

# Committee Report

**REGULAR CALENDAR**

**May 20, 2021**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Majority of the Committee on Municipal and  
County Government to which was referred SB 52,**

**AN ACT (New Title) relative to municipal charter  
provisions for tax caps. Having considered the same,  
report the same with the recommendation that the bill  
OUGHT TO PASS.**

**Rep. Diane Pauer**

**FOR THE MAJORITY OF THE COMMITTEE**

## **MAJORITY COMMITTEE REPORT**

Committee:	<b>Municipal and County Government</b>
Bill Number:	<b>SB 52</b>
Title:	<b>(New Title) relative to municipal charter provisions for tax caps.</b>
Date:	<b>May 20, 2021</b>
Consent Calendar:	<b>REGULAR</b>
Recommendation:	<b>OUGHT TO PASS</b>

### **STATEMENT OF INTENT**

This bill clarifies legislative intent and resolves technical issues in current state statute. First, this bill validates tax or spending caps adopted by municipalities before July 5, 2011. When NH laws were revised in 2011 to authorize cities and towns to locally adopt a cap on taxes or spending, subject to an override provision, the clear intent of the NH legislature was to protect previously adopted tax or spending caps “of any kind” with a grandfather provision in RSA 49-B:13, II-a. In 2019, the N.H. Supreme Court ruled with a 3-2 split decision that the last sentence in RSA 49-B:13, II-a invalidates this grandfather provision, thereby threatening the validity of all tax or spending caps adopted by municipalities prior to 2011. SB 52 reinforces the legislature’s unambiguous intent that tax or spending caps adopted, revised or amended by municipalities before July 5, 2011 are valid, legal and fully enforceable after that date. Second, this bill addresses a technical issue in RSA 49 Sections C and D relating to budget items not subject to the cap. According to the 2011 statute, a tax or spending cap adopted by cities or towns allows for specific enumerated budget items, such as enterprise funds, to be excluded from the cap. SB 52 adds additional budget items that may be excluded from the cap, namely interest and principal payments on municipal bonded debt, and capital expenditures. Both the exclusion provision and the override provision lower the limit of the municipal budget subject to the cap. At present, state statute is silent with regard to the vote requirement for exclusion. SB 52 requires that any municipal action that redistributes excludable budget items from within the limit of the capped budget to outside such limit shall require a supermajority vote which is the same supermajority vote requirement to override the cap.

**Vote 10-9.**

Vote 10-9.

Rep. Diane Pauer  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

Municipal and County Government

**SB 52**, (New Title) relative to municipal charter provisions for tax caps. **MAJORITY: OUGHT TO PASS. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Diane Pauer for the **Majority** of Municipal and County Government. This bill clarifies legislative intent and resolves technical issues in current state statute. First, this bill validates tax or spending caps adopted by municipalities before July 5, 2011. When NH laws were revised in 2011 to authorize cities and towns to locally adopt a cap on taxes or spending, subject to an override provision, the clear intent of the NH legislature was to protect previously adopted tax or spending caps “of any kind” with a grandfather provision in RSA 49-B:13, II-a. In 2019, the N.H. Supreme Court ruled with a 3-2 split decision that the last sentence in RSA 49-B:13, II-a invalidates this grandfather provision, thereby threatening the validity of all tax or spending caps adopted by municipalities prior to 2011. SB 52 reinforces the legislature’s unambiguous intent that tax or spending caps adopted, revised or amended by municipalities before July 5, 2011 are valid, legal and fully enforceable after that date. Second, this bill addresses a technical issue in RSA 49 Sections C and D relating to budget items not subject to the cap. According to the 2011 statute, a tax or spending cap adopted by cities or towns allows for specific enumerated budget items, such as enterprise funds, to be excluded from the cap. SB 52 adds additional budget items that may be excluded from the cap, namely interest and principal payments on municipal bonded debt, and capital expenditures. Both the exclusion provision and the override provision lower the limit of the municipal budget subject to the cap. At present, state statute is silent with regard to the vote requirement for exclusion. SB 52 requires that any municipal action that redistributes excludable budget items from within the limit of the capped budget to outside such limit shall require a supermajority vote which is the same supermajority vote requirement to override the cap.

