



City of Keene  
*New Hampshire*

**PLANNING, LICENSES AND  
DEVELOPMENT COMMITTEE  
AGENDA  
Council Chambers A  
August 29, 2018  
7:00 PM**

David C. Richards  
Philip M. Jones  
George S. Hansel  
Bartlomiej K. Sapeta  
Margaret M. Rice

- 
1. Daron Friedman - Request to Acquire Property - Washington Street
  2. 79-E Community Revitalization Tax Relief Incentive District Expansion - Economic Development, Initiatives & Special Projects
  3. NHMA Legislative Policies - City Manager

Non Public Session  
Adjournment



City of Keene, N.H.  
*Transmittal Form*

July 31, 2018

**TO:** Mayor and Keene City Council

**FROM:** Daron Friedman

**THROUGH:** Patricia A. Little, City Clerk

**ITEM:** 1.

**SUBJECT:** Daron Friedman - Request to Acquire Property - Washington Street

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**COUNCIL ACTION:**

In City Council August 2, 2018.

Referred to the Planning, Licenses and Development Committee.

**ATTACHMENTS:**

Description

Communication - Friedman

Council Policy: Relating to the Sale of City Owned Real Property

**BACKGROUND:**

Mr. Friedman is requesting the ability to acquire the rear portion of property located at 527 and 529 Washington Street that was acquired by the City through a tax lien.

Daron Friedman  
2 W Diane Dr.  
Keene, NH 03431

City of Keene  
Mayor's office  
3 Washington St  
Keene, NH 03431

Keene, July 25, 2018

Dear Honorable Mayor and City Council,

I presently own 527 and 529 Washington Street in Keene, NH. After meetng with Rhett Lamb and Andy Bohannon (both city of Keene employees,) I would ike to acquire a part of land that abutts to the rear of both properties.

Presently the land is part of a city park, but my acquisition would in no way interfere with the use of the park.

It is my understanding that the land was acquired by the City of Keene through a tax lien.

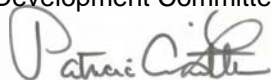
Thank you for con sideration,



Daron Friedman

603.462-0268

In City Council August 2, 2018.  
Referred to the Planning, Licenses  
and Development Committee.



Patricia Castle  
City Clerk



# CITY OF KEENE

R-2010-31

In the Year of Our Lord Two Thousand and ..... Ten .....

A RESOLUTION ..... RELATING TO THE SALE OF CITY-OWNED REAL PROPERTY .....

*Resolved by the City Council of the City of Keene, as follows:*

Resolution R-96-29-A is hereby repealed and the following policy with respect to surplus City-owned real property shall be as follows in the absence of mitigating circumstances and specific Council authorization.

1. No later than thirty (30) days following the acquisition of surplus real property and in no event more than thirty (30) days after a determination by Council that real property owned by the City is surplus real property, the City Manager shall:
  - a. Determine the market value of the surplus real property; and
  - b. In the case of recently acquired real property, determine whether continued ownership by the City is in the best interests of the City; and
  - c. In light of the value and location of the real property and giving effect to any special characteristics, determine the most suitable means to dispose of the real property; and
  - d. Prepare a report to the Finance, Organization and Personnel Committee of the Keene City Council, making recommendations regarding disposition of the real property.
  
2. Upon completion of the City Manager's report containing the information and recommendations referred to in paragraph 1, the matter shall be placed on the agenda of the Finance, Organization and Personnel Committee, which shall:
  - a. Adopt, amend or reject, in whole or in part, the content of the City Manager's report; and
  - b. Deliberate and forward to the Keene City Council its recommendation with respect to the disposition of said real property.

PASSED August 5, 2010

A true copy; attest

City Clerk

3. In formulating its recommendation to the Keene City Council, the Finance, Organization and Personnel Committee shall be guided by the following overriding principals:
- a. Except in unusual circumstances directly resulting from characteristics of the surplus real property in question, all City of Keene surplus real property shall be disposed of by open competitive public bid.
  - b. No Councilor, employee or other official, shall purchase surplus real property from the City other than by open, competitive public bid. The provisions of Section 26 of the Keene City Charter, and Section 2-116 (Dealings with City) of the Administrative Code of the City of Keene shall be observed by any Councilors, employees or public officials submitting bids. In addition to the sanctions imposed by the Keene City Charter and the Administrative Code of the City of Keene, any bid submitted in violation of any of said provisions shall be rejected.
  - c. In the event that no bids are received with respect to a particular parcel of surplus real property, the manner of its disposition shall be determined by the Keene City Council, given the nature, special circumstances, limiting conditions and/or unique characteristics thereof.

  
Philip Dale Pregent, Mayor



City of Keene, N.H.  
*Transmittal Form*

August 17, 2018

**TO:** Planning, Licenses and Development Committee

**FROM:** M.K. Kopczynski, Director-Economic Development, Initiatives & Special Projects

**THROUGH:** Elizabeth A. Dragon, City Manager

**ITEM:** 2.

**SUBJECT:** 79-E Community Revitalization Tax Relief Incentive District Expansion - Economic Development, Initiatives & Special Projects

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**RECOMMENDATION:**

The Planning, Licenses and Development Committee recommends that City Council authorize City staff to draft a Resolution to expand the existing NH RSA 79-E district.

**ATTACHMENTS:**

Description

Proposed 79E Boundary

Proposed 79E Boundary with Zoning Districts Displayed

**BACKGROUND:**

Staff has had several recent conversations with property owners in the Central Business District where they have expressed a desire to utilize 79E property tax incentives. The existing 79E district adopted in December 2017, is limited to the area along the Marlboro Street corridor within the "Business Growth and Redevelopment" and the "Neighborhood Business" Zoning districts. An expansion of the area covered by RSA 79E could provide an economic incentive to renovate some underutilized buildings within the downtown Main Street corridor and further our economic development and expansion goals.

The attached map shows an expansion to support economic development in the downtown. To be eligible for 79E, the proposed project must meet public benefit criteria to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in town residential uses that contribute to economic and social vitality. In addition, RSA 79E states that it is a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B. The expanded area shown on the map is consistent with a logical definition of downtown Keene and when combined with the existing 79E district, which currently covers the Marlboro Street corridor, creates a defined downtown ready for redevelopment. The renovation and restoration of historic structures is a clear goal of 79E.




In addition to the Central Business District; parts of the Central Business Limited District, a small portion of the Residential Preservation District on both sides of Grove Street is included, which is the only residential area that logically fits a downtown definition; bridging the existing and proposed 79 E districts. Any

application in this district for 79E benefits must meet goals, and specific criteria, of returning or maintaining owner-occupied, home ownership and increased energy sustainability in conformance with the City's adopted greenhouse gas reduction goals. Examples of the types of improvements expected would include building envelope improvements (windows/doors/infiltration), roofs with insulation, solar energy production, insulation and upgraded energy efficient heating and cooling systems.

