

# Committee Report

**CONSENT CALENDAR**

**May 27, 2021**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on Municipal and County Government  
to which was referred SB 87,**

**AN ACT adopting omnibus legislation relative to  
municipal finance. Having considered the same, report  
the same with the recommendation that the bill OUGHT  
TO PASS.**

**Rep. Tom Dolan**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	<b>Municipal and County Government</b>
Bill Number:	<b>SB 87</b>
Title:	<b>adopting omnibus legislation relative to municipal finance.</b>
Date:	<b>May 27, 2021</b>
Consent Calendar:	<b>CONSENT</b>
Recommendation:	<b>OUGHT TO PASS</b>

### STATEMENT OF INTENT

This bill makes common sense updates on method of payments, water fund expenditures, and the proper use of capital funds.

Vote 19-0.

Rep. Tom Dolan  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## **CONSENT CALENDAR**

Municipal and County Government

**SB 87**, adopting omnibus legislation relative to municipal finance. **OUGHT TO PASS.**

Rep. Tom Dolan for Municipal and County Government. This bill makes common sense updates on method of payments, water fund expenditures, and the proper use of capital funds.

**Vote 19-0.**

Original: House Clerk

Cc: Committee Bill File

# Voting Sheets

**HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT**

**EXECUTIVE SESSION on SB 87**

**BILL TITLE:** adopting omnibus legislation relative to municipal finance.

**DATE:** May 17, 2021

**LOB ROOM:** Hybrid

**MOTIONS:** OUGHT TO PASS

Moved by Rep. McBride

Seconded by Rep. Ayer

Vote: 19-0

**CONSENT CALENDAR: YES**

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

Respectfully submitted,

Rep John MacDonald, Clerk



1/22/2021 10:08:26 AM  
Roll Call Committee Registers  
Report

## 2021 SESSION

## Municipal and County Government

Bill #: SB 87 Motion: OTF AM #: \_\_\_\_\_ Exec Session Date: 5/17/21

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Dolan, Tom Chairman	19		
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.	10		
Treleaven, Susan GS <i>Rep. Berch</i>	11		
Gilman, Julie D.	12		
Maggiore, Jim V.	13		
Stavis, Laurel	14		
Mangipudi, Latha D.	15		
Vann, Ivy C. <i>Rep. Vail</i>	16		
Klee, Patricia S. <i>Rep. Grassie</i>	17		
Gallager, Eric B.	18		
<b>TOTAL VOTE:</b>	<b>19</b>	<b>0</b>	

# Public Hearing



HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON SB 87

**BILL TITLE:** adopting omnibus legislation relative to municipal finance.

**DATE:** May 17, 2021

**LOB ROOM:** Hybrid                      **Time Public Hearing Called to Order:** 10:11 a.m.

**Time Adjourned:** 10:52 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. Birdsell

TESTIMONY

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

**Senator Sharon Carson** - I can speak on my part of the bill.

**Chairman Dolan** -Anyone to speak on Part I?

**Senator Jeb Bradley** - Part 3 only.

**Senator Sharon Carson** - Only provides for checks to be returned. Other payment methods. Other electronic means for payment of municipal bills.

Rep. Pauer: Line 9 of the bill. Use is non descriptive. Where will that money go? ANS: The towns will decide.

**\*Dave Caron, Manager, Town of Derry** - Written testimony provided.

Rep. Porter: I want to be insured, if this passes. That people won't be able to use my water fees. No one else can use it. ANS: 1. Robust water system. 2. Limit economic activities. Any water fees are in the 30% level of the state.

Rep. Porter: If this clause passes, will my water department be able to use the fees created? ANS: No. Only two units of Government - Derry and Durham.

Rep. Pauer: Where did the 50% come from? Minimum amount of funds remain in the water fund.

**Senator Jeb Bradley** - Asked by town of Sandwich to submit this legislation. It got caught up in the Covid situation.

**Grant Bossy** may speak on Part I.

Rep. Pauer: Why strike out Line 21 & 22? ANS: Please speak with NH MA.

