

HB 561-FN - AS INTRODUCED

2015 SESSION

15-0085  
06/04

HOUSE BILL

***561-FN***

AN ACT

relative to the use of revenues generated by electric and other utility company leases and rentals.

SPONSORS:

Rep. Ladd, Graf 4; Rep. Myler, Merr 10; Sen. Reagan, Dist 17

COMMITTEE:

Finance

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ANALYSIS

This bill requires a portion of any revenue generated by utility leases and rentals to be deposited in the revenue stabilization reserve account until the balance in that account reaches a certain amount and then to be used for debt service payments for school building aid.

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Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Fifteen*

AN ACT                   relative to the use of revenues generated by electric and other utility company leases and rentals.

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

1           1 New Subdivision; Revenues Generated by Utility Company Leases and Rentals. Amend  
2 RSA 371 by inserting after section 24 the following new subdivision:

3                               Revenues Generated by Utility Company Leases and Rentals

4           371:25 Revenues Generated by Utility Company Leases and Rentals. If the state receives lease  
5 rental, royalties, or royalty sale proceeds from electric transmission and distribution facilities,  
6 natural gas transmission lines, carbon dioxide pipelines, and any other energy transport pipelines,  
7 the state treasurer shall deposit 25 percent of such revenue in the revenue stabilization reserve  
8 account under RSA 9:13-e.

9           2 Budget and Appropriations; Deficit Control; Revenue Stabilization Reserve Account. Amend  
10 RSA 9:13-e, V to read as follows:

11           V. If, after the requirements of paragraphs II-IV have been met and the balance remaining  
12 in the revenue stabilization reserve account is in excess of an amount equal to 10 percent of the  
13 actual general fund unrestricted revenues for the most recently completed fiscal year, then such  
14 excess shall be transferred, without further action, ***as follows:***

15                               ***(a) To the state treasurer to be used to reduce the total amount of outstanding***  
16 ***school building aid bonds and notes issued under RSA 198:15-a. Any such transferred***  
17 ***amounts shall be in addition to amounts distributed pursuant to RSA 78-A:26, I(a); and***

18                               ***(b) After such time as such bonds and notes issued pursuant 2009, 144:12 are***  
19 ***retired, such excess shall be transferred, without further action,*** to the general fund surplus  
20 account.

21           3 Effective Date. This act shall take effect 60 days after its passage.

**HB 561-FN - FISCAL NOTE**

AN ACT                   relative to the use of revenues generated by electric and other utility company leases and rentals.

**FISCAL IMPACT:**

The Public Utilities Commission and Treasury Department state this bill, **as introduced**, will have an indeterminable impact on state revenue and expenditures in FY 2015 and each year thereafter. There will be no impact on county and local revenue and expenditures.

**METHODOLOGY:**

The Public Utilities Commission states this bill: (1) requires 25 percent of any revenue generated by utility leases and rentals to be deposited into the revenue stabilization reserve account under RSA 9:13-e; and (2) requires excess funds in the revenue stabilization reserve account to be used first to reduce the amount of outstanding school building aid bonds and notes issued under RSA 198:15-a. With respect to (1), the Commission states that currently, public utilities do not make lease or rental payments for use of rights of way to government entities. In the event that the state receives such revenue in the future, this bill will result in an increase in state restricted revenue, in the form of the 25 percent of such revenue deposited into the revenue stabilization reserve account.

With respect to (2) above, the Department of Treasury states that currently, once funds in the revenue stabilization reserve account exceed the statutorily prescribed limit of ten percent of general fund unrestricted revenues for the prior fiscal year, the excess is transferred to the general fund. Under the proposed bill, the excess will be used first to reduce the amount of outstanding school building aid bonds and notes issued under RSA 198:15-a, and transferred to the general fund only once such outstanding bonds and notes have been retired. The Department states it is unable to determine the fiscal impact of this provision, since it is not possible to predict the future balance of the revenue stabilization reserve account, and hence the amount by which school building aid debt may potentially be reduced. The Department further notes that due to school building aid bond covenants, the State (as the issuer of such bonds) is prohibited from retiring outstanding bonds prior to their call date, or the ten-year anniversary of the bonds' issuance. The Department states that this prohibition may conflict with the bill's provision that all outstanding school building aid bonds be reduced if sufficient funds are available.

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The Department of Revenue and Administration states this bill will have no fiscal impact on the Department's operations.