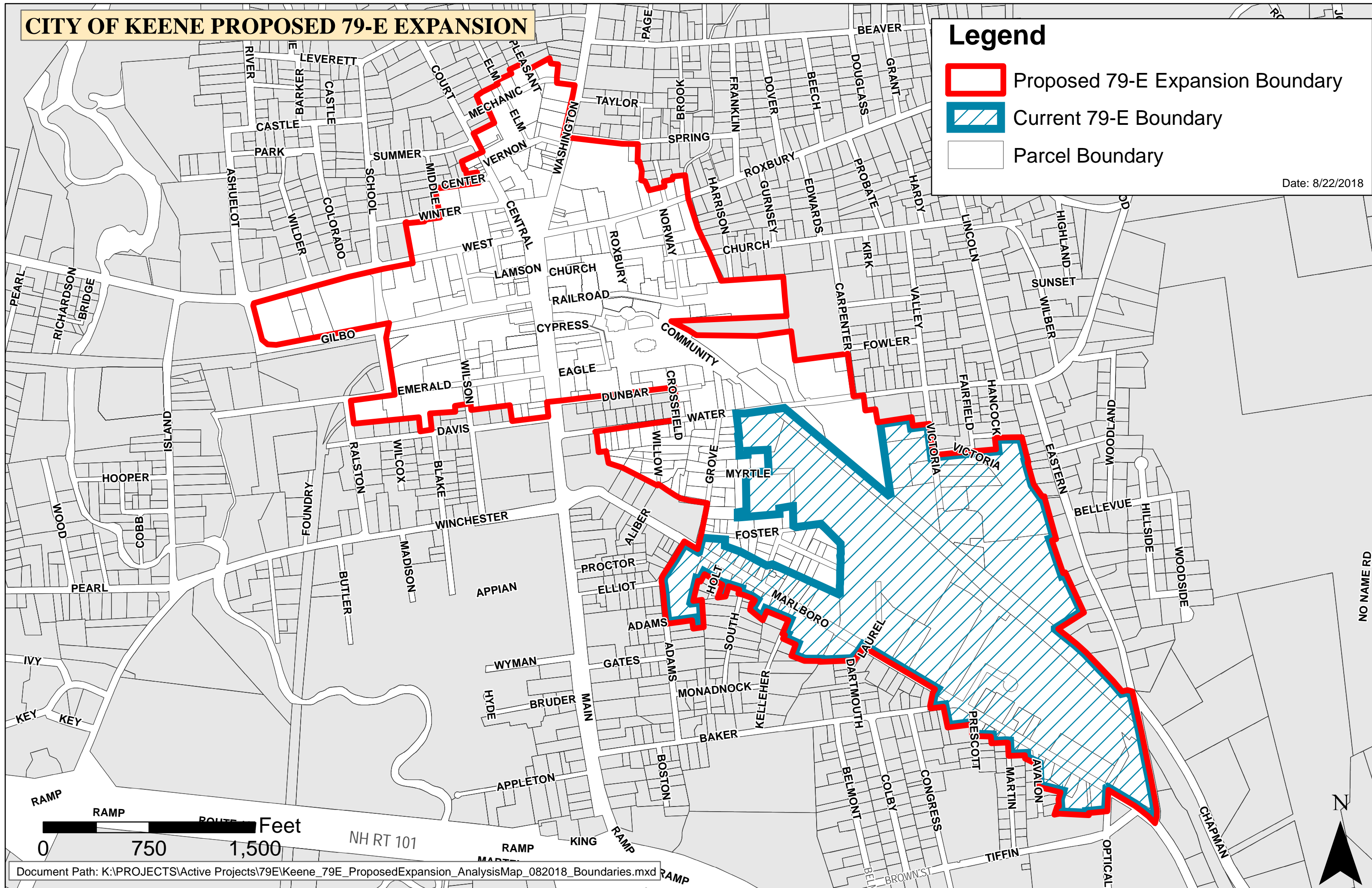


# CITY OF KEENE PROPOSED 79-E EXPANSION

## Legend

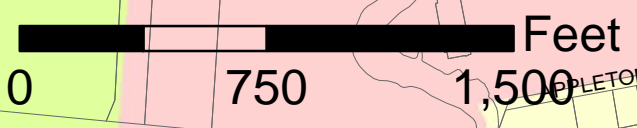
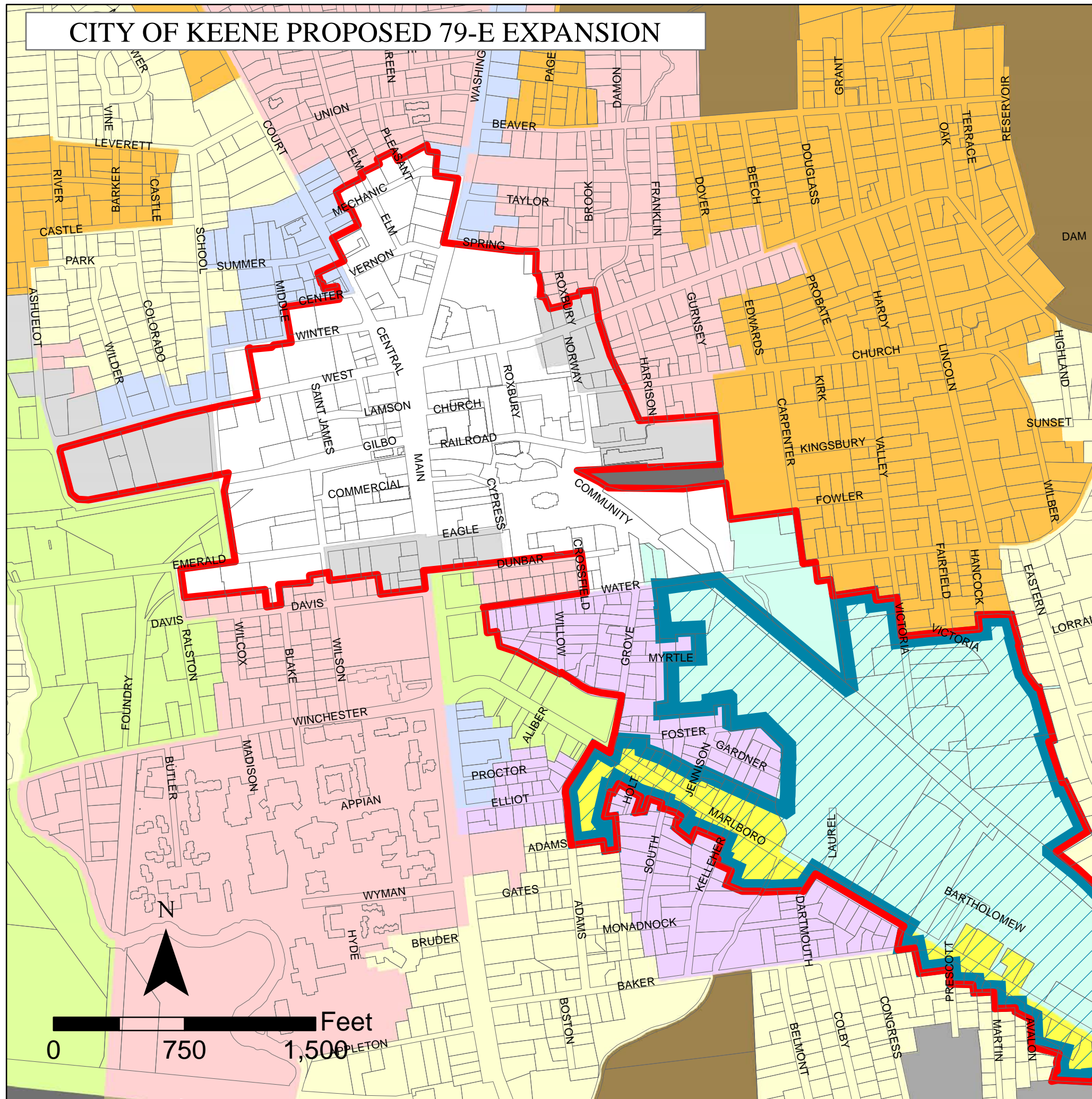
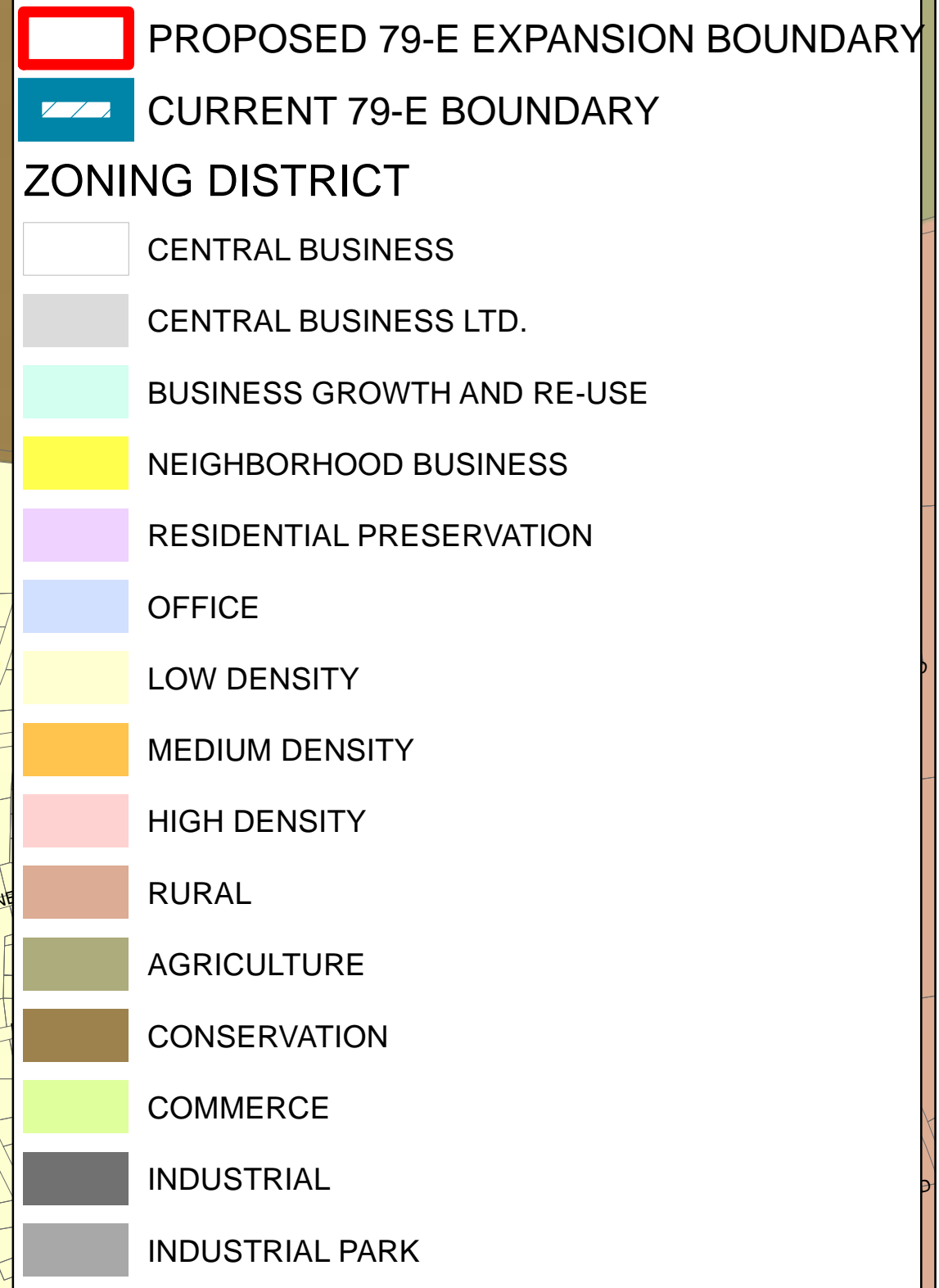
-  Proposed 79-E Expansion Boundary
-  Current 79-E Boundary
-  Parcel Boundary

