ownership by the United States of lands, rights or other property for the construction and operation of such dam and reservoir in excess of the estimated amount of taxes which would be lost and of the economic losses and damages which would occur if the dam were constructed and operated for flood control only and the commission shall decide the extent to which, in its opinion, the signatory states would be justified in making reimbursement for loss of taxes and for economic losses and damages in addition to reimbursement for such dam and reservoir if constructed and used for flood control only. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as such dam and reservoir shall be so constructed, reconstructed, altered or used or plans for such construction, reconstruction, alteration or use are abandoned. The commission shall notify the governor, the members of the United States Senate and the members of the United States House of Representatives from each signatory state as to the commission's decision and as to any change in such decision.

Within 30 days after acquisition by the United States of the site of any flood control dam, the commission shall proceed to make a final determination of economic losses and damages occasioned by such dam and reservoir. The commission shall not include in such determination either speculative losses and damages or losses and damages for which the United States is liable.

The commission shall compute the share the Commonwealth of Massachusetts and the state of Connecticut shall each pay to the state in which such dam or reservoir is located by multiplying the sum of such losses and damages, as previously determined, by the percentage of flood control benefits which the Commonwealth of Massachusetts and the state of Connecticut each receives, in the allocation by states, of the flood control benefits resulting from the dam and reservoir.

The commission shall send a notice to the treasurer of the Commonwealth of Massachusetts and to the treasurer of the state of Connecticut setting forth in detail the sum, if any, each is to pay to the state in which such dam and reservoir is located in reimbursement for economic losses and damages and shall also send such notice to the treasurer of the state in which such dam and reservoir is located.

The Commonwealth of Massachusetts and the state of Connecticut on receipt of such formal notification by the commission shall each pay its share of such economic losses or damages to the signatory states in which such losses or damages occur. Full payment by either state of the sum specified in such formal notification from the commission as to the amount of economic losses and damages for which such state is to make reimbursement

shall be a complete and final discharge of all liability by the payor state to the payee state for economic losses and damages for each flood control dam and reservoir within the payee state designated in such formal notification. Each payee signatory state shall have full responsibility for distributing or expending all such sums received and no agency, political subdivision, private person, partnership, firm, association or corporation shall have any claim against any signatory state other than the payee state, nor against the commission relative to such economic losses and damages.

A signatory state may, in agreement with the commission and the chief of engineers, acquire title or option to acquire title to any or all lands, rights or other property required for any flood control dam and reservoir within its boundaries and transfer such titles or options to the United States. Whenever the fair cost to said signatory state for such titles or options, as determined by the commission, is greater than the amount received therefor from the United States, the Commonwealth of Massachusetts and the state of Connecticut shall each pay its share of such excess cost to said signatory state, such share to be determined by the commission in accordance with procedure contained in this compact for determining reimbursement for economic losses and damages.

Whenever the commission shall not agree, within a reasonable time or within 60 days after a formal request from the governor of any signatory state, concerning reimbursement for loss of taxes or for economic losses and damages at any flood control dam and reservoir previously or hereafter constructed by the United States in the Connecticut River Valley, or concerning the extent, if any, to which reimbursement shall be made for additional loss of taxes and for additional economic losses and damages caused by construction, reconstruction, alteration or use of any such dam for purposes other than flood control, the governor of each signatory state shall designate a person from his state as a member of a board of arbitration, hereinafter called the board, and the members so designated shall choose one additional member who shall be chairman of such board. Whenever the members appointed by the governors to such board shall not agree within 60 days on such additional member of the board, the governors of such signatory states shall jointly designate the additional member. The board shall by majority vote decide the question referred to it and shall do so in accordance with the provisions of this compact concerning such reimbursement. The decision of the board on each question referred to it concerning reimbursement for loss of taxes and for economic losses and damages shall be binding on the commission and on each signatory state, notwithstanding any other provision of this compact.

Article VI

Nothing contained in this compact shall be construed as a limitation upon the authority of the United States.

Article VII

The signatory states agree to appropriate for compensation of agents and employees of the commission and for office, administrative, travel and other expenses on

recommendation of the commission subject to limitations as follows: The Commonwealth of Massachusetts obligates itself to not more than \$7,500 in any one year, the state of New Hampshire obligates itself to not more than \$1,000 in any one year, the state of Vermont obligates itself to not more than \$1,000 in any one year and the state of Connecticut obligates itself to not more than \$6,500 in any one year.

Article VIII

Should any part of this compact be held to be contrary to the constitution of any signatory state or of the United States, all other parts of the compact shall continue to be in full force and effect.

Article IX

This compact shall become operative and effective when ratified by the Commonwealth of Massachusetts and the states of New Hampshire, Vermont and Connecticut and approved by the Congress of the United States. Notice of ratification shall be given by the governor of each state to the governors of the other states and to the President of the United States, and the President of the United States is requested to give notice to the governors of each of the signatory states of approval by the Congress of the United States.

