

CONSENT CALENDAR

January 26, 2022

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Ways and Means to which was referred HB 1189,

AN ACT permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation. Having considered the same, report the same with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Jordan Ulery

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Ways and Means
Bill Number:	HB 1189
Title:	permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.
Date:	January 26, 2022
Consent Calendar:	CONSENT
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This well-intentioned bill seeks to allow voluntary donations to a state entity (the state or any of its political subdivisions). Such donation currently takes place with frequency and the donator is acknowledged by an entity, usually a plaque (such as those affixed to park benches). The wording of the bill seems to commercialize such donations and may even leave the door open for authorizing entities to ethics charges of favoritism as a result of a donation. One could also see police or fire vehicle emblazoned like a race car with sponsors' logos. While the committee urges personal donations to a governmental entity, most of the committee does not support commercialization of the process. One should also note that some agencies, including the Housing Finance Authority and NH libraries under specific statutes, have the ability to accept donations. Under RSA 31:19, I a political subdivision may already accept donations for a project or to be held in trust. Most communities already have a trust fund or trustees of the trust fund(s). The NH Supreme Court has ruled that monies received can be of one of three classes and may not be discriminatory. This bill makes absolutely no reference to the three classes (temporary, permanent, restricted) nor how the program would be implemented within the scope of current law. If one is interested in further information, one is directed to a white paper on the subject by the NH Municipal Association from 2013.

Vote 20-1.

Rep. Jordan Ulery
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Ways and Means

HB 1189, permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation. **INEXPEDIENT TO LEGISLATE.**

Rep. Jordan Ulery for Ways and Means. This well-intentioned bill seeks to allow voluntary donations to a state entity (the state or any of its political subdivisions). Such donation currently takes place with frequency and the donator is acknowledged by an entity, usually a plaque (such as those affixed to park benches). The wording of the bill seems to commercialize such donations and may even leave the door open for authorizing entities to ethics charges of favoritism as a result of a donation. One could also see police or fire vehicle emblazoned like a race car with sponsors' logos. While the committee urges personal donations to a governmental entity, most of the committee does not support commercialization of the process. One should also note that some agencies, including the Housing Finance Authority and NH libraries under specific statutes, have the ability to accept donations. Under RSA 31:19, I a political subdivision may already accept donations for a project or to be held in trust. Most communities already have a trust fund or trustees of the trust fund(s). The NH Supreme Court has ruled that monies received can be of one of three classes and may not be discriminatory. This bill makes absolutely no reference to the three classes (temporary, permanent, restricted) nor how the program would be implemented within the scope of current law. If one is interested in further information, one is directed to a white paper on the subject by the NH Municipal Association from 2013. **Vote 20-1.**

Original: House Clerk

Cc: Committee Bill File

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on Bill # HB 1189

BILL TITLE: permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.

DATE: January 26, 2022

LOB ROOM 202-204

MOTION: (Please check one box)

Options: [] OTP, [x] ITL, [] Retain (1st year), [] Adoption of Amendment #, [] Interim Study (2nd year)

Moved by Rep. Ulery, Seconded by Rep. Almy, Vote: 20 - 1

MOTION: (Please check one box)

Options: [] OTP, [] OTP/A, [] ITL, [] Retain (1st year), [] Adoption of Amendment # (if offered), [] Interim Study (2nd year)

Moved by _____, Seconded by _____, Vote: _____

MOTION: (Please check one box)

Options: [] OTP, [] OTP/A, [] ITL, [] Retain (1st year), [] Adoption of Amendment # (if offered), [] Interim Study (2nd year)

Moved by Rep. _____, Seconded by Rep. _____, Vote: _____

CONSENT CALENDAR: [x] YES [] NO

Minority Report? [] Yes [x] No If yes, author, Rep: _____ Motion

Respectfully submitted:

Alan Bershtein

Rep Alan Bershtein, Clerk



**STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK
2022 Session - Ways and Means**

Roll Call Committee Registers Report

Permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.

Bill #	HB 1189
Motion	ITL
Amendment #	
Exec Session Date	1/26/22
Consent Calendar?	Yes

Member	Motion / Seconded	Yea	Nay	NV
Patrick Abrami [Vice Chair]		x		
Len Turcotte [sub for Mary Griffin]		x		
Jordan Ulery	Motion	x		
Rich Lascelles [sub for Fred Doucette]		x		
Tim Lang		x		
Alan Bershtein [Clerk]			x	
Carol McGuire [sub for Robert Elliott]		x		
John Janigian		x		
Hershel Nunez		x		
Walter Spilsbury		x		
Paul Tudor		x		
Almy, Susan	Second	x		
Richard Ames(D)		x		
Thomas Southworth				x
Dennis Malloy(D)		x		
Thomas Schamberg(D)		x		
Edith Tucker(D)		x		
Jennie Gomarlo(D)		x		
Mary Jane Wallner [sub for Tom Loughman]		x		
Amanda Gourgue				x
Mary Hakken-Phillips(D)		x		
James Murphy(D)		x		
Norman Major [Chair]		x		
Total Vote		20	1	2