Date: 8/22/2018





# CITY OF KEENE PROPOSED 79-E EXPANSION



CHAPMAN



City of Keene, N.H.  
*Transmittal Form*

August 27, 2018

**TO:** Planning, Licenses and Development Committee

**FROM:** Elizabeth A. Dragon, City Manager

**ITEM:** 3.

**SUBJECT:** NHMA Legislative Policies - City Manager

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**RECOMMENDATION:**

Move that the Planning, Licenses and Development Committee accept the memorandum from the City Manager on the 2019-2020 NHMA Legislative Policies as informational.

**ATTACHMENTS:**

Description

NHMA Legislative Policies

Floor Proposals

Override of SB 446 and SB 365

Draft letter from NH Mayors

**BACKGROUND:**

The NHMA will be voting on its 2019-2020 legislative policies at their Legislative Policy Conference on Friday, September 14th.

The policy recommendations reflect three focus areas: General Administrative and Governance, Finance and Revenue, and Infrastructure, Development and Land Use. In each category there are three types of policies: Action Policy Recommendations, which, if adopted, would be drafted by staff for introduction in the 2019-2020 legislature session, Priority Policy Recommendations, which may be developed into legislation depending on staff resources and other factors and Standing Policy Recommendations, which give guidance to NHMA staff if legislation is submitted by others.

These policies resulted from efforts by local officials who served on the legislative policy committees in the spring of 2018. Each municipality's voting delegate will be asked to vote on the policy recommendations. Beth Fox, who is a member of the Board of Directors of NHMA will be the City's voting delegate.

In addition, to the final legislative policies there are several floor proposals which were submitted outside of the legislative committees. The floor proposals will also be up for adoption at the conference.

On a related matter, the General Court is expected to convene on September 13 to consider overriding the governor's vetoes on several bills. Two of the bills are important to municipalities. SB 446, which would increase the maximum allowable capacity for net-metered renewable energy projects from one megawatt to five megawatts and SB 365, which would require electric distribution companies to buy energy from six eligible

biomass facilities and one waste-to-energy facilities, all located in New Hampshire.

**New Hampshire Municipal Association  
Legislative Policy Process 2019-20**

**Final Policy Recommendations for Legislative Policy Conference  
September 14, 2018**

**General Administration and Governance**

**Action Policy Recommendations**

**1. Funding for the Police Standards and Training Council**

**To see if NHMA will SUPPORT** the continued operation of the New Hampshire Police Academy and the high-quality uniform training it provides for all law enforcement officers in the state, including municipal police officers, which aids in the delivery of quality policing services and interagency cooperation to the benefit of all citizens. As part of this, **to see if NHMA will SUPPORT** continued funding at the state level for the Police Academy and the Police Standards and Training Council. Local law enforcement agencies produce considerable funds through fines and penalty assessment monies which accrue to the State and are used for State purposes. Further, **to see if NHMA will OPPOSE** any increase in municipal costs for police officers to participate in the training, recognizing that municipalities now pay salary, benefits, and all employment-related costs for trainees while at the Academy, as well as providing staff and instructors at no cost to the Academy. **Existing policy, revised by the committee.**

**2. Absentee Voting Expansion**

**To see if NHMA will SUPPORT** allowing absentee voting without requiring a reason.

**Explanation:** At present, 27 states plus the District of Columbia permit absentee voting without requiring an excuse. Maine and Vermont are among the 27. Why not New Hampshire? People are kept from the polls because they are reluctant to say they are “disabled” (especially when they are just elderly) or otherwise find it difficult to vote in person. Voting should not require having to struggle with one’s conscience over whether they fit into one of the state-approved “legitimate” reasons for an absentee ballot. **Submitted by Gail Cromwell, Co-chair, Temple Select Board.**

**3. Electronic Poll Books**

**To see if NHMA will SUPPORT** legislation that would enable the use of electronic poll-books for municipalities, with funding coming from the HAVA funds made available to the New Hampshire Secretary of State by the United States Election Assistance Commission specifically for the purpose of improvement to the administration of federal elections in the state, as well as supporting legislative changes to statutes to make the use permissible under state laws. **Existing policy.**

## Priority Policy Recommendations

### 4. Building Plans Under RSA Chapter 91-A

To see if NHMA will SUPPORT an amendment to RSA 91-A:5, IV to specifically add building plans/construction drawings contained within a building permit file and/or building plans/construction drawings submitted as part of a building permit application as an exempt record under the statute. **Existing policy.**

### 5. Municipal Regulation of Firearms

To see if NHMA will SUPPORT legislation that would allow for limited local authority regarding possession and use of firearms on municipal property.

- Legislation that would allow municipalities to regulate or limit the use of firearms on municipal property.
- Legislation that would allow municipalities to regulate the carrying of firearms by employees while they are performing the functions of their office or employment.

**Explanation:** Local governing bodies are best positioned to determine the most appropriate use of municipal land and the actions of their employees. **Submitted by Joan Dargie, Town Clerk, Milford, and revised by the committee.**

### 6. Welfare Lien Priority

To see if NHMA will SUPPORT legislation to give liens for local welfare payments arising under RSA 165:28 a higher priority position, so that those liens fall immediately after the lien for the first mortgage. **Existing policy.**

### 7. Municipal Departments and MV Information

To see if NHMA will SUPPORT legislation to make it clear that municipalities may obtain information about motor vehicles registered to an individual for all governmental purposes such as verifying asset levels when the individual is applying for general assistance or asset-based tax relief and in order to determine the ownership of vehicles for official purposes. **Existing policy.**

## Standing Policy Recommendations

### 8. SB 2 Adoption Process

To see if NHMA will SUPPORT amending RSA 40:14, III, regarding adoption of the official ballot referendum (SB 2) form of town meeting, to provide that the question shall be voted on by ballot at the annual meeting, but shall not be placed on the official ballot.

**Explanation:** Adoption of the official ballot referendum form of town meeting is a fundamental change in a town's governance. It is an action that should be undertaken only after thorough discussion and debate, with an opportunity for the legislative body to be fully informed. Current law requires that the question be placed on the official ballot, so that it is voted on in the voting booth on election day, with no opportunity for discussion or debate. The statement of the question is simply, "Shall we adopt the provisions of RSA 40:13 (known as SB 2) to allow official ballot voting on all issues before the town on the second Tuesday of March?" This provides almost no information about how the SB 2 form of meeting works.