Source. 1989, 339:1, eff. Jan. 1, 1990.

Merrimack River Flood Control Compact

Section 484:7

484:7 Interstate Compact. – The governor and council, on behalf of this state, are authorized to enter into and execute a compact substantially in the following form with the Commonwealth of Massachusetts, by and through the commissioners or duly authorized representatives appointed or who may be appointed under or by virtue of a law of the legislature of the state of New Hampshire, and the legislature hereby signifies in advance its approval and ratification of such compact, so entered into, such approval and ratification to be effective as set forth in this compact:

Whereas, the federal government exercises jurisdiction over the nation's navigable rivers and their tributaries through passage of the Flood Control Act of 1936 and various other amendments to that act; and

Whereas, these acts provide for construction by the United States of dams for flood control and, where feasible, in addition to flood control, for storage of water to be used for irrigation, recreation or hydroelectric power or for any of these purposes; and

Whereas, the Merrimack is an interstate river and control of major floods on it can be obtained only by the construction of dams by the United States under authorization of the above-mentioned acts; and

Whereas, the Commonwealth of Massachusetts and the state of New Hampshire recognize that it is in the interest of their general welfare that the United States construct in the Merrimack River Valley a comprehensive system of local protection works and dams and reservoirs to control floods and prevent loss of life and property, the disruption of orderly processes and the impairment of commerce between the said 2 states; and Whereas, the United States has constructed dikes, flood walls and other local protection works at Nashua in the state of New Hampshire and at Haverhill, Lowell and Fitchburg in the Commonwealth of Massachusetts, and dams and reservoirs for the storage of flood waters at Franklin Falls, Peterborough and at Webster in the state of New Hampshire, and has prepared designs for dikes and flood walls and other local protection works at Lawrence and North Andover in the Commonwealth of Massachusetts; and Whereas, the Congress has at various times authorized construction by the United States of other dams and reservoirs for the storage of flood waters in the Commonwealth of Massachusetts and in the state of New Hampshire and has more recently instructed the Corps of Engineers to determine what additional local protection works and dams and reservoirs are required for a comprehensive system to control floods in the Merrimack River and its tributaries; and Whereas, it is believed that such a comprehensive flood control system should include dams and reservoirs controlling flood runoff from approximately 30 percent of the total drainage area of the Merrimack River Basin and strategically located in reference to characteristics of tributaries and to damage centers; and Whereas, dams and reservoirs to control 30 percent of flood runoff will be located in the state of New Hampshire and the major benefits from such dams and reservoirs will accrue to the Commonwealth of Massachusetts; and Whereas, construction by the United States of additional dams and reservoirs in the state of New Hampshire to complete such a comprehensive flood control system will remove from the tax rolls of local governments of the state of New Hampshire such property as is acquired by the United States and may work other hardships against the people of New Hampshire; and Whereas, it is highly desirable that any flood control dam and reservoir constructed by the United States in the Merrimack River Valley have the approval of the state of New Hampshire and the Commonwealth of Massachusetts and that the Commonwealth of Massachusetts benefiting from construction of such dam and reservoir make reimbursement for such loss of taxes and for such hardships; and Whereas, a comprehensive system for the prevention of destructive floods and for water resources utilization in the Merrimack River Valley can best be accomplished by cooperation between the Commonwealth of Massachusetts and the state of New Hampshire and by and through a common and joint agency of said 2 states; Now, therefore, the said Commonwealth of Massachusetts and the state of New Hampshire do enter into the following compact, to wit:

Article I

The principal purposes of this compact are: (a) to promote interstate comity among and between the signatory states; (b) to provide adequate storage capacity for impounding the

waters of the Merrimack River and its tributaries for the protection of life and property from floods; and (c) to provide a joint or common agency through which the signatory states, while promoting, protecting and preserving to each the local interest and sovereignty of the respective signatory states, may more effectively cooperate in accomplishing the object of flood control and water resources utilization in the basin of the Merrimack River and its tributaries.

Article II

There is created "The Merrimack River Valley Flood Control Commission," referred to in this compact as the "commission," which shall consist of 6 members, 3 of whom shall be residents of the Commonwealth of Massachusetts and one of whom shall be a resident of the Merrimack Valley, and 3 of whom shall be residents of the state of New Hampshire. The members of the commission shall be chosen by their respective states in such manner and for such term as may be fixed and determined from time to time by the law of each of said states, respectively, by which they are appointed. A member of the commission may be removed or suspended from office as provided by the law of the state from which he shall be appointed, and any vacancy occurring in the commission shall be filled in accordance with the laws of the state in which such vacancy exists.