NH House Committee on Ways and Means
Public Hearing on: HB 1204

Date: January 13, 2022
LOB Room: 202-204
Time Public Hearing Called to Order: 2:00 PM
Time Public Hearing Adjourned: 2:50 PM

Title: reducing the rate of the meals and rooms tax and increasing the revenue sharing of meals and rooms tax revenue with municipalities.

Sponsors: (Prime) Deshaies (R), John MacDonald (R), Crawford (R), Bordes (R)

Committee Members: Reps. Major, Abrami, Bershtein, M. Griffin, Ulery, Doucette, Elliott, Janigian, Nunez, Lang, Spilsbury, Tudor, Almy, Ames, Southworth, Malloy, Schamberg, Tucker, Gomarlo, Loughman, Gourgue, Hakken-Phillips and Murphy

TESTIMONY

Rep Deshaies, Sponsor:

- Introduced the bill
- 7% reduction in the rate, (from 8.5% to 7.9%) and increase the distribution to town from 30% to 40%.
- Our M&R tax is higher than our neighbors. This would make NH more competitive and assist the tourism industries.
- 8% of NH's economic activity is tourism.
- The increase in distribution to towns would help offset local property taxes.
- The effective date of July 2023 would allow time for appropriate budgeting.
- If we elect not to reduce the tax rate, at least allow the increased distribution to move forward to help towns and cities.
- The formula for distributions to towns is based exclusively on population.

Carolyn Lear and Devon Roderick, DRA

- 2021: 82% meals, 16% rooms, 2% motor vehicle rentals.

Blue Sheet: 2 support, 1 opposed.

NH House Committee on Ways and Means
Public Hearing on: HB 1204

Date: January 13, 2022
LOB Room: 202-204
Time Public Hearing Called to Order: 2:00 PM
Time Public Hearing Adjourned: 2:50 PM

Title: reducing the rate of the meals and rooms tax and increasing the revenue sharing of meals and rooms tax revenue with municipalities.

Sponsors: (Prime) Deshaies (R), John MacDonald (R), Crawford (R), Bordes (R)

Committee Members: Reps. Major, Abrami, Bershtein, M. Griffin, Ulery, Doucette, Elliott, Janigian, Nunez, Lang, Spilsbury, Tudor, Almy, Ames, Southworth, Malloy, Schamberg, Tucker, Gomarolo, Loughman, Gourgue, Hakken-Phillips and Murphy

NH House Committee on Ways and Means
Public Hearing on: HB 1189

Date: January 11, 2022
LOB Room: 202-204
Time Public Hearing Called to Order: 9:10 AM
Time Public Hearing Adjourned: 9:40 AM

Permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.

SPONSORS: Rep. Soti, Rock. 7; Rep. Yakubovich, Merr. 24; Rep. Warden, Hills. 15

Committee Members: Reps. Major, Abrami, Bershtein, M. Griffin, Ulery, Doucette, Elliott, Janigian, Nunez, Lang, Spilsbury, Tudor, Almy, Ames, Southworth, Malloy, Schamberg, Tucker, Gomarfo, Loughman, Gourgue, Hakken-Phillips and Murphy

TESTIMONY

Rep Tudor (on behalf of Rep. Julius Soti, Sponsor):

- Introduced the bill (see email)

Abrami: Questioned the assertion of deductibility for federal taxes.

Elliot Axelman (citizen), in favor of bill

- This bill allows for something by the State that is already permitted on a local level.
- Sponsorship are already ubiquitous (bus stops, website advertising)

Rep Malloy: The comparison to public television is over simplistic.

“Do you believe there would be that type of money (six billion) is realistic?”

Answer: Axelman: Perhaps not initially, but six billion is within reach

Ames:

- Is there a danger that you create a dependent relationship between the State and the sponsoring corporation? Could this influence public policy decision making?
 - Axelman: That is a concern. However, currently lobbying, activism and political donations are taking place. Sponsorships would be more transparent than these current donations. Instead of donations going to lobbying, this bill would support new fire trucks (for example) or other ways to help towns.

Almy:

- Why would a large corporation want to advertise in a small town?
 - Maybe they would, maybe they would not.
 - Local businesses may want to advertise.

NH House Committee on Ways and Means
Public Hearing on: HB 1189

Date: January 11, 2022
LOB Room: 202-204
Time Public Hearing Called to Order: 9:10 AM
Time Public Hearing Adjourned: 9:40 AM

Permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.