**Vote 10-9. Vote 10-9.**

Original: House Clerk

Cc: Committee Bill File

**REGULAR CALENDAR**

**May 20, 2021**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Minority of the Committee on Municipal and County Government to which was referred SB 52,**

**AN ACT (New Title) relative to municipal charter provisions for tax caps. Having considered the same, and being unable to agree with the Majority, report with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.**

**Rep. Julie Gilman**

**FOR THE MINORITY OF THE COMMITTEE**

**MINORITY  
COMMITTEE REPORT**

Committee:	<b>Municipal and County Government</b>
Bill Number:	<b>SB 52</b>
Title:	<b>(New Title) relative to municipal charter provisions for tax caps.</b>
Date:	<b>May 20, 2021</b>
Consent Calendar:	<b>REGULAR</b>
Recommendation:	<b>INEXPEDIENT TO LEGISLATE</b>

**STATEMENT OF INTENT**

This bill proposes to repair an issue perceived by a few residents of Nashua to be a problem in the city's charter and actions taken under that charter. Nashua's charter provides for spending limits (so called tax cap) with certain defined exclusions, exceptions and exemptions as approved by a supermajority of their legislative body. Voters of Nashua have voted in support of using exceptions and exclusions since this was established in 1993. The sponsor and bill proponents argued that a lawsuit they brought against the city proved their interpretation of the charter is correct. However, the court found these residents had no standing in the matter and dismissed the case. This bill is a local issue that can be solved through the democratic process of charter amendments or elections. A majority of those registering an opinion on this bill are opposed. The state does not need to revise state-wide law because a small group of people are unhappy with local decisions approved by a majority of their voters. For these reasons, the minority of the committee recommends Inexpedient to Legislate.

Rep. Julie Gilman  
FOR THE MINORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

Municipal and County Government

**SB 52**, (New Title) relative to municipal charter provisions for tax caps. **INEXPEDIENT TO LEGISLATE.**

Rep. Julie Gilman for the **Minority** of Municipal and County Government. This bill proposes to repair an issue perceived by a few residents of Nashua to be a problem in the city's charter and actions taken under that charter. Nashua's charter provides for spending limits (so called tax cap) with certain defined exclusions, exceptions and exemptions as approved by a supermajority of their legislative body. Voters of Nashua have voted in support of using exceptions and exclusions since this was established in 1993. The sponsor and bill proponents argued that a lawsuit they brought against the city proved their interpretation of the charter is correct. However, the court found these residents had no standing in the matter and dismissed the case. This bill is a local issue that can be solved through the democratic process of charter amendments or elections. A majority of those registering an opinion on this bill are opposed. The state does not need to revise state-wide law because a small group of people are unhappy with local decisions approved by a majority of their voters. For these reasons, the minority of the committee recommends Inexpedient to Legislate.

Original: House Clerk

Cc: Committee Bill File

# Voting Sheets



**HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT**

**EXECUTIVE SESSION on SB 52**

**BILL TITLE:** (New Title) relative to municipal charter provisions for tax caps.

**DATE:** May 17, 2021

**LOB ROOM:** Hybrid

**MOTIONS:** OUGHT TO PASS

Moved by Rep. Pauer

Seconded by Rep. McBride

Vote: 10-9

**CONSENT CALENDAR: NO**

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep John MacDonald, Clerk



2021 SESSION

Municipal and County Government

Bill #: SB 52 Motion: OTP AM #: \_\_\_\_\_ Exec Session Date: 5/17/21

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Dolan, Tom Chairman	10		
Piemonte, Tony Vice Chairman	1		
MacDonald, John T. Clerk	2		
Tripp, Richard P.	3		
Guthrie, Joseph A.	4		
Lascelles, Richard W.	5		
McBride, Everett P.	6		
Melvin, Charles R.	7		
Ayer, Paul F.	8		
Pauer, Diane	9		
Porter, Marjorie A.		1	
<del>Treleven, Susan</del> GS <i>Rep. PAUL BERCH</i>		2	
Gilman, Julie D.		3	
Maggiore, Jim V.		4	
Stavis, Laurel		5	
Mangipudi, Latha D.		6	
<del>Vann, Ivy C.</del> <i>Rep. SUSAN VAI 1</i>		7	
<del>Klee, Patricia S.</del> <i>Rep. CHUCK GRASSIE</i>		8	
Gallagher, Eric B.		9	
<b>TOTAL VOTE:</b>	10	9	

# Public Hearing

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON SB 52

**BILL TITLE:** (New Title) relative to municipal charter provisions for tax caps.

**DATE:** May 17, 2021

**LOB ROOM:** Hybrid                      **Time Public Hearing Called to Order:** 9:00 a.m.

**Time Adjourned:** 10:10 a.m.

**Committee Members:** Reps. Dolan, Piemonte, J. MacDonald, Tripp, Guthrie, Lascelles, McBride, Melvin, Ayer, Pauer, Porter, Gilman, Maggiore, Stavis, Mangipudi and Gallager

**Bill Sponsors:**

Sen. Avard

Sen. Giuda

Rep. Pauer

Rep. Homola

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Senator Kevin Avard** - Prime sponsor of the bill. 1993 - Nashua had a spending cap. Over the years, it was honored. Error were made that caused problems with the spending cap. RSA 49-C:43. Supreme Court found two problems. Two words, override and exclusion. Could not be enforced due to these two words. People are concerned that the spending cap is not being honored.