Although the current law does require a public hearing on the question between 15 and 30 days before town meeting, those hearings are poorly attended, so the overwhelming majority of those voting on the question will have heard little or no discussion, and many of them will have a very poor understanding of the issue. Other matters of profound importance to town governance—such as establishing a budget committee and adoption of a tax cap—are voted on at the business session, rather than by official ballot. Adoption of SB 2 is an even more serious step and should be subject to at least a similar level of consideration. Discussion and debate at the business session will help to ensure that voters understand the issues better before voting on the question. **Submitted by Jim Belanger, Moderator, Hollis, and Frank Sterling, Selectman, Jaffrey.**

#### **9. Allowing Towns to Adopt Ordinances Under City Statutes**

**To see if NHMA will SUPPORT** legislation giving towns the same authority to adopt ordinances that cities have under RSA 47:17.

**Explanation:** State law (RSA 44:2, 47:1) gives cities all of the authority that towns have, but there is no reciprocal statute giving towns the authority that cities have. City councils have broad authority to adopt ordinances under RSA 47:17. Town ordinance authority is governed primarily by RSA 31:39, which grants more limited authority. There seems to be no logical reason for cities to have broader ordinance authority than towns. When towns want to exercise authority that cities already have, it is necessary to amend RSA 31:39 or add a new section in RSA 39. This policy would avoid that necessity and eliminate illogical distinctions between municipal ordinances, which are especially troublesome when a town is unable to adopt the same ordinance that the city next door has adopted. This would not eliminate all distinctions between cities and towns—just the difference between their respective ordinance powers. **Submitted by Tom Irving, Planning Director, Conway.**

#### **10. Public Area "No Smoking" Local Option**

**To see if NHMA will SUPPORT** legislation to authorize the designation of "No Smoking" zones in public areas by local option.

**Explanation:** Municipalities are charged with the responsibility for provision of the services and to ensure safe secure access to those services. Currently, some services may not be as accessible as they should due to the presence of smoke. There are also the associated costs in keeping areas litter free. The legislation would allow municipalities to define No Smoking zones in a way that meets the community's needs and would include the ability to implement them for health purposes.

Currently New Hampshire permits municipalities to enact ordinances for fire safety and sanitation purposes, but not health purposes, and New Hampshire's state smoking law preempts local



governments from doing so. Access to services is obstructed by the presence of smokers and their associated litter, and that litter might constitute a sanitation issue. The presence of smoke where non-smokers need to pass is objectionable and not supportive of a community's healthy community goal. Each community would have the opportunity for itself to enact local legislation on this issue. **Submitted by Andrew Bohanan, Parks, Recreation, and Facilities Director, and Nancy Vincent, Library Director, Keene.**

#### **11. Public Notice Requirements**

**To see if NHMA will SUPPORT** legislation to amend all public notice requirements to allow the choice of electronic notification and/or newspaper print, as well as posting in public places, for official public legal notification. **Existing policy.**

#### **12. Appointment of Town Clerks or Town Clerk/Tax Collectors**

**Legislative Body:** To see if NHMA will **SUPPORT** legislation to allow the legislative body to authorize the governing body to appoint town clerks and town clerk/tax collectors.

**Charter Towns:** To see if NHMA will **SUPPORT** legislation allowing towns that have adopted a charter under RSA chapter 49-D to determine how the town will choose its town clerk.

**Existing policy, revised by the committee.**

#### **13. Consolidated Policy on Collective Bargaining Items**

**Evergreen Clause:** To see if NHMA will **OPPOSE** legislation to enact a mandatory so-called "evergreen clause" for public employee collective bargaining agreements.

**Binding Arbitration:** To see if NHMA will **OPPOSE** mandatory binding arbitration as a mechanism to resolve impasses in municipal employee collective bargaining.

**Right to Strike:** To see if NHMA will **OPPOSE** a right to strike for public employees.

**Mandated Employee Benefits:** To see if NHMA will **OPPOSE** any proposals to mandate employee benefits, including any proposal to enhance retirement system benefits that may increase employer costs in future years, for current or future employees.

**Contracted Services:** To see if NHMA will **SUPPORT** legislation to give public employers greater flexibility to privatize or use contracted services.

**Existing policy, revised by the committee.**

#### **14. Maintenance and Policing of State-Owned Property**

**To see if NHMA will SUPPORT** legislation requiring the State to maintain and adequately support operations on state properties so those properties do not place undue burdens on the host municipalities. This would include legislation



- to enable municipalities to recover expenses of providing municipal services on state-owned property, such as policing relative to illegal activities and allowing municipalities to receive reimbursement/compensation from individuals engaged in the illegal activity; and
- to require the state to adequately maintain its property, including the removal/remediation of abandoned, deficient, hazardous, or blighted structures/facilities.

**Existing policy, revised by the committee.**

#### **15. Independent Redistricting Commission**

**To see if NHMA will SUPPORT** the establishment of an independent redistricting commission for the appointment of representative, senatorial, executive council, and congressional districts. **Existing policy.**

## **Finance and Revenue**

### **Action Policy Recommendations**

#### **1. Use of RSA 83-F Utility Values**

**To see if NHMA will:**

- a) **SUPPORT** legislation that clarifies, under RSA 83-F, that no determination of utility value by the Department of Revenue Administration can be used in any way by the utility taxpayer in any application for abatement of tax under RSA 76:16 or any appeal thereof under RSA 76:16-a or RSA 76:17;
- b) **OPPOSE** any mandate that calls for the exclusive use of the unit method of valuation in the appraisal of utility property, by either administrative or legislative action; and
- c) **SUPPORT** the continuing right of municipalities to use any method of appraisal upheld by the courts.

**Revised by the committee to combine two existing policies.**

#### **2. New Hampshire Retirement System (NHRS)**

**To see if NHMA will SUPPORT** the continuing existence of a retirement system for state and local government employees that is strong, secure, solvent, fiscally healthy, and sustainable, that both employees and employers can rely on to provide retirement benefits for the foreseeable future. Further, **to see if NHMA will SUPPORT** continuing to work with legislators, employees, and the NHRS to accomplish these goals.

To that end, to see if NHMA will:

- a) **SUPPORT** legislation that will strengthen the health and solvency of the NHRS, ensure the long-term financial sustainability of the retirement system for public employers, and consider options and alternatives that provide reasonable changes in contribution rates;
- b) **OPPOSE** any legislation that: 1) expands benefits and would result in increases to municipal employer costs; 2) assesses additional charges beyond NHRS board-approved rate changes on employers; or 3) expands the eligibility of NHRS membership to positions not currently covered;
- c) **SUPPORT** the restoration of the state's 35% share of employer costs for police, teachers, and firefighters in the current defined benefit plan and any successor plan;
- d) **SUPPORT** the inclusion of municipal participation on any legislative study committee or commission formed to research alternative retirement system designs and the performance of a complete financial analysis of any alternative plan proposal in order to determine the full impact on employers and employees; and
- e) **OPPOSE** any action to further restrict municipalities' ability to employ NHRS retirees in part-time positions, either through hours restrictions or through imposition of new fees/costs.

**Existing policy, revised by the committee.**

### **3. Expansion of Local Authority to Institute Fees**

**To see if NHMA will SUPPORT** legislation that allows a municipality to exercise local control of non-property tax revenue streams with local legislative body approval to meet demands for services and/or infrastructure. Examples of such legislation may include such actions as: (a) allowing a municipal to adopt an additional surcharge under the meals and rooms tax on hotel occupancy within the municipality; and (b) allowing a municipality to increase the maximum optional fee for transportation improvements when collecting motor vehicle registration fees. **Existing policy, revised by the committee (existing policy supports a local option meals and rooms tax surcharge).**

## **Priority Policy Recommendations**

### **4. Enforcement of Motor Vehicle Registration Laws**

**To see if NHMA will SUPPORT** amending motor vehicle registration laws to strengthen the enforcement of those laws (through stepping up law enforcement and increasing penalties, including fines) to ensure collection of all state and local registration fees owed by New Hampshire residents.

**Explanation:** Municipalities are realizing a significant and growing annual revenue loss of motor vehicle permit fees and other fees, due to NH residents registering their automobiles, trucks and all other types of trailers through non-government agents in the State of Maine. Currently, RSA 261:140

only requires a \$100 fine for these violations, an insignificant amount when compared to the much greater savings a resident realizes when obtaining low-cost “multi-year” registrations (up to a 12-year period) through the State of Maine. Municipalities all over the state are vulnerable to online registrations. Businesses with fleets are specifically targeted. **Submitted by Portsmouth City Council.**

#### **5. Lien for Uncollected Ambulance/EMS Billings**

**To see if NHMA will SUPPORT** legislation to ensure the collection of unpaid bills for ambulance and other emergency services.

