

CHAPTER 191
SB 197 – FINAL VERSION

03/21/13 0894s
8May2013... 1448h

2013 SESSION

13-1011
06/09

SENATE BILL **197**

AN ACT relative to the inclusion of a default budget in separate warrant articles submitted by sewer and water commissions.

SPONSORS: Sen. Reagan, Dist 17; Rep. C. McGuire, Merr 29; Rep. D. McGuire, Merr 21

COMMITTEE: Public and Municipal Affairs

AMENDED ANALYSIS

This bill permits water and sewer commissions to submit separate warrant articles, which include default budgets, for approval by the legislative body of towns.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to the inclusion of a default budget in separate warrant articles submitted by sewer and water commissions.

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

1 191:1 Sewer Funds; Separate Warrant Article; Default Budget. Amend RSA 149-I:10, II and III
2 to read as follows:

3 II. Except when a capital reserve fund is established pursuant to paragraph III, all sewer
4 funds shall be held in the custody of the municipal treasurer. Estimates of anticipated sewer rental
5 revenues and anticipated expenditures from the sewer fund shall be submitted to the governing body
6 as set forth in RSA ~~[32:6]~~ **32:4** if applicable, and shall be included *either* as part of the municipal
7 *operating* budget *or as a separate warrant article* submitted to the local legislative body for
8 approval. *In a town or district that has adopted the official ballot referendum form of*
9 *meeting, any such separate warrant article shall include a default amount as provided in*
10 *RSA 40:13, XI-a.* If the municipality has a properly-established board of sewer commissioners, then
11 notwithstanding RSA 41:29 or RSA 48:16, the treasurer shall pay out amounts from the sewer fund
12 only upon order of the board of sewer commissioners. Expenditures shall be within amounts
13 appropriated by the local legislative body. The sewer commission shall also remit to the municipality
14 those costs incurred by the municipality in support of sewer operations, including but not limited to
15 financial audit, facility insurance, treasurer compensation, and office support.

16 III. At the option of the local governing body, or of the board of sewer commissioners if any,
17 all or part of any surplus in the sewer fund may be placed in one or more capital reserve funds and
18 ~~[placed]~~ *held* in the custody of the trustees of trust funds pursuant to RSA 35:7. If such a reserve
19 fund is created, then the governing body, or board of sewer commissioners if any, may expend such
20 funds pursuant to RSA 35:15 without prior approval or appropriation by the local legislative body,
21 but all such expenditures shall be reported to the municipality pursuant to RSA 149-I:25. This
22 section shall not be construed to prohibit the establishment of other capital reserve funds for any
23 lawful purpose relating to municipal water systems.

24 191:2 New Paragraph; Use of Official Ballot; Default Amount for Water and Sewer Funds.
25 Amend RSA 40:13 by inserting after paragraph XI the following new paragraph:

26 XI-a. If a political subdivision maintains a separate fund for the revenues and expenditures
27 related to the operation, maintenance, and improvement of a water or sewer system, and if any

CHAPTER 191
SB 197 – FINAL VERSION
- Page 2 -

1 appropriation for such fund is to be raised through user fees or charges and is included in a warrant
2 article separate from the operating budget, the warrant article may include a default amount for
3 such appropriation, which shall be deemed to have been approved if the proposed appropriation is
4 not approved. The default amount shall be determined by the governing body, or by the budget
5 committee if the political subdivision has adopted the provisions of RSA 40:14-b, and shall equal the
6 amount of the same appropriation for the preceding fiscal year, reduced and increased, as the case
7 may be, by debt service, contracts, and other obligations previously incurred or mandated by law,
8 and reduced by one-time expenditures contained in the previous year's appropriation. The warrant
9 article shall state the default amount for the appropriation and shall state that if the appropriation
10 proposed in the article is not approved, the default amount shall be deemed to have been approved.

11 191:3 Water Funds; Separate Warrant Article; Default Budget. Amend RSA 38:29, II and III to
12 read as follows:

13 II. Except when a capital reserve fund is established pursuant to paragraph III, all water
14 funds shall be held in the custody of the municipal treasurer. Estimates of anticipated water rate
15 revenues and anticipated expenditures from the water fund shall be prepared and submitted to the
16 governing body as set forth in RSA ~~[32:3]~~ **32:4**, if applicable, and shall be included *either* as part of
17 the municipal *operating* budget *or as a separate warrant article* submitted to the local
18 legislative body for approval. *In a town or district that has adopted the official ballot*
19 *referendum form of meeting, any such separate warrant article shall include a default*
20 *amount as provided in RSA 40:13, XI-a.* If the municipality has a properly established board of
21 water commissioners, then notwithstanding RSA 41:29 or RSA 48:16, the treasurer shall pay out
22 amounts from the water fund only upon order of the board of water commissioners. Expenditures
23 shall be within amounts appropriated by the local legislative body. *The water commission shall*
24 *also remit to the municipality those costs incurred by the municipality in support of water*
25 *operations, including but not limited to financial audit, facility insurance, treasurer*
26 *compensation, and office support.*

27 III. At the option of the local governing body, or of the board of water commissioners, if any,
28 all or part of any surplus in the water fund may be placed in one or more capital reserve funds held
29 in the custody of the trustees of trust funds pursuant to RSA 35:7. If such a reserve fund is created,
30 then the governing body, or board of water commissioners, if any, may expend such funds pursuant
31 to RSA 35:15 without prior approval or appropriation by the local legislative body, but all such
32 expenditures shall be reported to the municipality pursuant to RSA 38:21. This ~~[paragraph]~~ **section**
33 shall not be construed to prohibit the establishment of other capital reserve funds for any lawful
34 purpose relating to municipal water systems.

35 191:4 Effective Date. This act shall take effect 60 days after its passage.

36 Approved: July 2, 2013

Effective Date: August 31, 2013