Rep. Tripp: How does this change correct problem? ANS: Super majority vote as determined in the charter. Also, line 28 of the bill. Has to be done by a super majority vote. It re-enforces the will of the people.

Rep. Stavis: Wording on Line 16 - How does an ordinance redistribute? ANS: Some bills will have finances attached.

Rep. Mangipudi: I remember the spending cap. What's the difference for a super majority and a 2/3 majority? Chair Dolan - Mayor Donchess can probably answer that question. ANS: This bill is a result of the will of the people to enforce.

Rep. Porter: When was the charter tax spending cap? ANS: 1993 - I don't know that.

Rep. Porter: It was voted on the tax cap in 93. Could it come up again, the tax cap? ANS: Yes.

Rep. Porter: What majority to pass? ANS: Mr. Teeboom: 2/3 vote of the council.

**Cordell Johnston, NH Municipal Association** - Won't speak. Not necessary. Yield my time.

**\*Fred Teeboom** - I was part of the original tax cap in Nashua. Submitted written testimony to committee by email.

**Dan Moriarty** - Called, no response.

**Timothy Twombly**, Ward 7, Nashua - I support this legislation. It all relates to exclusion and override.

Rep. Tripp: Do you know what the difference is? ANS: No, I don't.

**Chairman Dolan** - Dan Moriarty called again.

**Jim Donchess, Mayor of Nashua** - A charter only requires a simple majority vote. The people are not outraged. Both Mr. Twombly and Senator Avard have run on their platform and have lost. The people do not support this. It should be a local issue. The state of New Hampshire is slamming us. 4.4 million dollars - 2.2% tax increase on retirement. The federal government made lunches free. Families are busy and don't have time to fill out the paperwork. Sponsors are suggesting that taxes are out of control. They would be flat if we didn't have the state. We have to cover the costs passed on from the state. Let the citizens address the issue. The tax caps are addressed at the local level. If it is a problem, correct it locally.

Rep. Mangipudi: Wasn't there a referendum on the overwhelming majority supported a new school?

ANS: A super majority is already passing the budget. City charter was enacted well over 100 years ago. The spending cap as 1993.

**Chairman Dolan** - **Jennifer Wolf** - Called by Chair. Dropped off.

**\*Jennifer Wolf** - Submitted written testimony.

Rep. Tripp: Difference between exclusion and override? ANS: The charter did not conform with state law. Exclude from the cap the amount of debt service. Mr. Teeboom and Mr. Moriarty took the city to court. This was done by the advocates of this bill. The people think the city is acting responsible.

**Dan Moriarty** - Email. The lawsuit was a result of the Alderman not respecting the spending cap. It will fix the spending caps of all cities who have a spending cap. Trying to clarify the issue and fix two problems:

1. Fixes the grandfather clause.
2. Tries to fix the problem of exclusion vs. override.

Nashua spending cap is very simple. It has exemptions to the spending cap.

Respectfully submitted,

Rep. John MacDonald  
Clerk

# House Remote Testify

## Municipal and County Government Committee Testify List for Bill SB52 on 2021- Support: 23 Oppose: 35 Neutral: 1 Total to Testify: 6

[Export to Excel](#)