**Explanation:** Municipal EMS, unlike hospitals and home health care providers, have no remedy available for the collection of unpaid billing for ambulance service except through a collection agency (@33% fee) or small claims court. These mechanisms do not guarantee the municipality will be made whole and can be punitive to the responsible party when they can least tolerate it. Ambulance service has evolved dramatically from simply transporting individuals to the hospital. Today, early medical intervention significantly increases a patient’s survival probability; therefore municipal EMS is expected to provide costly basic and advanced life support before and during transport. Currently when faced with an unpaid ambulance billing, municipalities have to choose between sending the bill to collections, small claims court, or writing off the bill. Collections or small claims potentially exposes the responsible party to a burden at an inopportune time. To write off the debt unfairly places the financial burden on the taxpayers of the responding municipality. **Submitted by: Barbara Lucas, Town Administrator, and Neil Irvine, Selectman, Town of New Hampton.**

#### **6. Ownership Name Changes**

**To see if NHMA will SUPPORT** legislation requiring entities to file name changes and ownership changes at the registry of deeds to ensure that property taxes are assessed to the proper owner.

**Explanation:** Presently, name changes and property acquisitions by stockholders are not filed at the registry of deeds. Municipalities don’t know if ownership has changed, resulting in bills and other notices going to improper property owners. **Submitted by: Kathryn Temchack, Director of Real Estate Assessments, City of Concord**

#### **7. Collection of Delinquent Taxes on Manufactured Housing**

**To see if NHMA will SUPPORT** legislation to create a study commission to address municipal concerns regarding delinquent property taxes and/or municipal utility fees on manufactured housing on land of another. Such commission to include appropriate interested stakeholders. **Existing policy.**

#### **8. Tax Exemptions for Charitable Organizations**

**To see if NHMA will SUPPORT** creating a commission to study reimbursement through payments in lieu of taxes (PILOTs) for municipal services provided to exempt charitable properties, including charitable non-profit housing projects under RSA 72:23-k, and **SUPPORT** reimbursement from the state for the costs of municipal services provided to state-owned properties. **Revised by the committee to combine two existing policies.**

## **9. Clarification of Elderly Exemption, Prorating Disabled, Deaf and Blind Exemptions**

**To see if NHMA will SUPPORT**

- a) Changes in RSA 72:39-a, 72:29, and 72:39-b to define “household income” for elderly exemption qualification consistent with the definition of “household income” used by the state in qualifying residents for the Low & Moderate-Income Homeowners Property Tax Relief Program under RSA 198:56-57 and Rev 1200; and
- b) Legislation prorating the disabled, deaf and blind exemptions under RSA 72:37, 37-b, and 38-b when a person entitled to the exemption owns a fractional interest in the residence, in the same manner as is allowed for the elderly exemption under RSA 72:41.

**Revised by the committee to combine two existing policies.**

### **Standing Policy Recommendations**

#### **10. Assessment Methodology for Big Box Stores**

**To see if NHMA will SUPPORT** legislation clarifying the assessment methodology for big box stores if used and occupied for the purpose for which they were built. This methodology would not employ comparisons to “dark store” properties abandoned or encumbered with deed restrictions on subsequent use.

**Explanation:** Large box stores such as Walmart, Lowe’s, Home Depot, Target, etc. have been successful in other states in obtaining large assessment reductions by using comparable sales or rentals of abandoned or deed-restricted properties. **Submitted by: Kathryn Temchack, Director of Real Estate Assessments, City of Concord.**

#### **11. Income Approach on Appeal**

**To see if NHMA will SUPPORT** legislation that prohibits the use of the income approach by a taxpayer in any appeal of value if the taxpayer, after request by the municipality, has not submitted the requested information. **Existing policy.**

#### **12. Charitable Definition and Mandated Property Tax Exemptions**

**To see if NHMA will OPPOSE** legislation that expands the definition of “charitable” in RSA 72:23-1, unless the state reimburses municipalities for the loss of revenue. **Existing policy.**

#### **13. Sale of Tax Deeded Property**

**To see if NHMA will SUPPORT** amending RSA 80:89 to require proof that the municipality *sent* the required notice of impending tax deed rather than proof that the taxpayer actually *received* the notice. **Existing policy.**

#### **14. State Revenue Structure and State Education Funding**

To see if NHMA will **SUPPORT** asking the state to use the following principles when addressing the state's revenue structure in response to its responsibility to fund an adequate education:

- That revenues are sufficient to meet the state's responsibilities as defined by constitution, statute, and common law;
- That revenue sources are predictable, stable, and sustainable and will meet the long-term needs and financial realities of the state;
- That changes to the revenue structure are least disruptive to the long-term economic health of the state;
- That the revenue structure is efficient in its administration;
- That changes in the revenue structure are fair to people with lower to moderate incomes.

Further, to see if NHMA will **SUPPORT** legislation prohibiting retroactive changes to the distribution formula for adequate education grants after the notice of grant amounts has been given. **Existing policy.**

#### **15. Changes to the Official Ballot Process and Default Budget**

To see if NHMA will **OPPOSE** changes to the official ballot process (SB2) including changes to the calculation of the default budget, unless such changes are a local option presented to the legislative body for approval. **Revised by the committee (existing policy opposed any increase in the 60% bond vote requirement in SB 2 municipalities).**

### **Infrastructure, Development and Land Use**

#### **Action Policy Recommendations**

##### **1. Municipal Use of Structures in the Right-of-Way**

To see if NHMA will **SUPPORT** legislation granting municipalities a designated space to use for any purpose, including leasing to a private entity, upon all poles, conduit, and other structures within the rights-of-way without paying make-ready costs. This includes a requirement that the owners of utility poles and conduit do the necessary work to make that space available. **Existing policy, revised by the committee.**

## **2. Municipal Authority to Adopt More Recent Codes**

To see if NHMA will SUPPORT legislation enabling municipalities at their discretion to adopt more recent editions of national/international building and fire codes than the current state-adopted editions.

**Explanation:** Allowing municipalities to adopt current codes will promote best practices for health, safety, and welfare. **Submitted by Portsmouth City Council.**

## **3. Municipal Cooperation**

To see if NHMA will SUPPORT legislation clarifying that municipalities and other political subdivisions may cooperate to perform together any functions that they may perform individually, including but not limited to providing services, raising revenue, constructing and maintaining infrastructure, and engaging in economic development efforts. **Existing policy.**

# **Priority Policy Recommendations**

## **4. Regulation of Short-Term Rentals**

To see if NHMA will SUPPORT legislation authorizing municipalities to regulate short-term rental of residential properties, including licensing requirements and health and safety protections. This should not be interpreted to limit existing authority to regulate such uses through municipal zoning ordinances and land use regulations.

**Explanation:** Municipalities across the country are increasingly forced to address problems associated with short-term rental of residential housing units, which are typically facilitated through the online platforms of AirBnB, VRBO, Home Away, and others. Problems arise often in single-family residential neighborhoods, in which transient residential occupancy introduces instability and conflict (e.g., noise complaints with no recourse other than to call the police).

Some jurisdictions have already addressed this through legislation, sometimes accompanied by comprehensive agreements with the online platform operators to submit to regulation. A related issue is whether the state is able to collect meals and rooms tax for such temporary uses, which are similar in some regards to B&B operations and hotels/motels. **Submitted by Ben Frost, Planning Board Chairman, Town of Warner.**

## **5. Highway Funding**

To see if NHMA will SUPPORT a state transportation policy that ensures adequate and sustainable funding for state and municipal highways and bridges to promote safe and reliable transportation and corridors and economic development for the citizens of our state and for the travelling public. The policy should include:

- Maintenance of the proportionate share of the state highway fund that is distributed to cities and towns under current law;

- No further diversion of state highway funds for non-highway purposes; and
- Increased funding, which may include the state road toll, highway tolls, local option fees, user assessments, and other revenue sources as necessary.

**Existing policy, revised by the committee.**

#### **6. Water Quality and Infrastructure**

**To see if NHMA will SUPPORT** legislation that ensures adequate and sustainable investment to maintain or make necessary improvements to the state’s critical water infrastructure (public drinking water, wastewater, and stormwater systems, and dams); that works to provide affordable water, wastewater, and stormwater services; that encourages regional and innovative solutions to water, wastewater, and stormwater issues; that supports decisions that rely on science-based standards; that supports local decision making; and that supports economic progress in the state while protecting public health and safety. **Combination of existing policies, revised by the committee.**

#### **7. State Adoption of Building and Fire Codes**

**To see if NHMA will SUPPORT** a policy encouraging the state to: (1) adopt updated editions of national/international building and fire codes; (2) streamline the code adoption process while facilitating examination of changes that benefit the state economy; (3) encourage training opportunities for local code enforcement personnel.