A majority of the members of each state shall constitute a quorum for the transaction of business, the exercise of any powers or the performance of any duties, but no action of the commission shall be binding unless at least 2 members from each state shall vote in favor of such action.

The compensation of members of the commission shall be fixed, determined, and paid by the state which they respectively represent. All necessary expenses incurred in the performance of their duties shall be paid from the funds of the commission.

The commission shall elect from its members a chairman, vice-chairman, clerk and treasurer. Such treasurer shall furnish to the commission, at its expense, a bond with corporate surety, to be approved by the commission, in such amount as the commission may determine, conditioned for the faithful performance of his duties.

The commission shall adopt suitable bylaws and shall make such rules and regulations as it may deem advisable not inconsistent with laws of the United States, of the signatory states or with any rules or regulations lawfully promulgated thereunder.

The commission shall make an annual report to the governor and legislature of each of the signatory states, setting forth in detail the operations and transactions conducted by it pursuant to this compact.

The commission shall keep a record of all its meetings and proceedings, contracts and accounts, and shall maintain a suitable office, where its maps, plans, documents, records and accounts shall be kept, subject to public inspection at such times and under such regulations as the commission shall determine.

Article III

The commission shall constitute a body, both corporate and politic, with full power and

authority: (1) to sue and be sued; (2) to have a seal and alter the same at pleasure; (3) to appoint and employ such agents and employees as may be required in the proper performance of the duties committed to it and to fix and determine their qualifications, duties and compensation; (4) to enter into such contracts and agreements and to do and perform any and all other acts, matters and things as may be necessary and essential to the full and complete performance of the powers and duties hereby committed to and imposed upon it and as may be incidental thereto; and (5) to have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of either of said states, concurred in by the legislature of the other state and by the Congress of the United States.

The commission shall make, or cause to be made, such studies as it may deem necessary, in cooperation with the Corps of Engineers and other federal agencies, for the development of a comprehensive plan for flood control and for utilization of the water resources of the Merrimack River Valley.

The commission shall not pledge the credit of the signatory states or either of them.

Article IV

The state of New Hampshire in which is located the site of each of the following dams and reservoirs agrees to the construction by the United States of each such dam and reservoir in accordance with authorization by the Congress:

- (1) At West Hopkinton on the Contoocook River, controlling a drainage area of approximately 426 square miles, and near East Weare, on the north branch of the Piscataquog River, controlling a drainage area of approximately 64 square miles, and providing flood control storage for approximately 6 inches of runoff over both said drainage areas; and
- (2) Near Loudon on the Soucook River, controlling a drainage area of approximately 77 square miles and providing flood control storage for approximately 6 inches of runoff over said drainage area.

Article V

The Commonwealth of Massachusetts agrees to reimburse the state of New Hampshire 70 percent of the amount of taxes lost by reason of acquisition and ownership by the United States of lands, rights or other property therein for the flood control dams and reservoirs at Franklin Falls, Blackwater and West Peterborough, and for construction in the future of any flood control dam and reservoir specified in Article IV, and also for any other flood control dam and reservoir constructed in the future by the United States in the Merrimack River Valley.

Annually, not later than November 1 of each year, the commission shall determine the loss of taxes resulting to political subdivisions of the state of New Hampshire by reason of acquisition and ownership therein by the United States of lands, rights or other property in connection with each flood control dam and reservoir for which provision for tax reimbursement has been made in the preceding paragraphs. Such losses of taxes as

determined by the commission shall be based on the tax rate then current in each such political subdivision and on the average assessed valuation for a period of 5 years prior to the acquisition by the United States of such property; provided, that whenever a political subdivision wherein a flood control dam and reservoir or portion thereof is located shall have made a general revaluation of property subject to the annual municipal taxes of such subdivision, the commission may use such revaluation for the purpose of determining the amount of taxes for which reimbursement shall be made in the paragraph next above. Using the percentage of payment agreed to in said paragraph, the commission shall then compute the sum, if any, due from the Commonwealth of Massachusetts to the state of New Hampshire and shall send notice to the treasurer of the Commonwealth of Massachusetts setting forth in detail the sums, if any, to be paid to New Hampshire in reimbursement of tax losses due from the Commonwealth of Massachusetts to the state of New Hampshire.

The Commonwealth of Massachusetts, on receipt of formal notification from the commission of the sum which it is to pay in reimbursement for tax losses, shall, not later than July 1 of the following year, make its payment for such tax losses to the state of New Hampshire, except that in case of the first annual payment for tax losses at any dam or reservoir such payment shall be made by the Commonwealth of Massachusetts not later than July 1 of the year in which the next regular session of its legislature is held. Payment by the Commonwealth of Massachusetts of its share of reimbursement for taxes in accordance with formal notification received from the commission shall be a complete and final discharge of all liability of the Commonwealth of Massachusetts to the state of New Hampshire for each flood control dam and reservoir within the State of New Hampshire for the time specified in such formal notification. The state of New Hampshire shall have full responsibility for distributing or expending all such sums received, and no agency or political subdivision shall have any claim against the Commonwealth of Massachusetts, nor against the commission relative to tax losses covered by such payments.