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>?</u>
Avard, Senator Kevin	Nashua, NH kevin.avard@leg.state.nh.us	An Elected Official	Senate District 12	Support	Yes (5m)	No	:
Moriarty, Dan	Nashua, NH aldermanmoriarty@gmail.com	A Member of the Public	Myself	Support	Yes (2m)	No	:
Teeboom, Fred	Nashua, NH fredtee@comcast.net	A Member of the Public	Myself	Support	Yes (2m)	No	:
Johnston, Cordell	Concord, NH cjohnston@nhmunicipal.org	A Lobbyist	NH Municipal Association	Neutral	Yes (2m)	No	:
Twombly, Hon Timothy	Nashua Ward 7, NH ttwombly@comcast.net	A Member of the Public	Myself	Support	Yes (1m)	No	:
Donchess, James	Nashua, NH donchessj@nashuanh.gov	An Elected Official	Nashua	Oppose	Yes (10m)	No	:
Bausha, Jeanne	Nashua, NH jlbausha@gmail.com	A Member of the Public	Myself	Support	No	No	:
Blanchard, Sandra	Loudon, NH sandyblanchard3@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Rasmussen, Elissa	Brookline, NH elissa@evanshatz.com	A Member of the Public	Myself	Oppose	No	No	:
Hohensee, Doris	Nashua, NH doris.hohensee@comcast.net	A Member of the Public	Myself	Support	No	No	:
Richman, Susan	Durham, NH susan7richman@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Hayes, Randy	Canterbury, NH rcompostr@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Bates, David	Warner, NH dbates3@yahoo.com	A Member of the Public	Myself	Oppose	No	No	:
KARRICK, DAVID	Warner, NH electdavidkarrick@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Ryan, Moira	Londonderry, NH army51kilo@hotmail.com	A Member of the Public	Myself	Support	No	No	:
Johnson, Sara	Warner, NH nhchicagocubfan@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Telerski, Benjamin	Nashua, NH bentelerski@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Hinebauch, Mel	Concord, NH melhinebauch@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Bushueff, Catherine	Sunapee, NH agawamdesigns@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
MacDonald, Erika	Hollis, NH erika.cross.macdonald@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
BOUCHARD, LISA	Danville, NH batdoe@yahoo.com	A Member of the Public	Myself	Oppose	No	No	:
Greenwood, Nancy	Concord, NH nancgreenwood@yahoo.com	A Member of the Public	Myself	Oppose	No	No	:

Briggs, Ron	Concord, NH Rongb1950@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Bergevin, Leslie	Loudon, NH Leslie.bergevin@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Gordon, Margaret	Weare, NH Megordon98@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
jakubowski, dennis	Loudon, NH dendeb146@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Rettew, Annie	Concord, NH abrettew@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Jachim, Nancy	Newport, NH nancyjachim@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Brennan, Nancy	Weare, NH burningnan14@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Houston, Alicia	Nashua, NH houstondyer2020@gmail.com	A Member of the Public	Myself	Support	No	No	:
Gehring, Max	Sanbornville, NH maxen3rgy@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
See, Alvin	Loudon, NH absee@4Liberty.net	A Member of the Public	Myself	Support	No	No	:
Carter, Lilian	Deering, NH lcarter0914@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Schmidt, Jan	NH, NH tesha4@gmail.com	An Elected Official	Myself	Oppose	No	No	:
Hafemann, Charles	Nashua, NH chafemann@alum.mit.edu	A Member of the Public	Myself	Support	No	No	:
Colquhoun, Laura	Nashua, NH lauracolquhoun2@gmail.com	A Member of the Public	Myself	Support	No	No	:
Gordon, Laurie	Weare, NH Lmgord23@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Platt, Elizabeth-Anne	CONCORD, NH lizanneplatt09@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Scaer, Beth	Nashua, NH bscaer@gmail.com	A Member of the Public	Myself	Support	No	No	:
Richardson, Daniel	Nashua, NH daniel6_22@comcast.net	A Member of the Public	Myself	Support	No	No	:
Smith, Julie	Nashua, NH cantdog@comcast.net	A Member of the Public	Myself	Support	No	No	:
Chadwick, Ray	Bedford, NH rfchadwick@juno.com	A Member of the Public	Myself	Support	No	No	:
Chrissis, Michael	Nashua, NH mchrissis@gmail.com	A Member of the Public	Myself	Support	No	No	:
Groves, Daniel	Merrimack, NH deg121@comcast.net	A Member of the Public	Myself	Support	No	No	:
Hackmann, Kent	Andover, NH hackmann@uidaho.edu	A Member of the Public	Myself	Oppose	No	No	:
Farinelli, Robert	NASHUA, NH bloodedgedreaper@gmail.com	A Member of the Public	Myself	Support	No	No	:
Torpey, Jeanne	Concord, NH jtorp51@comcast.net	A Member of the Public	Myself	Oppose	No	No	:
Walker, Peter	Brookline, NH de395@charter.net	A Member of the Public	Myself	Support	No	No	:
Graham, Nancy	West Lebanon, NH nancygraham806@gmail.com	A Member of the Public	Myself	Oppose	No	No	:

Casino, Joanne	Concord, NH joannecasino@comcast.net	A Member of the Public	Myself	Oppose	No	No	:
Ortolano, Laurie	Nashua, NH laurieortolano@gmail.com	A Member of the Public	Myself	Support	No	No	:
Hall, Charles	Nashua, NH graywolf7401@comcast.net	A Member of the Public	Myself	Support	No	No	:
Vincent, Laura	Loudon, NH lvlauravincen5@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Houston, Brian	Nashua, NH bphouston@aol.com	A Member of the Public	Myself	Support	No	Yes	:
Peterson, Kathy	Nashua, NH KatPeters18@aol.com	A Member of the Public	Myself	Support	No	No	:
Reynolds, Deidre	Nashua, NH dede40@comcast.net	A Member of the Public	Myself	Oppose	No	No	:
Pardoe, Mackenzie	Nashua, NH Pardoem97@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Taylor, Gale	Concord, NH galeforcefacilitators@gmail.com	A Member of the Public	Myself	Oppose	No	No	:
Telerski, Laura	Nashua, NH Laura.Telerski@Leg.State.NH.US	An Elected Official	Hillsborough 35	Oppose	No	No	:



# Testimony

**Archived:** Monday, May 17, 2021 2:29:59 PM  
**From:** Ray Chadwick  
**Sent:** Sunday, May 16, 2021 9:07:53 AM  
**To:** ~House Municipal and County Govt  
**Cc:** dmc2015@comcast.net; danmcguire@gmail.com  
**Subject:** Granite State Taxpayers supports SB 52  
**Importance:** Normal

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Dear Members of the House Committee on Municipal and County Government

I testify on behalf of Granite State Taxpayers, New Hampshire's oldest state-wide Taxpayer advocacy group, founded in 1990 by the late Governor Mel Thomson and the late NH Senator George Lovejoy.

Granite State Taxpayers supports SB 52 that requires city charter exclusions and ordinances that have the effect of an override of a tax cap, to require a super-majority vote.

As our founder, Mel Thomson, famously said: "Low taxes are the result of low spending."  
Tax and Budget Spending Caps are a legal, voter approved common-sense budgeting requirement for City governments to respect and follow. They typically limit budget and spending increases to the rate of inflation, and provide a legal check on the growth of spending. They also typically provide an override clause to allow for dealing with extraordinary, and one would say emergency, spending situations.

Our main goal is to support and defend the taxpayers from interests that are too eager to increase spending and raise taxes. Too often and too easily budgets seem to reflect the fact that elected officials fail to seek out efficiencies or other strategies that constrain spending. In short, they need to act more frugally, like they would if they were spending their own money, not other people's money.

Of course, they aren't spending their own money; they are spending the money earned by the taxpayers. Without spending cap laws, which require respect for other people's money, budgets and taxes can run up in an uncontrolled fashion.

Advocates for spending increases are focused and insistent, while taxpayers in general are not. The consequence is that City governments occasionally seek to implement higher spending in contravention of established tax and spending caps, or resort to strategies to "reclassify" certain spending as being exempt from the spending cap.

We support SB 52 that requires city charter exclusions and ordinances that have the effect of an override of a tax cap, to require a super-majority vote.

Thank you for your attention and your work on behalf of the citizens of New Hampshire.  
Ray

Ray Chadwick, Chairman  
Granite State Taxpayers  
101 Powder Hill Road  
Bedford, NH 03110  
1-603-566-9129

**Archived:** Monday, May 17, 2021 2:28:45 PM

**From:** [Schmidt, Jan](#)

**Sent:** Monday, May 17, 2021 8:16:55 AM

**To:** ~House Municipal and County Govt

**Subject:** NH House Remote Testify: 9:00 am - SB52 in House Municipal and County Government

**Importance:** Normal

**Attachments:** [NashuaCitysealcolorjpeg\\_000.jpg](#) ;

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Honorable Members of the House Municipal and County Government Committee,

The State has no right, and no purpose, to limit the budgets of municipalities.

The State has no understanding of the specific needs in any given year, and should not impose arbitrary limits on cities and towns of NH.

Respectfully,  
Jan

Jan Schmidt  
[schmidtj@nashuanh.gov](mailto:schmidtj@nashuanh.gov)<<mailto:schmidtj@nashuanh.gov>>

Nashua's Ward 1 Alderman

[cid:B355A4DA-B6DD-4016-8963-28F38ED8634B@hsd1.nh.comcast.net.]