**Explanation:** Multiple versions of codes are confusing for all parties. The state’s adoption of updated codes would simplify municipal decision making in scheduling code ordinance updates. The quality of enforcement varies significantly among municipalities due to different levels of experience and training. Better training would lead to more consistent enforcement. **Submitted by Portsmouth City Council.**

### **Standing Policy Recommendations**

#### **8. Current Use**

**To see if NHMA will OPPOSE** any legislative attempt to undermine the basic goals of the current use program and **OPPOSE** any reduction in the 10-acre minimum size requirement for qualification for current use, beyond those exceptions now allowed by the rules of the Current Use Board. **Existing policy.**

#### **9. Scientific/Technical Standards for Regulatory Legislation**

**To see if NHMA will OPPOSE** regulatory legislation that is not based on relevant scientific and technical standards that are broadly accepted by peer review and feasibly achieved.



**Explanation:** In the past legislative session, bills were filed that attempted to supersede standards set by regulatory agencies without the applicable deliberation and processes associated with creating regulations. **Submitted by Portsmouth City Council.**

**10. Land Use and Environmental Regulation and Preemption**

To see if NHMA will **SUPPORT** legislation that (a) recognizes municipal authority over land use and environmental matters, (b) limits the establishment of comprehensive statutory schemes that supersede local regulation, and (c) recognizes that even when local environmental regulation is preempted, compliance with other local laws, such as zoning and public health ordinances and regulations, is still required. **Existing policy.**

**11. Energy, Renewable Energy and Energy Conservation**

To see if NHMA will **SUPPORT** legislation encouraging state and federal programs that provide incentives and assistance to municipalities to adopt energy use and conservation techniques that will manage energy costs and environmental impacts, promote the use of renewable energy sources, and promote energy conservation, and **OPPOSE** any legislation that overrides local regulation. **Existing policy.**

**12. Oppose Statewide Zoning Mandates**

To see if NHMA will **SUPPORT** a policy recognizing the legislature's authority to establish statewide priorities in zoning and land use regulation, but **OPPOSE** legislation that limits reasonable local control in implementing those priorities, or that unreasonably mandates specific criteria that municipalities must follow. **Existing policy, revised by the committee.**

**13. Conservation Investment**

To see if NHMA will **SUPPORT** permanent funding for the Land and Community Heritage Investment Program and **OPPOSE** any diversion of such funds to other uses. **Existing policy.**

1

New Hampshire Municipal Association  
2019 - 2020 Legislative Policy Process

RECEIVED  
JUL 16 2018  
NHMA

Floor Policy Proposal

Submitted by (name): Hudson Board of Selectmen

Date: July 10, 2018

City or Town: Hudson

Title of Person Submitting Policy:

Selectmen

Floor Policy Proposal approved by vote of the governing body on *July 10, 2018*

To see if NHMA will SUPPORT/OPPOSE:

*To see if NHMA will support legislation to lower the abatement interest rate that municipalities pay from 6% to 4% (RSA 76:17-a) to better align it with the interest rate on delinquent taxes that were recently lowered by the NH Legislature.*

Municipal Interest to be accomplished by proposal:

*To align abatement interest paid by a municipality with the recent lowering of interest rates on delinquent property taxes.*

Explanation:

*Currently, after the timely payment deadline has passed on payment of property taxes, usually 30 days or more of grace time, 12% interest is charged, for a period of six (6) months, and then 18% interest is charged after those six (6) months. The NH Legislature and the Governor have passed into law, a significant decrease in the interest rate that is charged on late property tax bills. As of January 1, 2019, after the timely payment deadline has passed on payment on property taxes, 8% interest is charged, for a period of six (6) months and then 14% interest is charged. This proposal seeks to lower the interest rate on abatements paid by a municipality from 6% to 4% to better align with delinquent property tax interest rates.*



2

**New Hampshire Municipal Association  
2019-2020 Legislative Policy Process**

**RECEIVED**

**JUL 24 2018**

**Floor Policy Proposal**

**NHMA**

Submitted by (name) Jill White Date: July 23, 2018

City or Town Holderness Title of Person Submitting Policy Chair, Select Board

Floor Policy Proposal approved by vote of the governing body on (date) July 23, 2018

Submitted by (name) Brent T. Lemire Date: July 24, 2018

City or Town Litchfield Title of Person Submitting Policy Chair, Select Board

Floor Policy Proposal approved by vote of the governing body on (date) July 23, 2018

Submitted by (name) Rick Hiland Date: July 25, 2018

City or Town Albany Title of Person Submitting Policy Select Board - Chairman

Floor Policy Proposal approved by vote of the governing body on (date) July 25, 2018

Submitted by (name) David W. Swenson Date: July 31, 2018

City or Town New Durham Title of Person Submitting Policy Chair, Select Board

Floor Policy Proposal approved by vote of the governing body on (date) July 31, 2018

To see if NHMA will SUPPORT legislation clarifying that the Town Moderator has authority to postpone the official ballot voting session of town meeting in the event of severe weather or other emergency and establishing clear rules for addressing any practical issues involved in postponing the voting session.

**Municipal interest to be accomplished by proposal:** Preserve local control over elections and enable local officials to take necessary steps to protect public safety.

**Explanation:** RSA 40:4, II states that the moderator may postpone “the deliberative session or voting day of the meeting” in the event of a weather emergency. In 2017 many town moderators, relying on the statute’s language and on advice from their town attorneys and NHMA, postponed the “voting day” of their meetings because of a blizzard on town meeting day. The Governor, the Secretary of State, and some legislators subsequently claimed that this authority did not exist despite RSA 40:4, II language thereby creating confusion. In 2017 these conflicting inputs resulted in a need for legislation to ratify Town Meeting results so that bond counsel could give clean opinions on any bonds approved at postponed meetings. In 2018 when another forecasted severe snowstorm caused many town officials to consider postponing their official ballot voting sessions the Attorney General and the Secretary of State issued a memorandum prior to the predicted severe storm asserting that no such authority existed for Town Moderators to postpone “voting day of the meeting”; they also threatened criminal prosecution against the one Town Moderator who did postpone an official ballot voting session due to the severe weather on “voting day of the Town meeting”.

It is our opinion that to remove the current legislative authority for Town Moderators to postpone “the deliberative session or voting day of the meeting” in the event of a weather or other emergency may cause undue hardship and potential voter suppression issues to many affected voters.

Although to most Town officials the current statute is clear and the law has not changed, many Moderators are now reluctant to consider postponing the election portion of town meeting for fear of punishment by the State. Clarifying legislation is needed to eliminate any doubt and preserve local control over town elections. This proposal is specifically requesting the current statute to remain in place with specific amendments to address any perceived misinterpretation of the current legislation, address non-weather emergencies, establish procedures for dealing with absentee ballots in such cases of postponement, and address postponement by towns that are part of a multi-town school district or village district so that standardized procedures are part of the attended legislation.

**A sheet like this should accompany each proposed floor policy and should record the date of the governing body vote approving the proposal. It should include a brief (one or two sentence) policy statement, a statement about the municipal interest served by the proposal, and an explanation which describes the nature of the problem or concern from a municipal perspective and discusses the proposed action which is being advocated to address the problem. Mail to 25 Triangle Park Drive, Concord, NH 03301; or email to [governmentaffairs@nhmunicipal.org](mailto:governmentaffairs@nhmunicipal.org).  
Must be received by August 10, 2018.**



3

**New Hampshire Municipal Association  
2019-2020 Legislative Policy Process**

**RECEIVED**

**JUL 26 2018**

**NHMA**

**Floor Policy Proposal**

Submitted by (name) Bedford Town Council Date July 18, 2018 City or Town

Town of Bedford Title of Person Submitting Policy Rick Sawyer, Town Manager

Floor Policy Proposal approved by vote of the governing body on (date) July 18, 2018

To see if NHMA will SUPPORT/OPPOSE: legislation that would allow municipalities to be able to regulate the use of outdoor watering on all properties.

**Municipal interest to be accomplished by proposal:**

The proposal would allow municipalities to place outdoor watering restrictions on all properties during drought conditions not just residential properties as currently permitted under RSA 41:11-d.

Explanation: During two of the last three years the State of NH has faced drought conditions and the State Department of Environmental Services has recommended that municipalities ban or limit the outside watering of lawns, car washing, etc. Currently RSA 41:11-d limits the ability to place such a restriction to only residential land. It is very challenging to enforce such a restriction on our residents when the commercial properties they drive by are watering their grass and it significantly reduces the potential replenishment of the aquifer that the restriction could bring. During the last legislative session HB173 came close to providing for this change with the House approving it 249-100, but it ultimately failed in the Senate.