Whenever the Commonwealth of Massachusetts and the state of New Hampshire shall agree, through the commission, on a lump sum payment in lieu of annual payments and such lump sum payment has been made and received, the requirement that the commission annually shall determine the tax losses, compute sums due from the Commonwealth of Massachusetts and send notice of such sums to the treasurer of the Commonwealth of Massachusetts shall no longer apply to the 2 states with respect to any flood control dam and reservoir for which lump sum payment has been made and received.

The Commonwealth of Massachusetts agrees to pay the state of New Hampshire its respective share in reimbursement, as determined by the commission under the procedure following, for economic losses and damages occurring by reason of ownership of property by the United States, for construction and operation of a flood control dam and reservoir at any site specified in Article IV, and for any other flood control dam and reservoir constructed hereafter by the United States in the Merrimack River Valley, provided, that no reimbursement shall be made for speculative losses and damages or losses or damages for which the United States is liable.

On receipt of information from the chief of engineers that request is to be made for funds for the purpose of preparing detailed plans and specifications for any flood control dam

and reservoir proposed to be constructed in the Merrimack River Valley, including those specified in Article IV, the commission shall make an estimate of the amount of taxes which would be lost to and of economic losses and damages which would occur in political subdivisions of the state of New Hampshire in which such dam and reservoir would be located, wholly or in part, by reason of acquisition and ownership by the United States of lands, rights or other property for the construction and operation of such flood control dam and reservoir and shall decide whether the flood control benefits to be derived in the signatory states from such flood control dam and reservoir, both by itself and as a unit of a comprehensive flood control plan, justifies, in the opinion of the commission, the assumption by a signatory state of the obligation to make reimbursement for loss of taxes and for economic losses and damages. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as the United States shall have acquired title to the site of such flood control dam or plans for its construction are abandoned. The commission shall notify the governor, the members of the United States Senate and the members of the United States House of Representatives from each signatory state and the chief of engineers as to the commission's decision and as to any change in such decision.

On receipt of information from the chief of engineers that any flood control dam and reservoir is to be constructed, reconstructed, altered or used for any purpose in addition to flood control, including those flood control dams and reservoirs previously constructed and those specified in Article IV, the commission shall make a separate estimate of the amount of taxes which would be lost to and of economic losses and damages which would occur in political subdivisions of the signatory state in which such dam and reservoir would be located, wholly or in part, by reason of acquisition and ownership by the United States of lands, rights or other property for the construction and operation of such dam and reservoir in excess of the estimated amount of taxes which would be lost and of the economic losses and damages which would occur if the dam were constructed and operated for flood control only and the commission shall decide the extent to which, in its opinion, the signatory states would be justified in making reimbursement for loss of taxes and for economic losses and damages in addition to reimbursement for such dam and reservoir if constructed and used for flood control only. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as such dam and reservoir shall be so constructed, reconstructed, altered or used or plans for such construction, reconstruction, alterations or use are abandoned. The commission shall notify the governor, the members of the United States Senate and the members of the United States House of Representatives from each signatory state as to the commission's decision and as to any change in such decision.

Within 30 days after acquisition by the United States of the site of any flood control dam, the commission shall proceed to make a final determination of economic losses and damages occasioned by such dam and reservoir. The commission shall not include in such determination either speculative losses and damages or losses and damages for which the United States is liable.

The commission shall compute the share the Commonwealth of Massachusetts shall pay to the state of New Hampshire by multiplying the sum of such losses and damages, as previously determined, by the percentage of flood control benefits which the Commonwealth of Massachusetts receives of the flood control benefits resulting from the

dam and reservoir.

The commission shall send a notice to the treasurer of the Commonwealth of Massachusetts, setting forth in detail the sum, if any, the Commonwealth of Massachusetts is to pay to the state of New Hampshire in reimbursement for economic losses and damages and shall also send such notice to the treasurer of the state of New Hampshire.

The Commonwealth of Massachusetts, on receipt of such formal notification by the commission, shall pay its share of such economic losses or damages to the state of New Hampshire. Full payment by the Commonwealth of Massachusetts of the sum specified in such formal notification from the commission as to the amount of economic losses and damages for which the Commonwealth of Massachusetts is to make reimbursement shall be a complete and final discharge of all liability by the Commonwealth of Massachusetts to the state of New Hampshire for economic losses and damages for each flood control dam and reservoir within the said state designated in such formal notification. The state of New Hampshire shall have full responsibility for distributing or expending all such sums received, and no agency, political subdivision, private person, partnership, firm, association nor corporation shall have any claim against the Commonwealth of Massachusetts, nor against the commission relative to such economic losses and damages.

