

Bill as Introduced

HB 484 - AS INTRODUCED

2021 SESSION

21-0647

06/11

HOUSE BILL **484**

AN ACT relative to budget committee recommendations on warrant articles.

SPONSORS: Rep. Pauer, Hills. 26; Rep. Silber, Belk. 2; Rep. Yakubovich, Merr. 24; Rep. Notter, Hills. 21

COMMITTEE: Municipal and County Government

ANALYSIS

This bill prohibits a budget committee from providing a recommendation next to the affected warrant article unless the warrant article includes an appropriation or expenditure.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to budget committee recommendations on warrant articles.

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

1 1 New Paragraph; Budget Committee; Recommendation. Amend RSA 32:5 by inserting after
2 paragraph V-b the following new paragraph:

3 V-c. A budget committee or advisory budget committee shall provide a recommendation
4 printed in the town, school district, or village district warrant next to the affected warrant article
5 only when the warrant article, submitted by the governing body or by petition, includes an
6 appropriation or expenditure.

7 2 Effective Date. This act shall take effect 60 days after its passage.

Committee Minutes

SENATE CALENDAR NOTICE

Election Law and Municipal Affairs

Sen James Gray, Chair
Sen Regina Birdsell, Vice Chair
Sen Ruth Ward, Member
Sen Donna Soucy, Member
Sen Rebecca Perkins Kwoka, Member

Date: April 14, 2021

HEARINGS

Monday

04/19/2021

Election Law and Municipal Affairs

REMOTE

9:00 a.m.

9:00 a.m.	HB 223	relative to political party access to a list of absentee ballot requests.
9:10 a.m.	HB 285	relative to verification of voter checklists.
9:20 a.m.	HB 484	relative to budget committee recommendations on warrant articles.
9:45 a.m.	HB 183	prohibiting municipalities from requiring a license for a soft drink stand operated by a person under the age of 18.
10:00 a.m.	HB 243	relative to the form of municipal budgets, relative to municipal estimates of expenditures and revenues, and relative to the requirement that certain governing bodies submit recommendations to the budget committee.

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. Link to Zoom Webinar: <https://www.zoom.us/j/97306628779>
2. To listen via telephone: Dial (for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833
3. Or iPhone one-tap: US: 16465588656, 97306628779# or 13017158592, 97306628779#
4. Webinar ID: [973 0662 8779](https://www.zoom.us/j/97306628779)
5. To view/listen to this hearing on YouTube, use this link:
<https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA>
6. To sign in to speak, register your position on a bill and/or submit testimony, use this link:
<http://gencourt.state.nh.us/remotecommittee/senate.aspx>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-6931).

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

HB 223

Rep. Sweeney

Rep. Alexander Jr.

HB 285

Rep. Layon

Rep. Potucek

Rep. Prudhomme-O'Brien

Sen. Birdsell

Rep. Thomas

Rep. Love

HB 484

Rep. Pauer

Rep. Silber

Rep. Yakubovich

Rep. Notter

HB 183

Rep. True

Rep. Torosian

Rep. Abramson

Rep. Greene

Rep. Piemonte

HB 243

Rep. Piemonte

Rep. Edwards

Rep. Verville

Rep. Yakubovich

Rep. True

Sen. Gannon

Rep. Weyler

Rep. Torosian

Rep. Osborne

Rep. Sylvia

Tricia Melillo 271-3077

James P. Gray
Chairman

Senate Election Law and Municipal Affairs Committee
Tricia Melillo 271-3077

HB 484, relative to budget committee recommendations on warrant articles.

Hearing Date: April 19, 2021

Members of the Committee Present: Senators Gray, Birdsell, Ward, Soucy and Perkins Kwoka

Members of the Committee Absent : None

Bill Analysis: This bill prohibits a budget committee from providing a recommendation next to the affected warrant article unless the warrant article includes an appropriation or expenditure.

Sponsors:

Rep. Pauer
Rep. Notter

Rep. Silber

Rep. Yakubovich

Who supports the bill: Representative Diane Pauer, Representative Norm Silber, Representative Tony Piemonte, Representative Chris True, Representative Lisa Post, Barrett Christina, Eric Pauer, Alvin See

Who opposes the bill: Representative Timothy Horrigan, Representative Paul Dargie

Who is neutral on the bill: Cordell Johnston

Summary of testimony presented in support:

Representative Pauer

- This bill clarifies that a budget committee shall only provide a printed recommendation next to a warrant article that is monetary and includes an appropriation or an expenditure.
- It comes from requests by constituents who discovered that budget committees, in some municipalities, are publishing recommendations that do not include appropriations on warrant articles.
- The NHMA has stated NH law does not authorize the inclusion of recommendations by a budget committee on non-monetary warrant articles.
- Currently, it is common practice for budget committees to note recommendations on zoning amendments, whether or not to adopt SB 2, establish a study committee and more.
- NH RSA 32 is specific in that it states budgets committees can provide recommendations on “special warrant articles” to the governing body.
- Special warrant articles are defined in statute as those which propose an appropriation.
- When a budget committee publishes a recommendation on non-monetary warrant articles they do so outside of their statutory authority.
- This bill will make explicit in statute budget committees shall not provide recommendations on non-monetary warrant articles.