**Cordell Johnston, NH Municipal Association** - Supports all 3 parts of the bill. Part 1 - we support it. Limited town of Derry. Part 2 - Self explanatory - letter from the town administrator from Auburn. Part 3 - I believe someone from the town of Sandwich. The town can establish a lease purchase agreement. Currently, allowed only 2. 1. An example clause - if the town does not provide

payment for the lease. Simple ma. 2. The town does not have the ability to get out of the lease. 2/3 vote. The Department of Revenue has no objection to this statute change.

Rep. Mangipudi: Is the water tax reallocated on settlement funds? ANS: It is a portion of the water wheeling change.

Rep. Porter: They pay their water bill and the money goes to Derry? ANS: No less than 50% has to be used for the water system.

Rep. Pauer: Can be used for both types of lease purchase agreements? ANS: That is correct.

Rep. Gilman: Part I - Do such towns and cities put those funds into an enterprise fund? ANS: Yes, I would assume the agreement would specify where the funds go.

**Grant Bossy, on behalf of Senator Birdsell** - I think you have heard what you need to know. Senator Birdsell put the bill in at the request of the town of Derry.

Rep. Porter: RSA 162-K:6, there is a list of things this money can be used for. All lots of things on this list. Can't get over that my money for water is going to pay for street lights? ANS: Derry is a conduit to get the water. Derry would like the flexibility to use money for other things.

Rep. Pauer: Do you know if this bill will affect other cities? Is 100% being used for the upkeep of the water system? ANS: Mr. Caron - We do anticipate that. If we have a failure in a pump system, those users would be responsible for millions of dollars.

**\*William Herman, Town Administrator, Auburn** - Written testimony submitted by email.

**Chris Boldt, Previous Selectman in Sandwich** - Need for a large piece of equipment. Line 17, 19, 18, and 22 were stricken. This creates the format for the lease payment agreement. I would appreciate your support on part III.

Respectfully submitted,

Rep. John MacDonald  
Clerk

# House Remote Testify

## Municipal and County Government Committee Testify List for Bill SB87 on 2021- Support: 9 Oppose: 0 Neutral: 0 Total to Testify: 5

[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>
Carson, Sharon	Londonderry, NH deborah.chroniak@leg.state.nh.us	An Elected Official	SD 14, Prime Sponsor on Part II	Support	Yes (5m)	No	:
Boldt, Chris	Sandwich, NH cboldt@dtclawyers.com	A Member of the Public	Myself	Support	Yes (5m)	No	:
Johnston, Cordell	Concord, NH cjohnston@nhmunicipal.org	A Lobbyist	NH Municipal Association	Support	Yes (3m)	No	:
Herman, William	Auburn, NH townadmin@townofauburnnh.com	A Member of the Public	Town of Auburn	Support	Yes (2m)	No	:
Birdsell, Senator Regina	Hampstead, NH regina.birdsell@leg.state.nh.us	An Elected Official	Senate District 19 Part I ONLY	Support	Yes (0m)	No	:
Potucek, John	Derry, NH potucek1@comcast.net	An Elected Official	Myself	Support	No	No	:
Milz, David	Derry, NH davidmilz@comcast.net	An Elected Official	Myself	Support	No	No	:
Hackmann, Kent	Andover, NH hackmann@uidaho.edu	A Member of the Public	Myself	Support	No	No	:
Kudlik, Cindy	Grafton, NH cindykudlik@protonmail.com	An Elected Official	Myself	Support	No	No	:

# Testimony

**Archived:** Monday, May 17, 2021 2:33:41 PM

**From:** [David Caron](#)

**Sent:** Monday, May 17, 2021 8:46:26 AM

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

**Subject:** NH House Remote Testify: 9:45 am - SB87 in House Municipal and County Government

**Importance:** Normal

**Attachments:**

[Caron input SB 87 051721 House Muni and Cty. Gov.pdf](#) 

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Good morning,

Attached is written testimony for SB87; I will plan to make comments during the hearing as well.