The state of New Hampshire may, in agreement with the commission and the chief of engineers, acquire title or option to acquire title to any or all lands, rights or other property required for any flood control dam and reservoir within its boundaries, and transfer such titles or options to the United States. Whenever the fair cost to said signatory state for such titles or options, as determined by the commission, is greater than the amount received therefor from the United States, the Commonwealth of Massachusetts shall pay its share of such excess cost to said state of New Hampshire, such share to be determined by the commission in accordance with procedure contained in this compact for determining reimbursement for economic losses and damages. Whenever the commission shall not agree, within a reasonable time or within 60 days after a formal request from the governor of the state of New Hampshire or the Commonwealth of Massachusetts, concerning reimbursement for loss of taxes or for economic losses and damages at any flood control dam and reservoir previously or hereafter constructed by the United States in the Merrimack River Valley, or concerning the extent, if any, to which reimbursement shall be made for additional loss of taxes and for additional economic losses and damages caused by construction, reconstruction, alteration or use of any such dam for purposes other than flood control, the governor of each signatory state shall designate a person from his state as a member of a board of arbitration, hereinafter called the board, and the members so designated shall choose one additional member who shall be chairman of such board. Whenever the members appointed by the governors to such board shall not agree within 60 days on such additional member of the board, the governors of such signatory states shall jointly designate the additional member. The board shall by majority vote decide the question referred to it and shall do so in accordance with the provisions of this compact concerning such reimbursement. The decision of the board on each question referred to it concerning reimbursement for loss of taxes and for economic losses and damages shall be

binding on the commission and on each signatory state, notwithstanding any other provision of this compact.

Article VI

Nothing contained in this compact shall be construed as a limitation upon the authority of the United States.

Article VII

The signatory states agree to appropriate for compensation of agents and employees of the commission for office, administrative, travel and other expenses on recommendation of the commission subject to limitations as follows: The Commonwealth of Massachusetts obligates itself to not more than \$17,500 for the first year and to not more than \$14,000 in any one year thereafter; the state of New Hampshire obligates itself to not more than \$7,500 the first year and to not more than \$6,000 in any one year thereafter.

Article VIII

Should any part of this compact be held to be contrary to the constitution of either signatory state or of the United States, all other parts of the compact shall continue to be in full force and effect.

Article IX

This compact shall become operative and effective when ratified by the Commonwealth of Massachusetts and the state of New Hampshire, and approved by the Congress of the United States. Notice of ratification shall be given by the governor of each state to the governor of the other state and to the President of the United States, and the President of the United States is requested to give notice to the governors of the Commonwealth of Massachusetts and the state of New Hampshire of approval by the Congress of the United States.

Source. 1989, 339:1, eff. Jan. 1, 1990.



Town of Hopkinton

330 Main Street • Hopkinton, New Hampshire 03229 • www.hopkinton-nh.gov

Tel: 603 746-3170

Fax: 603 746-2952

February 19, 2013

Senator Chuck Morse
Chair, Senate Finance Committee
State House
Concord, NH 03301

RE: SB 150, making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

Dear Chairman Morse and members of the Committee:

Thank you for the opportunity for the town of Hopkinton to submit this letter in support of SB 150, legislation that fulfills New Hampshire's responsibility to the 18 communities impacted by flood control projects under RSA 484. This appropriation is consistent with legislation passed last session that restored payments to communities beginning with the FY 14 state budget.

The town of Hopkinton is home to a large Army Corp of Engineers Dam along the Contoocook River, a major tributary of the Merrimack River. The West Hopkinton Dam and associated flood control occupies about 4,000 acres of land, with an assessed value of about \$10 million. The dam is important to the wellbeing of the region and has alleviated damaging floods since its construction over 50 years ago – saving both lives and untold millions in property damage.

We understand that budgets are tight – that is true at the state and local level. But, these payments are to compensate for valuable land taken from Hopkinton taxpayers by the state of New Hampshire. This is not a “needs vs. wants” issue, rather, it is about the just compensation to taxpayers under the terms of an agreement for property taken. Hopkinton expects the state of New Hampshire to live up to their end of the agreement.

Under the terms of the compacts outlined in RSA's 484 and 122:4, towns with flood control dams have been compensated annually by the state of New Hampshire for the loss of land. New Hampshire is responsible for seeking reimbursement from the Commonwealth of Massachusetts for 70% of the payments made in the Merrimack River compact and 50% in the Connecticut River Compact. Over the years, Massachusetts has neglected to live up to this agreement and has not reimbursed the state of New Hampshire for these flood control payments.