- Senator Birdsell asked if RSA 32 has always stated that budget committees are authorized to publish recommendations on a warrant article for the operating budget.
 - Representative Pauer answered that the focus of this legislation is on what type of warrant article a budget committee is allowed a printed recommendation. An official budget committee is allowed in statute to provide a printed recommendation an unofficial budget committee is advisory only and they are not permitted to.

Representative Norm Silber

- This is a simple housekeeping measure.
- The only statutory purpose of a budget committee is to assist the voters in a prudent appropriation of public funds.
- The NHMA has stated that budget committee recommendation should appear only on appropriation warrant articles and the law does not authorize the inclusion of recommendations on non-monetary articles.
- This bill is designed to make this crystal clear.

Eric Pauer

- He was on a committee that studied what a budget committee does under RSA 32.
- Among other duties such as creating budgets they make recommendations on special warrant articles.
- A special warrant article is one that has an appropriation.
- If there is a warrant article that does not have an appropriation the budget committee should not be giving a recommendation on it.
- There are different practices across the state with some budget committees believing they can publish recommendations on any article and others only on special articles.
- The budget committees recommendations are personality driven, by local politics and people on the board instead of following the law.
- Some budget committees act like a second governing body and that is how they make recommendations.
- Senator Gray asked how do you separate warrant articles that have budget implications and those that are strictly appropriations articles.
 - Mr. Pauer replied that the distinction would be that the articles have dollar figures, are quantifiable and have very specific monetary implications. It could be argued that every warrant article will have some tax impact in the future. This bill would be for direct appropriations.
- Senator Gray stated that in the bill it specifies that the article has to include an appropriation or expenditure. He believes the language needs to be tightened up or they will be back in the same situation and asked Mr. Pauer to comment.
 - Mr. Pauer replied when the warrant article is being crafted it will be clarified whether there is a stipend or not which would make it a monetary warrant article. If they are silent on the amount, it is left up to the governing body to determine that. The language in this bill will also make governing bodies and citizens petitions be clearer when they are putting together warrant articles.

Summary of testimony presented in opposition:

Representative Timothy Horrigan

- He believes that the budget committee may have a valid reason to give other than monetary recommendations.
- In his town the town council serves as the budget committee and this bill would cripple the council.
- Cities all have charters where the budget committee has duties defined by the charter which may come in conflict with this law.
- The House and Senate Finance Committees review many bills that have nothing to do with finances.
- He believes this bill is unnecessary

Neutral Information Presented:

Cordell Johnston – NH Municipal Association

- The bill is a clarification of what it already in statute.
- The existing statute authorizes the budget committee to make recommendations on special warrant articles.
- They have always been defined as those that have appropriations.
- He can understand that articles may have budget implications and the budget committee wants to give a recommendation.
- That can get pretty ambiguous because any action taken by the town can have some kind of future budget impact.
- He does believe it is the role of the budget committee to be making recommendations only on things that include an appropriation or expenditure.
- Clearly a budget committee should not be issuing a recommendation on zoning amendments or the adoption of SB 2.
- This bill would not apply to Durham and other Cities. RSA 32 only applies to municipalities where the budget is adopted at an annual town meeting.
- Senator Gray asked if he would work with the prime sponsor to clarify the language on what the budget committee can and cannot comment on.
 - Mr. Johnston agreed to work on some new language.

TJM

Date Hearing Report completed: April 23, 2021

Speakers

Senate Remote Testify

Election Law and Municipal Affairs Committee Testify List for Bill HB484 on 2021
 Support: 8 Oppose: 2 Neutral: 1 Total to Testify: 4