**Archived:** Monday, May 17, 2021 2:28:45 PM

**From:** [Fred Teeboom](#)

**Sent:** Sunday, May 16, 2021 1:38:12 PM

**To:** [~House Municipal and County Govt](#)

**Subject:** NH House Remote Testify: 9:00 am - SB52 in House Municipal and County Government

**Importance:** Normal

**Attachments:**

[Comment in favor of SB52 before House Committee on Municipal Government.pdf](#) 

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## **PUBLIC COMMENTS ON SB52**

House Committee on Municipal and County Government

May 17, 2021

Members of the House Committee on Municipal and County Government:

My name is Fred Teeboom; I am former alderman-at-large residing in Nashua.

Effective July 5, 2011 the NH Legislature enacted authority for cities and towns to adopt a spending or tax cap subject to various conditions, including a provision to override the cap.

Prior to this date, seven (7) cities had adopted a tax or spending cap. Each cap had passed legal scrutiny prior to adoption into their respective charters through a review by the Secretary of State, the Attorney General and the Dept. of Revenue Administration, and all had survived a legal challenge brought before the NH Supreme Court in year 2010.

The NH legislature, when enacting the tax or spending cap legislation in year 2011, clearly intended to grandfather previously enacted **“tax or spending caps of any kind”** under the comprehensive language of RSA 49-B:13, II-a.

The NH Supreme Court in year 2019, in a split (rare for NH) 3:2 decision, ruled that the last sentence of RSA 49-B:13, II-a invalidates this grandfather provision,

thereby terminating the Nashua cap and threatening the validity of all tax and spending caps adopted before year 2011.

The amended SB52 corrects this inequity by striking the last sentence in RSA 49-B:13, II-a (see lines 6 and 7 of the amended SB52 text), thus re-validating all spending and tax caps enacted prior to July 5, 2011.

I urge you vote in favor of the amended SB52 and eliminate the gross inequity committed by the NH Supreme Court when it rejected, with a 3:2 vote, the clear intent of the legislature ***to grandfather tax or spending caps of any kind.***

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**Archived:** Monday, May 17, 2021 2:28:45 PM  
**From:** [lisa lapin](#)  
**Sent:** Monday, May 17, 2021 12:56:02 PM  
**To:** ~House Municipal and County Govt  
**Subject:** Support SB52  
**Importance:** Normal

---

To whom it may concern:

Please support SB52. It has become crystal clear that our elected officials cannot rein in spending without a law to force their accountability.

Property taxes in Nashua have reached an all-time high with promises of more to come. How can people on fixed incomes continue to afford a home in Nashua?

For all the talk of diversity these days, SB52 would support that diversity to include the retired and elderly.

Please stand up for the taxpayers of NH and restore spending caps across New Hampshire. Vote YES on SB52!

Sincerely,  
Lisa Lapin & Terrence Sweeney  
20 Booth Street  
Nashua, NH 03060  
603-595-8485

**Archived:** Monday, May 17, 2021 2:28:45 PM  
**From:** [Jennifer Wolf](#)  
**Sent:** Monday, May 17, 2021 8:46:44 AM  
**To:** [~House Municipal and County Govt](#)  
**Subject:** Support SB52  
**Importance:** Normal

---

Hello,

I am a resident of Hollis NH but my elderly mother lives in Nashua. I worry about the spending of Nashua government officials as she does not have endless money to spend on increasing tax bills. Just this year her taxes went up an unacceptable amount. Even though she qualified for the tax break awarded to people of lesser income she did not feel comfortable giving all her personal information to the Nashua City Hall for many reasons including a very lax cyber security infrastructure. Please represent us and vote yes on SB52

**Jennifer Wolf**

**PO Box 1222**

**Hollis NH 03049**

**Archived:** Monday, May 17, 2021 2:28:45 PM  
**From:** [Chuck Hafemann](#)  
**Sent:** Monday, May 17, 2021 8:13:52 AM  
**To:** ~House Municipal and County Govt  
**Subject:** Please support SB52  
**Importance:** Normal

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Ladies and Gentlemen:

This email is sent to urge your support for SB52, "AN ACT relative to city charter provisions for tax caps." Passage of this bill is urgently needed to both preserve and protect spending and tax caps that are currently in effect in various NH communities, and to restore caps that have been, in my opinion, unjustly rejected by the NH courts.

I reside in Nashua, where a spending cap that had been in effect and working well to control spending since the early 1990s, was rejected by the courts in recent decisions. City spending is once again out of control in Nashua. Effective spending and tax caps, established by enormous amounts of hard work and perseverance by local voters and taxpayers, are the only practical means of bringing this reckless spending under control.

Thank you for your attention and support.