Thx

Dave Caron  
Town Administrator  
14 Manning Street  
Derry, NH 03038  
603.845.5403  
dcaron@derrynh.org

**Archived:** Monday, May 17, 2021 2:33:41 PM

**From:** [Bill Herman](#)

**Sent:** Friday, May 14, 2021 4:27:46 PM

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

**Subject:** Written Testimony for SB 87 for House Municipal & County Government Committee

**Importance:** Normal

**Attachments:**

SB 87 - House Municipal & County Government Committee - 05-17-2021.pdf ;

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In advance of the My 17th public hearing before the House Municipal and County Government Committee concerning SB 87, I am pleased to submit the attached letter in support of the legislation and, in particular, to Part II of the omnibus bill.

I would like to encourage the Committee's determination that the bill deserves an Ought to Pass recommendation.

*Bill*

Bill Herman, CPM  
Town Administrator  
Town of Auburn  
PO Box 309  
Auburn, NH 03032  
(603) 483-5052, ext. 111



*NOTICE: Privacy should not be assumed with e-mails associated with Town business. Under New Hampshire's Right-to-Know law (RSA 91-A), documents – including e-mail communications – in the possession of public officials or public agencies concerning Town business are classified as public records that may be subject to public disclosure.*

**Archived:** Monday, May 17, 2021 2:33:41 PM  
**From:** [Grant Bosse](#)  
**Sent:** Monday, May 17, 2021 8:23:51 AM  
**To:** [Tom Dolan](#)  
**Cc:** [Heather Goley](#)  
**Subject:** Introduction of SB 87  
**Importance:** Normal

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Good morning, Chairman Dolan,

Sen. Birdsell is at a doctor's appointment this morning and hopes to be out in time to introduce SB 87 at this morning's public hearing. If not, she has asked me to introduce the bill on her behalf.

Thank you for your consideration,  
Grant Bosse  
Majority Policy Director  
New Hampshire Senate



David R. Caron  
Town Administrator  
dcaron@derrynh.org

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March 1, 2021

Honorable Tom Dolan, Chair  
House Municipal and County Government Committee  
Legislative Office Building Room 301  
Concord, NH 03301

RE: SB 87  
*By email to [Committee Members](#)*

Dear Chair Dolan and members of the Municipal and County Government Committee,

I appreciate the opportunity to voice my support for SB 87, Part I, Relative to the Expenditure of Water Funds. Passage of this bill would assist the Town of Derry with meeting its economic development goals to the benefit of its residents and the residents of the State of New Hampshire.

The Town was approached by the Department of Environmental Services a few years ago seeking the Town's participation in the Southern New Hampshire Regional Water Interconnection Project, an ambitious program which now provides water generated by the Manchester Water Works to communities south and east of Derry. Derry's robust water system infrastructure is now used to convey water from Manchester to points south.

As we all know, State fiscal policy requires municipalities to rely upon its property tax base to fund a majority of local services. With this in mind, initially the Town Council was somewhat apprehensive to share one of its critical economic development tools, its water system, with the region, but also wanted to be a good neighbor and help ensure that an ample supply of clean, quality water was available to the region.

As the Intermunicipal Agreement governing this partnership was developed, the Town looked for opportunities to ensure that the Town would not be adversely impacted economically by its participation. During these discussions, the Town Council became comfortable with this partnership as we began to identify other economic development tools which may become available through the availability of wheeling revenues.

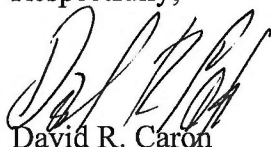


RSA 38, the statute governing water systems, currently restricts all revenues to the water fund, as it never contemplated such a project as this and its potential impact upon regional economic development. Passage of this bill would allow the Town to further expand its economic opportunities by investing in various initiatives, whether it be the extension of municipal sewer to areas of the Town currently not serviced, or by participating in the various economic development activities as authorized under the Industrial Land and Facilities statute as well as the Municipal Economic Development and Revitalization Districts statute.