The compensation for the loss of taxable land in Hopkinton is significant: Hopkinton has budgeted to receive about \$200,000 in flood control payments this year. In the FY 12 and 13 state budget, the Governor and Legislature suspended paying communities the full cost– downshifting over half a million dollars to the 18 communities impacted by the flood control compacts. In essence, this change removed New Hampshire's responsibility from compensating communities under the terms of the agreement.

Rather than taking action to collect the money owed by Massachusetts, the Legislature instead chose to punish the impacted communities by suspending payments and downshifting costs to local taxpayers.

We are pleased that last session, SB 326 repealed the language that was included in the state budget and restored the payments in-full beginning in the FY 14 budget. The legislature felt that these payments should not be held hostage by the breakdown between Massachusetts and New Hampshire. This appropriation simply provides the money to the Department of Revenue Administration to comply with the change in statute.

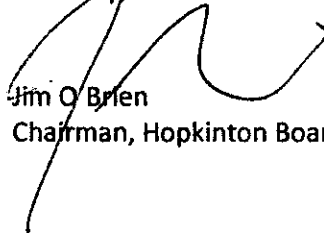
This is not a new issue for the state (see attached documents). In 2006, following the devastating Mother's Day Floods, Governor Lynch sent a demand letter to Governor Romney for failure to pay. Massachusetts quickly followed with a partial payment to New Hampshire. Hopkinton is unaware of the reasons why payment has not been made since, or what the Attorney General's office has done to collect these payments. The House Ways and Means Committee is currently debating HB 581, legislation that would encourage the Attorney General to more aggressively seek collection by Massachusetts for money owed.

The town of Hopkinton appreciates and is sensitive to the fact that Massachusetts has neglected to reimburse New Hampshire for the monies owed under the terms of the compact. But, as Hopkinton has argued and the Legislature agreed, whether or not Massachusetts reimburses New Hampshire does not negate the responsibility that New Hampshire has to compensate Hopkinton taxpayers for the loss of land and its impact on property tax receipts. Hopkinton taxpayers should not be asked by the state to forfeit this land without just compensation.

The town of Hopkinton believes that the state of New Hampshire should take any action justified in order to compel Massachusetts to reimburse the state under the terms of the compact, and the town pledges to assist the state in any appropriate manner. That said, Hopkinton believes that both New Hampshire and Massachusetts should live up to the agreement made to the taxpayers of the 18 communities affected by these flood control compacts.

Hopkinton supports the state of New Hampshire aggressively taking any action necessary to collect annual reimbursements owed by Massachusetts, and look forward to working with the Legislature, the Department of Revenue Administration and the Attorney General to remedy this situation.

Sincerely,



Jim O'Brien

Chairman, Hopkinton Board of Selectman

Gov. Lynch Tells Massachusetts It's Time To Pay Flood Control Bills

Gov. Lynch Tells Massachusetts It's Time To Pay Flood Control Bills

Warns Gov. Romney That NH Will Take Legal Action If Massachusetts Doesn't Pay \$3.2 Million it Owes NH

CONCORD - Gov. John Lynch today wrote Massachusetts Governor Mitt Romney to tell him that New Hampshire will take legal action if Massachusetts doesn't act to pay the \$3.2 million it owes New Hampshire communities for flood control dams.

"Nearly 50 years ago, New Hampshire communities agreed to sacrifice land and future property tax revenues in order to build flood control dams to help protect the people of Massachusetts. We saw during the floods of Mother's Day Weekend just how valuable those dams were in saving lives and property," Gov. Lynch said.

"Yet despite the proven value of these dams to the citizens of Massachusetts, Massachusetts is still renegeing on the commitments it made when our two states established the flood control system," Gov. Lynch said. "It's time for Massachusetts to meet its obligations and pay what it owes New Hampshire, or we will take legal action."

New Hampshire and Massachusetts entered the Merrimack River Valley Flood Control Compact in 1957. Under the Compact, Massachusetts agreed to reimburse New Hampshire 70 percent of the amount of property taxes lost because of the acquisition and ownership of the dams and reservoirs comprising the Merrimack River Valley Flood Control Project.

Massachusetts made no payment to New Hampshire in 1994, only partial payments from 1995 to 2002, and has not paid anything since 2003.

According to calculations from the Department of Revenue Administration, Massachusetts currently owes New Hampshire more than \$3.2 million. The State of New Hampshire has been making up the difference for local New Hampshire communities.

In addition to refusing to pay its bills, Massachusetts has also refused to designate an arbiter to the board of arbitration set up by the compact to resolve any disputes over payments. New Hampshire designated its arbiter in 1997.