Chuck Hafemann  
3 Depot Road  
Nashua, NH 03062 (Ward 5)

Home: 603-880-0538  
Cell: 603-566-7727



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**Archived:** Monday, May 17, 2021 2:28:45 PM

**From:** [Walt Merrill](#)

**Sent:** Sunday, May 16, 2021 2:47:45 PM

**To:** ~House Municipal and County Govt

**Subject:** Support SB52

**Importance:** Normal

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Please support SB52, it's critical to save NH!  
Thanks, Walt - Nashua

Sent from my iPad

**Archived:** Monday, May 17, 2021 2:28:45 PM

**From:** [m chrissis](#)

**Sent:** Sunday, May 16, 2021 9:34:20 AM

**To:** [~House Municipal and County Govt](#)

**Cc:** [HCS](#)

**Subject:** SB52

**Importance:** Normal

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I believe the State Legislature should act to remove the ambiguities in the pertinent laws so that a municipal spending cap can be enforced by approving SB52.

Current Nashua Mayor James Donchess ran for his second round for the position as an advocate of taxpayers. He has been anything but and leads his band of merry men and women (BOA) on spending sprees that ignore fiscal responsibility. Mayor Donchess advocates for and recommends approval of labor contracts that include large increases in wages and benefit costs and then blames YOU (State Legislators) for the tax increases needed to fund what I consider outrageous spending.

It is now up to you to set the legislation straight so that spending caps can be enforced and, as a side benefit, remove an excuse Mayor Donchess can use to blame others for unnecessary city spending.

Thank you for your support of this legislation that will help tip the balance of the scale of power over spending closer to equal for taxpayers.

--

***Michael Chrissis***

**Archived:** Monday, May 17, 2021 2:28:45 PM

**From:** [Daniel Richardson](#)

**Sent:** Sunday, May 16, 2021 1:42:16 AM

**To:** ~House Municipal and County Govt

**Subject:** Support SB52 - relative to municipal charter provisions for tax caps.

**Importance:** Normal

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Reinstate Nashua's Grandfathered Spending Cap.

Nashua enjoyed a city charter-based soft limit on local legislative authority to spend within reasonable means. That Spending Cap effectiveness was usurped when Mayor Donchess violated it and citizens challenged the violation in Superior Court. Regardless of the ruling on specific violation, the judge tangentially opined that Nashua's Spending Cap was void, as he pointed to one word difference of "override" versus "exemption" or "exclusion". He knew full-well the legislative intent of the Tax Cap statute's grandfathering language for pre-existing Spending Cap in city charter. This has been taken by Mayor Donchess to free his reign of any spending limits. Regardless of his present spending behavior, our city's financial health depends on prudent limits based on supermajority support.

The language of SB52 remedies the statute with clarity of intent. I ask you to restore the Nashua citizen's local spending control over spending proclivity of rogue administration of any stripe. Please support SB52.

Thank you,

Daniel Richardson, 70 Berkeley St, Nashua

**Archived:** Monday, May 17, 2021 2:28:45 PM  
**From:** [Beth Scaer](#)  
**Sent:** Saturday, May 15, 2021 7:42:14 PM  
**To:** [~House Municipal and County Govt](#)  
**Subject:** Vote OTP on SB52  
**Importance:** Normal

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Dear Committee Members,

Here in Nashua, we are struggling with skyrocketing city spending. The Nashua voters passed a spending cap to control excessive spending by the city government, but the cap was declared invalid by the courts because of a technicality in the wording. Please vote to pass [SB52](#) to protect the spending cap that Nashua taxpayers need more than ever in these challenging economic times.

Please vote OTP on SB52.

Sincerely,  
Beth Scaer  
111 E Hobart St, Nashua

**PUBLIC COMMENTS ON SB52**

**House Committee on Municipal and County Government**

May 17, 2021

Members of the House Committee on Municipal and County Government:

My name is Fred Teeboom, a former alderman-at-large resident in Nashua.

Effective July 5, 2011 the NH Legislature enacted authority for cities and towns to adopt a spending/tax cap subject to various conditions, including a provision to override the cap.

Prior to this date, seven (7) cities had adopted a tax or spending cap. Each cap had passed legal scrutiny prior to adoption into their respective charters through a review by the Secretary of State, the Attorney General and the Dept. of Revenue Administration, and all had survived a legal challenge brought before the NH Supreme Court in year 2010.

The NH legislature, when enacting the tax or spending cap legislation in year 2011, clearly intended to grandfather previously enacted “**tax or spending caps of any kind**” under the comprehensive language of RSA 49-B:13, II-a.