SPONSORS: Rep. Soti, Rock. 7; Rep. Yakubovich, Merr. 24; Rep. Warden, Hills. 15

Committee Members: Reps. Major, Abrami, Bershtein, M. Griffin, Ulery, Doucette, Elliott, Janigian, Nunez, Lang, Spilsbury, Tudor, Almy, Ames, Southworth, Malloy, Schamberg, Tucker, Gomarolo, Loughman, Gourgue, Hakken-Phillips and Murphy

Doucette:

- What if an objectionable sponsor is willing to sponsor something?
 - It's up to the executive of each jurisdiction to make the decision to allow sponsorship.

Ulery:

- Does this bill create a legalized quid pro quo?
 - Axelman: Maybe. But the savings to taxpayers may be worth it.

Gomarolo:

- I see nothing about advertising in the bill. What's up with the advertising?
"Acknowledgment of the donation" is sort of a synonym for advertising.

Abrami:

- See line 16 of the bill. What if we deleted this line from the bill?

IV. The receipt of a donation under paragraph I shall be noted in the annual report of the municipality, and the name of the donor shall be listed by the governing body on the municipality's website. The governing body may approve suitable recognition of donations as they see fit.
- Axelman: This bill is transactional and deleting that line would inhibit the ability to find sponsors. Deleting line 16 would severely neuter the bill. Let the local jurisdiction decide what sponsorships are appropriate.

NH House Committee on Ways and Means
Public Hearing on: HB 1189

Date:	January 11, 2022
LOB Room:	202-204
Time Public Hearing Called to Order:	9:10 AM
Time Public Hearing Adjourned:	9:40 AM

Permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.

SPONSORS: Rep. Soti, Rock. 7; Rep. Yakubovich, Merr. 24; Rep. Warden, Hills. 15

Committee Members: Reps. Major, Abrami, Bershtein, M. Griffin, Ulery, Doucette, Elliott, Janigian, Nunez, Lang, Spilsbury, Tudor, Almy, Ames, Southworth, Malloy, Schamberg, Tucker, Gomarfo, Loughman, Gourgue, Hakken-Phillips and Murphy

Russian Chester (citizen), supports the bill.

- This bill allows for transparency.
- Local jurisdictions would vet potential sponsors and would have final say on what is allowed.

Hakken-Phillips:

- What if a foreign entity sponsors voting machines?
 - Chester: Jurisdictions would vet each sponsor and determine the appropriateness.

Katherine Heck, NH Municipal Association:

- Supports the bill
- Submitted written testimony
- Voluntary donations are already occurring throughout NH
- This bill would provide one more tool, other than taxation, to raise revenue.
- We would not object to the removal of line 16.
- No additional resources would be needed to administer this bill.

House Remote Testify

Ways and Means Committee Testify List for Bill HB1189 on 2022-01-11

Support: 4 Oppose: 0 Neutral: 0 Total to Testify: 0

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>Signed Up</u>
Howland, Curtis	Manchester, NH howland@priss.com	A Member of the Public	Myself	Support	No	No	1/10/2022 12:56 PM
Axelman, Elliot	Hooksett, NH alu.axelman@gmail.com	A Member of the Public	Myself	Support	No	No	1/10/2022 11:34 PM
Elliott, John	Manchester, NH tyrel@verizon.net	A Member of the Public	Myself	Support	No	No	1/11/2022 9:32 AM
Melvin, Daniel	Auburn, NH DanMelvin@verizon.net	A Member of the Public	Myself	Support	No	No	1/11/2022 9:57 AM

Archived: Thursday, March 17, 2022 8:56:08 AM
From: Julius Soti
Sent: Monday, January 10, 2022 6:37:42 PM
To: ~House Ways & Means Committee
Cc: Michael Yakubovich; Mark Warden
Subject: HB1189 AN ACT permitting voluntary donations...
Importance: Normal

Dear Committee Members,

As the primary sponsor of HB1189 it was my intention to testify in person, but as chance would have it I've come down with a rather miserable cold, so this written testimony will have to suffice.

This bill looks to enable and encourage voluntary funding from individuals of means or corporations for state and municipal projects and expenses, thereby reducing taxation. These donations, I believe, are tax-deductible from federal income taxes. This, along with "suitable recognition," as seen fit by the governing body, serve as motivating factors for potential donors. Recognition would serve in much the same way as on PBS when they announce, program "Z" was brought to you by "Y" Corporation. Anyone, who donated a large sum of money for a building project, school bus, or fire truck, can have a plaque or sign in recognition of the donation placed on the building or vehicle. The bill also establishes the availability of making donations on the state and municipality websites, thereby serving the same role as a GoFundMe page. I believe this bill has great potential, especially with input from the committee.