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>S</u>
Silber, Rep Norm	njs@silbersnh.com	603.293.0565	An Elected Official	Myself	Support	Yes	4
Pauer, Eric	secretary@BrooklineGOP.org	603.732.8489	A Member of the Public	Myself	Support	Yes	4
Pauer, Diane	Diane.Pauer@leg.state.nh.us	603.801.5088	An Elected Official	Myself	Support	Yes	4
Johnston, Cordell	cjohnston@nhmunicipal.org	603-230-3323	A Lobbyist	NH Municipal Association	Neutral	Yes	4
Horrigan, Timothy	timothyhorrigan@icloud.com	603.969.3823	An Elected Official	Strafford 6	Oppose	No	4
Piemonte, Tony	tony.piemonte@leg.state.nh.us	Not Given	An Elected Official	Myself	Support	No	4
See, Alvin	absee@4Liberty.net	Not Given	A Member of the Public	Myself	Support	No	4
Post, Lisa CM	Lisa.Post@leg.state.nh.us	802-730-5401	An Elected Official	Myself	Support	No	4
true, chris	chris.true@leg.state.nh.us	603.887.2793	An Elected Official	Myself	Support	No	4
Christina, Barrett M.	Not Given	Not Given	A Lobbyist	New Hampshire School Boards Association	Support	No	4
Dargie, Paul	pauldargie@gmail.com	603.233.5888	An Elected Official	Myself	Oppose	No	4

Testimony

Tricia Melillo

From: Eric Pauer <pb@nhengineer.com>
Sent: Sunday, April 18, 2021 9:33 PM
To: James Gray; Regina Birdsell; Ruth Ward; Donna Soucy; Rebecca Perkins Kwoka; Tricia Melillo
Subject: Testimony in Support of HB 484

Dear Senate Election Law and Municipal Affairs Committee,

I am writing to you in support of HB 484, "Relative to budget committee recommendations on warrant articles". I am a former school board member and a current planning board member in Brookline.

At the 2020 Brookline Town Meeting, voters approved a warrant article to direct the Selectboard to form a study committee, to determine the feasibility and suitability of adopting an official budget committee (BudCom) for the town and school district (RSA 32:14). I was appointed to this BudCom study committee and became the committee chair. During our work starting in May 2020, we learned a great deal about the roles and responsibilities of an official BudCom, consulting with peer towns having Budcoms, NH Municipal Association (NHMA), NH School Board Association, and NH Department of Revenue. We became subject matter experts on BudComs. For reference, the BudCom Study Committee website with our Final Presentation and Report is online at <https://brooklinenh.us/budcom-study-committee>

In this effort, we consistently heard that the one of the roles of a BudCom is to include recommendations in the warrant only on town or school district warrant articles that involve an appropriation or expenditure, i.e. monetary articles. In fact, the NHMA provides guidance on recommendations in their page "The Municipal Budget Law: Frequently Asked Questions":

The responsibilities of the official BudCom are fiduciary, as outlined in 32:16 "Duties and Authority of the Budget Committee", including preparing and recommending operating budgets and conducting hearings, and making recommendations on special warrant articles. RSA 32:3 defines special warrant articles as warrant articles proposing appropriations. Thus, a BudCom should be making recommendations only on the warrant article for the operating budget and on special warrant articles (i.e. those with appropriations), not on non-monetary warrant articles.

Non-monetary warrant articles include those involving policy and governance, which are under the purview of the governing body (generally a Selectboard or School Board). These matters are outside the authorities of a BudCom per RSA 32. Examples of such non-monetary warrant articles include increasing or decreasing the size of a school board or selectboard, adoption or rescinding of the official balloting system (SB2), providing curriculum directives, establishment

of study committees (with no appropriation or expenditure), and amendments to cooperative school district articles of agreement (with no appropriation or expenditure).

From our efforts on the BudCom Study Committee, we found that many BudComs properly provide recommendations only on monetary warrant articles, while other BudComs viewed themselves as a second governing body and thus provided recommendations on all warrant articles, including those without appropriations.

Currently, the language of RSA 32 does not provide enough clarity to keep a BudCom from making recommendations on non-monetary warrant articles, despite guidance from NHMA and common practice used by many BudComs across New Hampshire to stay in their fiduciary lane. HB 484 provides the needed clarification to RSA 32 language so that a BudCom only includes recommendations on monetary warrant articles in the warrant, consistent with their fiduciary responsibilities and authorities. This bill's proposed language makes it clear that warrant articles involving policy and governance receive recommendations from the governing body and not from a BudCom. Thank you for your consideration, and I request that committee members to vote "Ought to Pass" on HB 484.

Sincerely,

Eric Pauer
Brookline

New Hampshire Senate - Election Law and Municipal Affairs

April 14, 2021

PUBLIC HEARING

HB 484 *relative to budget committee recommendations on warrant articles*

INTRODUCTION

Thank you Mr. Chairman and thank you honorable committee members.

I appreciate the opportunity to introduce to you HB 484 *relative to budget committee recommendations on warrant articles*.

For the record, I am Representative Diane Pauer. I represent the towns of Brookline and Mason in Hillsborough County District 26. Presently, I serve on the House Municipal and County Government committee, and I have also served as chair of a budget committee. I am the prime sponsor of this bill.