**A sheet like this should accompany each proposed floor policy and should record the date of the governing body vote approving the proposal. It should include a brief (one or two sentence) policy statement, a statement about the municipal interest served by the proposal, and an explanation which describes the nature of the problem or concern from a municipal perspective and discusses the proposed action which is being advocated to address the problem. Mail to 25 Triangle Park Drive, Concord, NH 03301; or email to [governmentaffairs@nhmunicipal.org](mailto:governmentaffairs@nhmunicipal.org). Must be received by August 10, 2018.**



4

RECEIVED  
AUG 9 2018  
NHMA

New Hampshire Municipal Association  
2019-2020 Legislative Policy Process

Floor Policy Proposal

Submitted by (name) Robert Thibault Date August 9, 2018

City or Town Easton Title of Person Submitting Policy Selectman

Floor Policy Proposal approved by vote of the governing body on (date) July 30, 2018

Submitted by (name) Eric Meth Date August 9, 2018

City or Town Franconia Title of Person Submitting Policy Selectman

Floor Policy Proposal approved by vote of the governing body on (date) July 30, 2018

Submitted by (name) Margaret J. Connors Date August 9, 2018

City or Town Sugar Hill Title of Person Submitting Policy Select Board Member

Floor Policy Proposal approved by vote of the governing body on (date) 7/30/2018

To see if NHMA will SUPPORT/OPPOSE:

Support a bill that would clarify that the Site Evaluation Committee does not have jurisdiction over use of municipal roads by merchant utility projects.

Municipal interest to be accomplished by proposal: Maintain local control over municipal roads.

Explanation:

On Page 282 of the Site Evaluation Committee's March 30, 2018 written decision denying Northern Pass a certificate of site and facility the SEC explains why it believes it have the authority to supersede existing state law that gives the authority over control of use of municipal roads by utilities to the governing body of the municipality. Either the SEC has the authority to supersede municipal control over municipal roads or it doesn't. This needs to be made clear for all municipalities and for all future potential applicants to the SEC. While it is clearly stated in RSA 162:H (the authorizing statute for the SEC) that its authority supersedes local land use regulation, there is no reference at all to control over municipal roads. Municipalities are vulnerable to losing control over their own roads if this legal confusion is not cleared up.





# LEGISLATIVE BULLETIN

## VETO DAY IS SEPTEMBER 13<sup>th</sup>

Special Edition — 2018 Session  
August 21, 2018

### Urge Your Legislators to Override the Vetoes of SB 446 and SB 365

Welcome to a rare August edition of the *Legislative Bulletin*! We don't expect to make a habit of this, but there are two important votes coming up in the legislature in about three weeks. We apologize for the length—this is complicated stuff.

On **September 13**, the legislature will convene to consider overriding the governor's vetoes on several bills. Two of those bills are **SB 446** and **SB 365**. *NHMA supports both bills and urges legislators to override the governor's vetoes on both.*

- **SB 446** is an **NHMA policy bill** that would increase the maximum allowable capacity for net-metered renewable energy projects to five megawatts (from one megawatt).
- **SB 365** would require electric distribution companies (Eversource, Unitil) to buy energy from six eligible biomass facilities and one waste-to-energy facilities, all located in New Hampshire.

Both bills were approved overwhelmingly by both the House and the Senate, and both are important for municipalities and their taxpayers.

*It is critical that the governor's vetoes be overridden so that these laws can take effect.* An override requires a two-thirds vote in each chamber. Based on the original vote tallies, we have a very good chance of overriding both vetoes, but every vote will count.

*Please contact your senators and (especially) your representatives and urge them to vote "**YES**" to override both vetoes.* (The question put to each chamber will be, "Notwithstanding the governor's veto, shall SB \_\_\_\_ become law?" so the correct vote is "YES.") *Turnout will be very important, so make sure not only that your legislators are on the right side, but that they plan to show up on September 13!*

#### GOVERNMENT AFFAIRS CONTACT INFORMATION

**Judy A. Silva**, Executive Director

**Cordell A. Johnston**, Government  
Affairs Counsel

**Barbara T. Reid**, Government  
Finance Advisor

**Timothy W. Fortier**, Communica-  
tions & Member Services Coordina-  
tor



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Website: [www.nhmunicipal.org](http://www.nhmunicipal.org)

Here is some more information about both bills.

## SB 446—Net Metering Cap

With the increased cap under **SB 446**, larger renewable energy projects that many municipalities are pursuing would be compensated fairly and thus would be economically viable, leading to reduced energy costs, reduced taxpayer costs, and reduced consumption of out-of-state fuels. Several municipalities already operate their own net-metered facilities (of one megawatt or less) or have contracted with companies to place net metered facilities on municipal property. Many others have reduced their electricity costs by participating in group net metering, in which a group of customers share in the savings that result from buying excess generation created by a renewable energy facility (again, of one megawatt or less) at discounted rates.

Expanding net metering would enable many more municipalities (and businesses) to reduce their energy costs, but the existing one-megawatt cap severely limits the prospects for expansion. That is why the bill passed the Senate unanimously and passed the House overwhelmingly. [In a recent column](#) (go to nhbr.com, click on “Opinion” tab), the mayor of Franklin explained what **SB 446** means to his city.

As another example, Laconia is considering a deal to allow a 4.4 megawatt solar array on its capped landfill. The city would receive almost \$50,000 annually in lease payments and property taxes and about \$60,000 in annual energy savings—a total benefit of \$110,000 annually. But if the veto stands, the project would be scaled back to one megawatt, reducing the benefit to the city by 80 percent.

A third example is Nashua, where **SB 446** would enable the city to use one of its existing small hydro plants to supply half of the electricity used by the city’s municipal and school properties, saving taxpayers roughly \$350,000 per year.

### Other benefits

Net metering allows municipalities and businesses to lower their electric rates immediately, at no cost to other ratepayers, but there are also long-term benefits for all ratepayers.

***Reduced transmission costs.*** Net metered energy is not fed into the regional transmission system and therefore places no burden on that system. This helps to reduce the need for expensive transmission upgrades. Transmission costs have increased **555 percent** (that is not a typo) over the last 12 years, and these increases are a driving factor in the state’s high electric rates.

***Savings for all ratepayers.*** Because net metered energy is produced and used locally, it can help reduce the amount of energy demanded from the regional grid and thus help lower wholesale electricity prices. These wholesale prices are at their highest during periods of peak demand. Net metering reduces the utility’s need to buy energy from non-renewable source power plants at peak prices. Further, ISO New England, which operates New England’s power grid and oversees the

wholesale electricity markets, allocates the costs for operating the regional transmission system among states based on the amount of power they are drawing from the system during peak demand. As New Hampshire's use of net metered renewable energy increases, helping to reduce its share of peak demand, its share of transmission costs in relation to other states can be reduced.

***Reduced line loss.*** A certain amount of energy—around 6 percent—is lost as electricity travels along the transmission and distribution lines. Thus, consumers are paying for electricity that never gets delivered. By reducing the need for imported power, net metering helps to reduce line loss costs.

***Economic development.*** Expanding opportunities for net metering will spur investment in self-generation projects such as small hydro, solar, and biomass-cogeneration. This will keep our energy dollars in-state, support jobs, and increase state and local business tax and property tax revenues. It is estimated that **SB 446** could support \$125 million in investment annually in New Hampshire.

### The governor's veto

Why, then, did the governor veto **SB 446**?

In his veto message, the governor stated, "While I agree that expanding net metering could be a benefit to our state, Senate Bill 446 would cost ratepayers at least \$5 million to \$10 million annually and is a handout to large scale energy developers."

### The error

That is simply not correct. **SB 446** is not a handout, and it would not cost ratepayers anything. The bill's fiscal note (based on input from the Public Utilities Commission) states, "To the extent State, county or local governmental units are able to install their own renewable generation facilities, those governmental entities may benefit from lower electricity costs and may also receive revenues in the form of net metered payments for excess power generated."

The governor's statement appears to be based on an argument made by the bill's opponents that electric distribution companies should only be required to pay the wholesale rate for energy they buy from net metered renewable energy generators, rather than the default service rate that the bill requires. But that relies on the incorrect assumption that utility companies pay a wholesale rate for the energy they buy from other generators to serve their default service customers. They do not.