Thank you for your consideration,

Rep. Julius F Soti
Windham
603-404-1115



January 10, 2022

Representative Norman Major, Chairman
House Ways and Means Committee
Legislative Office Building, Room 202-204
Concord, NH 03301

Via Electronic Mail Only

Re: HB 1189 relative to voluntary donations to municipalities.

Dear Chairman Major and Committee Members:

I write to express the support of the New Hampshire Municipal Association for HB 1189.

HB 1189 proposes a new financial tool for potential revenue capture for municipalities. It would permit municipalities to accept voluntary donations to fund specific projects or to reduce taxation. Donations would be non-lapsing, and the governing body would have the authority to expend these funds for the allowable purposes contained within the bill.

Many of the allowable projects included in the bill are large in scale and would typically be funded long-term through local taxation. By allowing for voluntary donations for these types of projects, local fundraising efforts could play a key role in the completion of an untold number of community projects that otherwise can't be realized due to the limits of taxation.

We ask the committee to vote to recommend HB 1189 as Ought to Pass.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Katherine Heck', is written over a white background.

Katherine Heck
Government Finance Advisor

Archived: Thursday, March 17, 2022 8:56:09 AM

From: [Billie-Jean Greene](#)

Sent: Sunday, January 9, 2022 3:25:52 PM

To: [~House Ways & Means Committee](#)

Subject: HB1189

Importance: Normal

I support this bill.

Thanks so much!
Billie-Jean Greene
Greenfield

Archived: Thursday, March 17, 2022 8:56:07 AM

From: [kate balani](#)

Sent: Tuesday, January 11, 2022 6:52:20 AM

To: ~House Ways & Means Committee

Cc: johnaleavitt@outlook.com; seboyd2020@gmail.com; Thomas Walsh

Subject: Please support HB1189

Importance: Normal

Dear Representatives,

My family and I would like you to please support HB1189. This wonderful bill would offset taxation by allowing the government to raise money voluntarily.

Thank you very much!

HB 1189 - AS INTRODUCED

2022 SESSION

22-2398

10/04

HOUSE BILL **1189**

AN ACT permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.

SPONSORS: Rep. Soti, Rock. 7; Rep. Yakubovich, Merr. 24; Rep. Warden, Hills. 15

COMMITTEE: Ways and Means

ANALYSIS

This bill allows a municipality or the state to establish a voluntary donations fund to be expended for certain local or state projects or to reduce amount raised through taxation.

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 Two

AN ACT permitting voluntary donations to municipalities or the state to fund certain projects or to reduce taxation.

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

1 1 New Section; Voluntary Donations Trust Fund. Amend RSA 32 by inserting after section 13
2 the following new section:

3 32:13-a Voluntary Donations Trust Fund.

4 I. The governing body of a municipality may establish a voluntary donations trust fund for
5 which they may accept and credit voluntary donations of money to be used to:

- 6 (a) Reduce the amounts raised through property taxation;
- 7 (b) Fund new or existing municipal road, bridge, or building construction projects;
- 8 (c) Maintain parks; or
- 9 (d) Make other authorized expenditures, including election audit costs.

10 II. Any moneys credited to the trust fund shall not lapse but shall be available for
11 expenditure by the governing body in its annual budget.

12 III. Any municipality establishing a voluntary donations trust fund shall make the
13 availability of donating to the fund prominently displayed on the municipality's website.

14 IV. The receipt of a donation under paragraph I shall be noted in the annual report of the
15 municipality, and the name of the donor shall be listed by the governing body on the municipality's
16 website. The governing body may approve suitable recognition of donations as they see fit.

17 2 New Section; Voluntary Donations to the State. Amend RSA 4 by inserting after section 8-a
18 the following new section:

19 4:8-b Voluntary Donations to the State.

20 I. The governor may by executive order authorize the department of administrative services
21 to accept for the state, gifts of money which are donated for any of the following purposes:

- 22 (a) Offsetting amounts raised through taxation;
- 23 (b) Funding new or existing state road, bridge, or building construction projects;
- 24 (c) Maintenance of state parks; or
- 25 (d) Other authorized expenditures, including election audit or recount costs.

26 II. The department of administrative services shall keep a permanent inventory or record of
27 such donations.

28 III. Any moneys received pursuant to this section shall not lapse but shall be available for
29 expenditure and appropriated in the biennial state operating budget.

HB 1189 - AS INTRODUCED

- Page 2 -

1 IV. The availability of making voluntary donations of money to the state shall be
2 prominently displayed on the state's website. The name of the donor of a donation under paragraph
3 I shall be noted on the state's website. In addition, the governor may provide for suitable recognition
4 of donations.

5 3 Effective Date. This act shall take effect 60 days after its passage.