"In the event that the Commonwealth of Massachusetts does not promptly commit to pay in full its 70 percent share for fiscal years 1994 to 2006, or to designate a representative from Massachusetts as a member of the board of arbitration, I intend to direct the Attorney General of New Hampshire to commence legal proceedings to enforce the compact," Gov. Lynch wrote Gov. Romney.

A copy of the letter is below.

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July 5, 2006

The Honorable Mitt Romney
Governor
Commonwealth of Massachusetts
State House
Office of the Governor
Room 360
Boston, Massachusetts 02133

Re: Merrimack River Valley Flood Control Compact

Dear Governor Romney:

New Hampshire is home to a system of dams and reservoirs that -as recent events have dramatically shown-protect Massachusetts's communities in the Merrimack River Valley from devastating floods. In 1957, our two States entered into a compact that was approved by Congress and which provides for payment of compensation by Massachusetts to New Hampshire for the losses we sustain on an annual basis because we host this important flood control project.

By executing the Merrimack River Valley Flood Control Compact, Massachusetts agreed to reimburse New Hampshire seventy percent of the amount of property taxes lost because of the acquisition and ownership of the dams and reservoirs comprising the Merrimack River Valley Flood Control Project. For several years, Massachusetts has not paid its full share to New Hampshire under the Flood Control Compact. As calculated by the New Hampshire Department of Revenue Administration, New Hampshire's lost tax revenues have exceeded \$500,000 each year since 1998. In 1994 Massachusetts made no payment to New Hampshire at all, and in years 1995 through 2002, only partial payments. Moreover, there have been no payments for years 2003, 2004, 2005 and 2006. According to our calculations, the total amount Massachusetts owes to New Hampshire under the Compact because of these circumstances and Massachusetts' failure to pay is currently \$3,248,808.

Further, Massachusetts has not followed the dispute resolution provisions of the Compact. Under the Flood Control Compact, in the event of a dispute over the amount to be paid, each state is required to designate a person as a member of a board of arbitration. New Hampshire designated an arbitrator in 1997. Despite requests by New Hampshire in 1997 and 1998, prior Massachusetts Governors have not appointed a member to serve as arbitrator. This has prevented resolution of the issue under the Compact.

Pursuant to Article V of the Merrimack Valley Flood Control Compact, please consider this letter to be a formal demand on the Commonwealth of Massachusetts for compliance with the express terms of the Compact. In the event that the Commonwealth of Massachusetts does not promptly commit to pay in full its seventy percent share for Fiscal Years 1994-2006, or to designate a representative from Massachusetts as a member of a board of arbitration, I intend to direct the Attorney General of New Hampshire to commence legal proceedings to enforce the Compact.

Thank you for your attention to this matter.

Sincerely,

John H. Lynch
Governor

cc: Kelly A. Ayotte, Esq., Attorney General
Mr. Frederick Welch, Chairman,
Merrimack River Valley Flood Control Commission
Mr. G. Philip Blatsos, Commissioner,
Department of Revenue Administration

EagleTribune.com, North Andover, MA
July 8, 2006

N.H. welcomes Mass. money, but says debt remains

BOSTON - After being threatened with a lawsuit, Massachusetts Gov. Mitt Romney has agreed to send New Hampshire nearly \$600,000 the Granite State says Massachusetts owes for land taken for flood control dams.

New Hampshire Gov. John Lynch said Wednesday his state would sue Massachusetts over \$3.2 million in inadequate or missed payments stretching back more than a decade. The payments were agreed to in a 1957 compact between the states.

Massachusetts said yesterday it would send New Hampshire \$588,867 for payments it believes were missed in 1995 and 2003, and money owed for 2006.

"I appreciate Gov. Romney and Massachusetts moving swiftly to make these partial payments," Lynch said in a statement.

"I see this as a good-faith gesture, and I am hopeful that we will see a continued commitment from the commonwealth to make up the remainder of the money owed to New Hampshire under the compact," Lynch said.

Massachusetts' payment brings the amount New Hampshire says it is owed to about \$2.6 million. Asked if Massachusetts still owed New Hampshire money, Romney spokesman Eric Fehrstrom said a statement issued yesterday announcing the state's \$588,867 payment spoke for itself.

Six dams were built starting in 1940 as part of the Merrimack River Valley Flood Control Project to prevent a recurrence of flooding that swamped the Merrimack Valley and New Hampshire during the flood of 1936 and the hurricane of 1938.

Massachusetts agreed in 1957 to pay New Hampshire 70 percent of the property taxes cities and towns in that state lost when flood control dams were built.

A Romney administration review of state records showed Massachusetts owed \$196,289 for 1995 and 2003 each, according to Fehrstrom's statement.

The administration also included a payment for 2006. The total payment to New Hampshire was \$588,867.

Pamela Walsh, a Lynch spokeswoman, said her office will check its records against the Romney administration's.