To simplify greatly, the wholesale rate is what a third-party supplier (not the utility) pays when it buys energy from the generator (*e.g.*, from a nuclear, gas, or coal-fired power plant); the supplier in turn sells it to the local distribution utility (*e.g.*, Eversource, Unitil) at the default service rate, which naturally is higher than the wholesale rate. Distribution utilities do not pay the wholesale rate—they pay the default service rate. **SB 446** merely requires them to pay the same rate for net metered energy put into the distribution grid that they would pay for energy purchased from their supplier. Instead of buying a kilowatt hour of electricity generated by coal, gas, or nuclear power for default service, they buy a kilowatt hour generated by local small-scale hydro or solar power at the same price. The Public Utilities Commission recently found "there is little to no evidence of any significant cost-shifting" from net metering when the credit is set at the default service rate.

## SB 365—Purchase of Biomass Energy

By now, most people are aware that without **SB 365**, New Hampshire’s six independent biomass power plants will be forced to close, resulting in the loss of hundreds of jobs and hundreds of millions of dollars in economic activity. The losses will be not only at the biomass plants themselves, but throughout the \$1.4 billion forestry industry—affecting loggers, truckers, heavy equipment companies, truck dealers, insurance companies, and many others. Two of the plants have already suspended operations because of the veto, and millions of dollars in equipment purchases have been cancelled or put on hold.

More than 40 percent of all the wood harvested in the state is in the form of wood chips destined for wood energy. The six biomass plants consume 1.3 million tons of biomass annually. Without markets for this timber, the economics of sustainable forestry fall apart, and landowners will consider other options for their land, including development.

### Direct effects on municipalities

Apart from the ripple effects of industry losses—unemployment, losses to local businesses, impacts on local welfare budgets—there will be direct impacts to municipalities if **SB 365** fails.

***Reduced property valuation.*** The closure of the biomass plants will significantly reduce property valuation in the six host towns—Alexandria, Bethlehem, Bridgewater, Springfield, Tamworth, and Whitefield—resulting in higher property taxes for all other taxpayers in those towns.

***Possible closure of major solid waste facility.*** Largely overlooked in the discussion about the biomass plants is the veto’s impact on Wheelabrator’s waste-to-energy facility in Concord. That facility serves about two dozen municipalities and processes 22 percent of the municipal solid waste in the state. If the facility closes, those municipalities would need to scramble to find a new destination for their solid waste, most likely farther away and at greater expense.

In addition, more than 60 New Hampshire police departments and law enforcement agencies use the Wheelabrator facility to dispose of unused prescription drugs. Closure of the facility would eliminate the only assured destruction facility in the state.

***Loss of timber tax revenue.*** More broadly, the significant decline in the timber market would inevitably lead to a loss of timber tax revenue for almost all municipalities in the state. The timber industry is not confined to the North Country—timber is harvested in every region of the state.

### The governor’s veto

The governor vetoed **SB 365** because he said it would create an “immense subsidy” that would “cost New Hampshire ratepayers approximately \$25 million a year over the next three years.”

### Not the whole story

The Public Utilities Commission, in a fiscal note on **SB 365**, estimated the bill’s cost at \$18.7 million to Eversource customers and \$2.7 million to Unitil customers, for a total of \$21.4 million (not \$25 million). For a typical Eversource residential customer using 625 kilowatt hours per month,

that increase would amount to about \$1.78 per month—the cost of one cup of coffee per month. That is a small amount to pay to protect over 900 jobs and \$254 million in annual economic activity (based on a Plymouth State University study), and the other consequences described above.

However, it is also only part of the story. Read on.

***Avoidance of capacity cost increase.*** A former Northeast Utilities executive testified to the legislature that the loss of 100 megawatts of biomass energy that will result if **SB 365** fails would “increase the capacity costs in New Hampshire by approximately \$17 million per year.” (Capacity cost is the price paid to power generators for a guarantee that they will supply enough energy to meet peak energy demand into the future. It is one of the many costs included in electric bills. If there are fewer power generators, the remaining ones will naturally command a higher price for their supply guarantee.) No one has disputed that testimony.

The bill’s cost of \$21.4 million per year must be offset against the \$17 million-per-year increase that it will *avoid* by preventing closure of the biomass plants—leaving the bill’s *net* cost at about one-fifth of a cup of coffee, if you’re keeping track. And the bill’s increased costs are only for a three-year period, while the increased capacity costs would continue indefinitely if the bill does not pass.

## Summary

- Municipalities are already saving tens or hundreds of thousands of dollars through net metering, and **SB 446** would enable them to save even more, at no cost to other ratepayers.
- The biomass plants, the waste-to-energy plant, and the forestry industry that **SB 365** would support are vitally important to municipalities around the state, and the net cost to ratepayers is negligible.
- Both bills serve the long-term interests of municipalities, businesses, and residents by diversifying New Hampshire’s energy supply, reducing transmission costs, reducing reliance on out-of-state sources, facilitating development of local businesses, and providing environmental benefits.

***Please urge your legislators to vote YES to override the vetoes on SB 446 and SB 365 on September 13.*** And please contact NHMA’s Government Affairs staff if you have any questions.

August \_\_, 2018

The Honorable Chuck Morse  
President of the Senate

The Honorable Gene Chandler  
Speaker of the House

The Honorable Jeff Woodburn  
Senate Democratic Leader

The Honorable Steve Shurtleff  
House Democratic Leader

Dear Senate President Morse, Speaker Chandler, Senator Woodburn, and Representative Shurtleff:

We the undersigned mayors of the cities of Berlin, Claremont, Concord, Dover, Franklin, Keene, Laconia, Lebanon, Manchester, Nashua, Portsmouth, Rochester and Somersworth respectfully ask that the Senate and House vote to override Governor Chris Sununu's vetoes of Senate Bill 446 and Senate Bill 365, when you return to session on September 13th.

We believe strongly that clean and local renewable energy and greater efficiency in how we use all energy will be vitally important to our cities' future economic vitality and environmental quality. As such, we favor policies enacted at the state level that reinforce existing renewable electric generation, foster expansion of new renewable energy technologies through net metering, and greater investments in efficiency. We believe both Senate Bill 446 and Senate Bill 365 represent such policies, and we are appreciative that strong bi-partisan majorities of both chambers of the NH General Court did as well during voting in the session that just ended.

Notwithstanding Governor Sununu's veto messages on these bills, we believe these bills will engender long term savings to ratepayers and reinforce critical energy supply diversity. SB 446 will enable our cities to attract private investments in clean energy which will, in turn, directly lower rates for our citizens. A number of our communities are working on projects to accomplish those goals. Unfortunately, those projects would have to be shelved if SB 446 is rejected. Hundreds of millions of dollars in solar and hydropower projects are now at risk of not being realized because of this situation. This is an error which can still be corrected.

We also stand with our neighboring communities that the impact of the veto on SB 365 is harming local jobs and local economies. For example, nearly 1,000 jobs directly tied to the biomass industry in New Hampshire are at risk of being lost. In addition, a recent Plymouth State University study concluded the biomass industry contributes \$254 million dollars to the state's economy each year in a variety of ways that benefit our energy sector, protect wildlife and the preserve our state's forests. There are serious unintended consequences involved in vetoing SB 365 which can be avoided with an override vote.

Impacts of the vetoes are already being felt by the state's \$1.4 billion timber industry; projects taken offline, biomass plants shuttered, workers furloughed and an imbalance between energy policy and the state's economic and environmental policies. We must reverse these impacts. These two bills reflect the right balance between forward-thinking energy policy, basic economics and preserving a strong and healthy environment for New Hampshire. It's precisely why both proposals received overwhelming support earlier this year from both the NH House and Senate.

We respectfully ask that you, as leaders of the two chambers, communicate our support for the veto overrides of Senate Bill 365 and Senate Bill 446 to your respective caucuses. Our state must look forward on energy policy and recognize that investments in local, cleaner and more efficient energy will generate innumerable benefits to our cities, our towns, and our citizens into the future.

We thank you for your consideration.

Sincerely and respectfully,

Paul Grenier  
Mayor of Berlin

Charlene Lovett  
Mayor of Claremont

Karen Weston  
Mayor of Dover

Tony Guinta  
Mayor of Franklin

Edward Engler  
Mayor of Laconia

James Bouley  
Mayor of Concord

Kendall Lane  
Mayor Keene



Suzanne Prentiss  
Mayor of Lebanon

Joyce Craig  
Mayor of Manchester

James Donchess  
Mayor of Nashua

Jack Blalock  
Mayor of Portsmouth

Caroline McCarley  
Mayor of Rochester

Dana Hilliard  
Mayor of Somersworth

Cc: Honorable members of the NH State Senate  
Honorable members of the NH House of Representatives