The NH Supreme Court in year 2019, in a split (rare for NH) 3:2 decision, ruled that the last sentence of RSA 49-B:13, II-a invalidates this grandfather provision, thereby terminating the Nashua cap and threatening the validity of all tax and spending caps adopted before year 2011.

The amended SB52 corrects this inequity by striking the last sentence in RSA 49-B:13, II-a (see lines 6 and 7 of the amended SB52 text), thus re-validating all spending and tax caps enacted prior to July 5, 2011.

I urge you vote in favor of the amended SB52 and eliminate the gross inequity committed by the NH Supreme Court when it rejected, with a 3:2 vote, the clear intent of the legislature to grandfather *tax or spending caps of any kind*.

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Bill as  
Introduced

CHAPTER 88  
SB 52 - FINAL VERSION

03/18/2021 0710s

2021 SESSION

21-0860  
06/10

SENATE BILL **52**

AN ACT relative to municipal charter provisions for tax caps.

SPONSORS: Sen. Avard, Dist 12; Sen. Giuda, Dist 2; Rep. Pauer, Hills. 26; Rep. Homola, Hills.  
27

COMMITTEE: Election Law and Municipal Affairs

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ANALYSIS

This bill requires city charter exclusions and ordinances that have the effect of an override of a tax cap, to require a supermajority vote.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struckthrough.]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 88  
SB 52 - FINAL VERSION

03/18/2021 0710s

21-0860  
06/10

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty One*

AN ACT relative to municipal charter provisions for tax caps.

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

1 88:1 Municipal Charters; Separability, Preservation. Amend RSA 49-B:13, II-a to read as  
2 follows:

3 II-a. ***Notwithstanding RSA 49-B:1***, all town or city charters which have been adopted,  
4 revised, or amended ***before July 5, 2011*** to include a tax or spending cap of any kind and all charter  
5 commissions which have been properly established and elected; all elections properly held; and all  
6 actions properly taken related to the tax or spending cap in such charters are hereby endorsed,  
7 ratified, validated, and legalized and are fully enforceable~~[without regard to whether such entities~~  
8 ~~or actions were authorized by law at the time they were established or taken].~~

9 88:2 City Charters; Limitations. Amend RSA 49-C:33, I(d) to read as follows:

10 (d) A limit on the annual spending increases that increase the amount raised by taxes  
11 under the city budget adopted pursuant to RSA 49-C:23. Such a tax cap shall provide for an override  
12 threshold on a vote to exceed the limit on annual increases which shall be by a supermajority as  
13 determined in the charter. A tax cap provision in the city charter may provide for specific exclusions  
14 for dedicated, enterprise, or self-supporting funds or accounts, capital reserve funds, grants, or  
15 revenue from sources other than local taxes, ***or interest and principal payments on municipal***  
16 ***bonded debt, or capital expenditures which shall be by a supermajority vote as determined***  
17 ***in the charter. An ordinance or accounting practice that redistributes excludable budget***  
18 ***items from within the limits of the capped budget to outside the limits of the capped budget***  
19 ***shall be by a supermajority vote as determined in the charter.***

20 88:3 Optional Forms of Legislative Body. Amend RSA 49-D:3, I(e) to read as follows:

21 (e) Other matters of local concern may be included in a charter including, but not limited  
22 to, conflict of interest provisions which shall be at least as strict as those established in the general  
23 laws, citizen powers of initiative, referendum and recall as described in RSA 49-C, the adoption and  
24 periodic review of an administrative code, a merit personnel system, a purchasing system, and a  
25 town investment policy, and the adoption of a tax cap limiting the annual increases in amounts  
26 raised by taxes under the town budget. Such tax cap shall include an override threshold on a vote to  
27 exceed the limit on annual increases which shall be by a supermajority as determined in the charter.  
28 Such tax cap may specifically exclude certain dedicated, enterprise, or self-supporting funds or  
29 accounts, capital reserve funds, grants, or revenue from sources other than local taxes, ***or interest***  
30 ***and principal payments on municipal bonded debt, or capital expenditures which shall be***



CHAPTER 88  
SB 52 - FINAL VERSION  
- Page 2 -

1 *by a supermajority vote as determined in the charter. An ordinance or accounting practice*  
2 *that redistributes excludable budget items from within the limits of the capped budget to*  
3 *outside the limits of the capped budget shall be by a supermajority vote as determined in*  
4 *the charter.*

88:4 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 21, 2021

Effective Date: August 20, 2021