New Hampshire claims Massachusetts paid nothing in 1994, made partial payments from 1995 to 2002 and paid nothing since 2003.

New Hampshire estimates the average annual lost property taxes at \$500,000. By the Lynch administration's reckoning, Massachusetts should have paid \$350,000 a year, and has underpaid over the last decade by about \$3.2 million.

The Romney administration says Massachusetts paid \$196,289 for each but the two years when it says payments were owed.

Disputes over payments are supposed to be dealt with arbiters appointed by both states. New Hampshire appointed an arbiter in 1997, but Massachusetts has not appointed one.

Fehrstrom said the state is reviewing Lynch's claim that previous years' payments were too small and that future payments should be increased.

Mr Chairman,
Honorable Senators and Members of the Senate Finance Committee

I write to you in support of SB150 which would appropriate moneys from New Hampshire to make up delinquent Massachusetts payments to 18 of our towns. When the state of New Hampshire signed the river valley compacts in 1953 and 1957, it became the GUARANTOR to the towns. The compacts specifically prohibit the NH towns from suing Massachusetts. They (the towns) per force have to rely on the state of New Hampshire. The state has so far, failed them. Therefore, NH should make the towns whole, and that includes the moneys owed by Massachusetts

By not doing so, the state adds insult to injury and what's more, brings into question the validity of its bond with the people of New Hampshire. What are we to make of promises made today, if we know that promises of yesterday are not kept?

I respectfully ask that you look kindly on this bill. I would be happy to answer any question you might have and can be reached on my cell at 717 8495 or 735 5440.

Thank you

Rep. Mario Ratzki
Salisbury, Danbury, Andover
District One
Merrimack County

SB 150

Town of Surry Reimbursement for Flood Control Project

While working with DRA setting the 2011 tax rate for Surry we were informed that we would not be receiving the flood control reimbursement money from Massachusetts or Connecticut. The impact was a 20% tax rate increase. Surry's budget amount to be raised by taxes for 2011 was \$217,908 the flood control reimbursement was expected to be \$75,000. Not receiving this amount had a dramatic impact on the tax rate as we are such a small town. We did receive the NH portion which was approximately \$5,500.

The town was fortunate in that we had a surplus we could draw from that made up the difference, so that the tax payers did not see a large unexpected increase.

For the year 2012 the amount to be raised by taxes was \$304,715. The town again had a surplus to draw from helping to hold the tax rate increase down. Again the tax rate increase without this money would have been 23%.

As you can see this reimbursement money has a huge impact on our small town.

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: February 20, 2013

THE COMMITTEE ON Finance

to which was referred Senate Bill 150-FN-A Local

AN ACT making an appropriation to the department of revenue
administration for the purpose of reimbursing cities and
towns for certain flood control payments.

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

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 0487s

Senator Sylvia B. Larsen
For the Committee

Shannon Whitehead 271-4980

New Hampshire General Court - Bill Status System

Docket of SB150

Docket Abbreviations

Bill Title: making an appropriation to the department of revenue administration for the purpose of reimbursing cities and towns for certain flood control payments.

Official Docket of SB150:

Date	Body	Description
1/31/2013	S	Introduced and Referred to Finance
2/13/2013	S	Hearing: 2/19/13, Room 103, SH, 1:00 p.m.; SC9
2/21/2013	S	Committee Report: Ought to Pass with Amendment #2013-0487s, 3/7/13; SC10
3/7/2013	S	Committee Amendment 0487s, AA, VV
3/7/2013	S	Ought to Pass with Amendment 0487s, RC 24Y-0N, MA
3/7/2013	S	Pending Motion OT3rdg
3/7/2013	S	Sen. Morse Moved Laid on Table, RC 13Y-11N, MA; SJ 6

NH House

NH Senate

Other Referrals

COMMITTEE REPORT FILE INVENTORY

SB 150

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.

DOCKET (Submit only the latest docket found in Bill Status)

COMMITTEE REPORT

CALENDAR NOTICE

HEARING REPORT

HANDOUTS FROM THE PUBLIC HEARING

PREPARED TESTIMONY AND OTHER SUBMISSIONS

SIGN-UP SHEET(S)

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

- AMENDMENT # 2013-04875 - AMENDMENT # _____

- AMENDMENT # 2013-04175 - AMENDMENT # _____

ALL AVAILABLE VERSIONS OF THE BILL:

AS INTRODUCED _____ AS AMENDED BY THE HOUSE

_____ FINAL VERSION AS AMENDED BY THE SENATE

OTHER (Anything else deemed important but not listed above, such as amended fiscal notes): FN, Transcript

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

DATE DELIVERED TO SENATE CLERK

7-25-13

SEW
BY COMMITTEE AIDE