Of course, the Town's first obligation and priority will continue to guarantee that our water system has the resources necessary to both perform under the Intermunicipal Agreement and to protect the system's integrity. It is envisioned that any excess funds would then be invested into the Town's economic development opportunities. This plan of action benefits both our water customers and the Derry property taxpayers, who have shared the Town's bond rating and capacity as well as other resources over the years to assist with the water system's growth, reliability and financial strength.

Again, thank you for the opportunity to offer comment on SB 87, Part I and I urge the Committee to support this initiative in recognition of the spirit of cooperation extended by the Town of Derry to the Southern New Hampshire Regional Water Interconnection Project.

Respectfully,



David R. Caron  
Town Administrator



# TOWN OF AUBURN

May 14, 2021

Representative Tom Dolan, Chair and Members of the  
House Municipal and County Government Committee  
Legislative Office Building  
Concord, NH 03301

**RE: Senate Bill 87 – Adopting Omnibus Legislation Relative to Municipal Finance**

Dear Chairman Dolan and Members of the Municipal and County Government Committee:

I am pleased to be able to write and express our support for the adoption of SB 87 – the omnibus legislation relative to municipal finance. We are particularly in support of Part II dealing with uncollectible financial remittances to municipalities.

Current law (RSA 80:56) only provides the ability for municipalities to charge a fee for checks returned to the city or town as uncollectible. No other form of financial remittance is identified in the current statute, which makes perfect sense for a statute originally adopted in 1977.

With more and more services being conducted by cities and towns through online transactions, payments for services are being made by methods other than paper checks. Financial transactions can be done by ACH transactions, electronic funds transfers (EFT), credit card payment and other electronic means. Despite the convenience of the electronic payments, they are not foolproof and can be returned as uncollectible in the same manner a check can. Many municipalities have learned this during the past year as we transitioned to more online services and transactions because of adjusting business practices to deal with the Covid-19 pandemic.

In conversation I had with Senator Carson, we discussed that it would be helpful to municipal governments if RSA 80:56 was amended to broaden the means of payments municipalities receive to enable us to collect a fee for any form of financial payment that may be returned as uncollectible.

As proposed, the amendment to RSA 80:56 that is contained as Part II of SB 87 is enabling legislation that would allow municipalities to collect fees for uncollectible financial remittances. It does not require a municipality to do so, although we believe it is a sound business practice to do so and not have the expense of these uncollectible remittances be borne by all taxpayers.

We believe this is a housekeeping item that will bring provisions of state statute into modern times and recognize the evolving manners in which individuals handle their finances and pay their bills.

In consideration of the thoughts expressed above, I encourage the members of the House Municipal and County Government Committee to recommend SB 87 as Ought to Pass.

Sincerely,  
TOWN OF AUBURN

William G. Herman, CPM  
Town Administrator

Bill as  
Introduced

SB 87 - AS AMENDED BY THE SENATE

03/11/2021 0584s

2021 SESSION

21-0870

11/10

SENATE BILL **87**

AN ACT adopting omnibus legislation relative to municipal finance.

SPONSORS: Sen. Birdsell, Dist 19

COMMITTEE: Election Law and Municipal Affairs

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AMENDED ANALYSIS

This bill adopts legislation relative to:

- I. The expenditure of water funds.
- II. Uncollectible financial remittances to municipalities.
- III. The use of capital reserve funds.

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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.

STATE OF NEW HAMPSHIRE

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

AN ACT adopting omnibus legislation relative to municipal finance.

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

1 1 Sponsorship. This act consists of the following proposed legislation:

2 Part I. LSR 21-0870, relative to the expenditure of water funds, sponsored by Sen. Birdsell,  
3 Prime/Dist. 19.

4 Part II. LSR 21-0958, relative to uncollectible financial remittances to municipalities,  
5 sponsored by Sen. Carson, Prime/Dist. 14.