BACKGROUND

This bill comes from requests by constituents. One constituent, in the course of conducting research on behalf of a town study committee, discovered that budget committees in some municipalities are publishing recommendations on warrant articles that do not include appropriations or expenditures. Moreover, in a conversation with the New Hampshire Municipal Association about this issue, the constituent was informed that New Hampshire law, in fact, does not authorize the inclusion of recommendations by a budget committee on non-monetary warrant articles. With that, allow me to introduce the bill.

OVERVIEW

HB 484 simply clarifies that a budget committee or an advisory budget committee shall only provide a printed recommendation next to a warrant article that is monetary and includes an appropriation or an expenditure.

RATIONALE

As stated previously, it is common practice for some Budget Committees in New Hampshire to publish recommendations on non-monetary warrant articles examples of which include: zoning amendments, a question to adopt or rescind the SB2 system of

town meeting, a question to print the tax impact next to warrant articles, establishing a study committee, etc.

NH RSA 32 states: the purpose of a budget committee is "to assist the voters in the prudent appropriation of public funds" and the duties and authority of a budget committee are to prepare the operating budget; to conduct the public budget hearing; to forward copies of the final budget to both the clerk and governing body; and to provide recommendations upon "special warrant articles" to the governing body.

"Special warrant articles" are defined in statute as any article in the warrant which proposes an appropriation. Therefore, according to statute, a budget committee should only provide recommendations on: the operating budget which is an appropriation and "special warrant articles" which by definition include an appropriation.

To be clear, an appropriation is monetary. Thus, when a budget committee publishes a recommendation on non-monetary warrant articles they do so outside of their statutory authority.

SUMMARY

In conclusion, HB 484 amends RSA 32 to make it explicit that a budget committee shall include a recommendation in the town, school district or village warrant next to monetary warrant articles only, in accordance with statute. Moreover, in doing so, this bill clarifies that a budget committee shall not provide recommendations on non-monetary warrant articles.

CLOSING

Thank you Mr. Chairman, and thank you committee members for your time and your attention. Mr. Chairman I am happy to answer any questions at this time, if you allow.

Voting Sheets

**Senate Election Law
& Municipal Affairs Committee
EXECUTIVE SESSION RECORD
2021 Session**

Bill HB 484

Hearing date: 4-19-2021

Executive Session date: 5/10/21

Motion of: ITL Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: Consent Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: § Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Sen. Ward

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE
FOR THE CONSENT CALENDAR

Monday, May 10, 2021

THE COMMITTEE ON Election Law and Municipal Affairs

to which was referred **HB 484**

AN ACT

relative to budget committee recommendations on
warrant articles.

Having considered the same, the committee recommends that the Bill

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 5-0

Senator Ruth Ward
For the Committee

This bill would have specified in statute that Budget Committees are prohibited from providing written recommendations on warrant articles unless the warrant article includes an appropriation or expenditure. The Committee found that this prohibition is already in statute and respected by most municipalities across the state. Additionally, a violation can be addressed at the local level rather than at the state level.

Tricia Melillo 271-3077

General Court of New Hampshire - Bill Status System

Docket of HB484

Docket Abbreviations

Bill Title: relative to budget committee recommendations on warrant articles.*Official Docket of HB484.:*

Date	Body	Description
1/10/2021	H	Introduced (in recess of) 01/06/2021 and referred to Municipal and County Government HJ 2 P. 50
3/8/2021	H	Public Hearing: 03/08/2021 08:30 am Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/96469796123 / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
3/12/2021	H	Majority Committee Report: Ought to Pass (Vote 10-9; RC) HC 18 P. 58
3/12/2021	H	Minority Committee Report: Inexpedient to Legislate
4/9/2021	H	Ought to Pass: MA RC 199-173 04/09/2021 HJ 7 P. 37
4/13/2021	S	Introduced 04/08/2021 and Referred to Election Law and Municipal Affairs; SJ 12
4/14/2021	S	Remote Hearing: 04/19/2021, 09:20 am; Links to join the hearing can be found in the Senate Calendar; SC 20
4/14/2021	S	Remote Hearing: 04/19/2021, 09:20 am; Links to join the hearing can be found in the Senate Calendar; SC 20
5/10/2021	S	Committee Report: Inexpedient to Legislate; Vote 5-0; CC; 05/20/2021; SC 24
5/20/2021	S	Inexpedient to Legislate, MA, VV === BILL KILLED ===; 05/20/2021; SJ 16

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: HB 484

Senate Committee: ELMA

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

Executive Session Sheet

Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

Post Floor Action: (if applicable) {Clerk's Office}

___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

___ Enrolled Bill Amendment(s)

___ Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house

___ final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Committee Aide

Date

Senate Clerk's Office

