

SB 87 - AS INTRODUCED

2021 SESSION

21-0870

11/10

SENATE BILL **87**

AN ACT adopting omnibus legislation relative to municipal finance.

SPONSORS: Sen. Birdsell, Dist 19

COMMITTEE: Election Law and Municipal Affairs

ANALYSIS

This bill adopts legislation relative to:

- I. The expenditure of water funds.
- II. Uncollectible financial remittances to municipalities.
- III. The use of capital reserve funds.
- IV. Requiring the issuance of certain bonds to be included in the official ballot.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT adopting omnibus legislation relative to municipal finance.

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

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

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

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

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

8 Part IV. LSR 21-0985, relative to the issuance of certain bonds to be included in the official
9 ballot, sponsored by Sen. Bradley, Prime/Dist. 3.

10 2 Legislation Enacted. The general court hereby enacts the following legislation:

11 PART I

12 Relative to the Expenditure of Water Funds.

13 1 New Paragraph; Water Funds. Amend RSA 38:29 by inserting after paragraph I the following
14 new paragraph:

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

22 (a) Pursuant to RSA 38:28.

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

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

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

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

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

31 2 Effective Date. Part I of this act shall take effect 60 days after its passage.

SB 87 - AS INTRODUCED

- Page 2 -

PART II

Relative to Uncollectible Financial Remittances to Municipalities.

1 Collection of Taxes; Uncollectable Remittances. Amend RSA 80:56 to read as follows:

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

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

PART III

Relative to the Use of Capital Reserve Funds.

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

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

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

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

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

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

PART IV

Requiring the Issuance of Certain Bonds to be Included in the Official Ballot.

1 Municipal Finance Act; Town or District Bonds or Notes. Amend RSA 33:8 to read as follows:

33:8 Town or District Bonds or Notes. Except as otherwise specifically provided by law, the issue of bonds or notes by any municipal corporation, except a city or a town which has adopted a charter pursuant to RSA 49-B, without a budgetary town meeting, shall be authorized by a vote by ballot of 3/5 and the issue of tax anticipation notes, by a vote of a majority, of all the voters present and voting at an annual or special meeting of such corporation, called for the purpose. **Any bond or note issue exceeding \$1,000,000 shall be included on the official ballot of a school district or municipality which has adopted official ballot voting under RSA 40:13 and as provided**

under RSA 33:8-a, II and 39:3-d, IV and shall require passage by 2/3 of voters present and voting. The issue of notes or bonds by a municipality that has adopted an optional form of legislative body under RSA 49-D:3, I-a or RSA 49-D:3, II-a shall be authorized by either a 2/3 or 3/5 vote as adopted and provided for in the charter. If such charter does not specify which majority vote is required, then the required majority vote shall be ~~3/5~~ **2/3**. Only votes in the affirmative or negative shall be included in the calculation of any majority. No such action taken at any special meeting shall be valid unless a majority of all the legal voters are present and vote at such special meeting, unless the governing board of any municipality shall petition the superior court for permission to hold an emergency special meeting, which, if granted, shall give said special meeting the same authority as an annual meeting. The warrant for a special meeting shall be published once in a newspaper having a general circulation in the municipality within one week after the posting of such special meeting. The warrant for any such annual or special meeting shall be served or posted at least 14 days before the date of such special meeting. Every warrant shall be deemed to have been duly served or posted, if the return on the warrant shall so state, and it shall be certified by the officer or officers required to serve or post the same. All bonds or notes, authorized in accordance with this chapter, shall be signed by the governing board, or a majority of the governing board, and countersigned by the treasurer of the municipality, and shall have the corporate seal, if any, affixed to it. The discretion of fixing the date, maturities, denominations, the interest rate, or discount rate in the case of notes, the place of payment, the form and other details of said bonds or notes and of providing for the sale of such bonds or notes, may be delegated to the governing board or to the treasurer and shall, to the extent provision therefor shall not have been made in the vote authorizing the same, be deemed to have been delegated to the governing board. Bonding authority under this section may be limited or rescinded as provided in RSA 33:8-f.

2 Procedure for Authorizing Bonds or Notes in Excess of \$100,000. Amend RSA 33:8-a, II to read as follows:

II. All articles appearing in the warrant which propose a bond or note issue exceeding \$100,000 shall appear in consecutive numerical order and shall be acted upon prior to other business except the election of officers, action on the adoption, revision, or amendment of a municipal charter, **actions which propose a bond or note issue exceeding \$1,000,000**, and zoning matters or as otherwise determined by the voters at the meeting. Polls shall remain open and ballots shall be accepted by the moderator on each such article, for a period of not less than one hour following the completion of discussion on each respective article. A separate ballot box shall be provided for each bond article to be voted upon pursuant to this section.

3 Placement of Articles on Official Ballot. Amend RSA 39:3-d, IV to read as follows:

IV. Articles concerning the issuance of bonds or notes shall not be placed on the official ballot, unless the municipality has adopted a charter provision authorizing that votes on the issuance of bonds or notes shall be placed on the official ballot or unless the municipality has

SB 87 - AS INTRODUCED

- Page 4 -

1 adopted the provisions of RSA 40:12-14. *However, a bond or note issue exceeding \$1,000,000 for*
2 *a municipality or a district shall be included on the official ballot and shall require*
3 *passage by a 2/3 majority of voters present and voting.*

4 4 Effective Date. Part IV of this act shall take effect 60 days after its passage.