6 Part III. LSR 21-0983, relative to the use of capital reserve funds, sponsored by Sen.  
7 Bradley, Prime/Dist. 3.

8 2 Legislation Enacted. The general court hereby enacts the following legislation:

9 PART I

10 Relative to the Expenditure of Water Funds.

11 1 New Paragraph; Water Funds. Amend RSA 38:29 by inserting after paragraph I the following  
12 new paragraph:

13 I-a. The funds received from the collection of water wheeling charges, below the threshold  
14 for regulation by the public utilities commission, derived from intermunicipal agreements, by  
15 municipalities governed under RSA 49-D:3, I shall be dedicated to the maintenance and upkeep of  
16 the portions of the water system necessary to fulfill the intermunicipal agreement. In no case shall  
17 less than 50 percent of the funds received be expended for this purpose and pursuant to RSA 38:28.  
18 Upon the approval of the legislative body of the municipality, any remaining funds may be expended  
19 for the following purposes:

20 (a) Pursuant to RSA 38:28.

21 (b) For the acquisition, construction, payment of the interest on any debt incurred,  
22 management, maintenance, operation, and repair of sewer systems, or construction, enlargement, or  
23 improvement of such systems.

24 (c) Capital reserve funds of the water or sewer system.

25 (d) For the expansion or replacement of natural gas lines or systems, by a municipal gas  
26 system or gas provider regulated by the public utilities commission.

27 (e) For the purposes set forth in RSA 162-G:4.

28 (f) For the purposes set forth in RSA 162-K:6, III and RSA 162-K:8.

29 2 Effective Date. Part I of this act shall take effect 60 days after its passage.

30 PART II

31 Relative to Uncollectible Financial Remittances to Municipalities.

SB 87 - AS AMENDED BY THE SENATE  
- Page 2 -

1           1 Collection of Taxes; Uncollectable Remittances. Amend RSA 80:56 to read as follows:  
2           80:56 Uncollectible [~~Checks~~] **Remittances**. Whenever any [~~check~~] **remittance, whether by**  
3 **check or electronic means**, issued to a city or town for the payment of taxes, permit fees, licenses,  
4 special assessments, water or sewer bills, for any combination of these or for any other municipal  
5 services is returned to the city or town official as un collectible, the city or town shall charge a fee of  
6 \$25 plus all protest, bank, and legal fees in addition to the amount of said [~~check~~] **remittance** to the  
7 person who [~~issued~~] **made** such [~~check~~] **remittance** to cover the cost of collecting the debt that the  
8 [~~check~~] **remittance** was [~~issued~~] to pay. The \$25 fee together with any protest or legal fees collected  
9 shall be for the use of the city or town.

10           2 Effective Date. Part II of this act shall take effect 60 days after its passage.

PART III

Relative to the Use of Capital Reserve Funds.

13           1 Capital Reserve Funds; Expenditures; Lease/Purchase Agreements. Amend RSA 35:15, III to  
14 read as follows:

15           III.(a) Notwithstanding the prohibition of debt retirement fund establishment in RSA 33:2,  
16 capital reserve funds may be used for multiple payments under a financing agreement for the  
17 purpose for which the capital reserve was established, **including a lease/purchase agreement**. [~~If~~  
18 ~~the financing agreement is a lease/purchase agreement the following shall apply:~~

19                   (1) ~~The lease/purchase agreement does not contain an "escape clause" or "non-~~  
20 ~~appropriation clause"; and~~

21                   (2) ~~The lease/purchase agreement has been ratified by the legislative body by a vote~~  
22 ~~by ballot of 2/3 of all the voters present and voting at an annual or special meeting.]~~

23                   (b) If agents have been named according to RSA 35:15, then no further vote is required  
24 to disburse funds following the initial vote which ratified the financing agreement.

25           2 Effective Date. Part III of this act shall take effect 60 days after its passage.