



# Municipal State Aid and Revenue Sharing



*Presented by*  
*Becky I. Benvenuti*  
*Government Finance Advisor*

NHMA  
NEW HAMPSHIRE MUNICIPAL ASSOCIATION  
EST. 1941

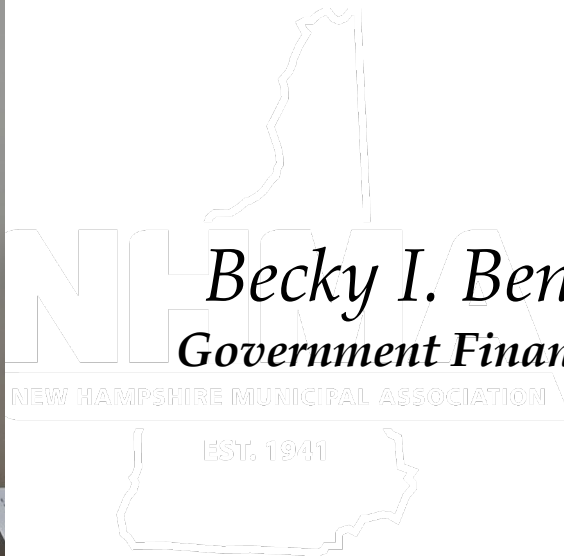
January 20, 2021

## History & Trends

# Today's Speaker



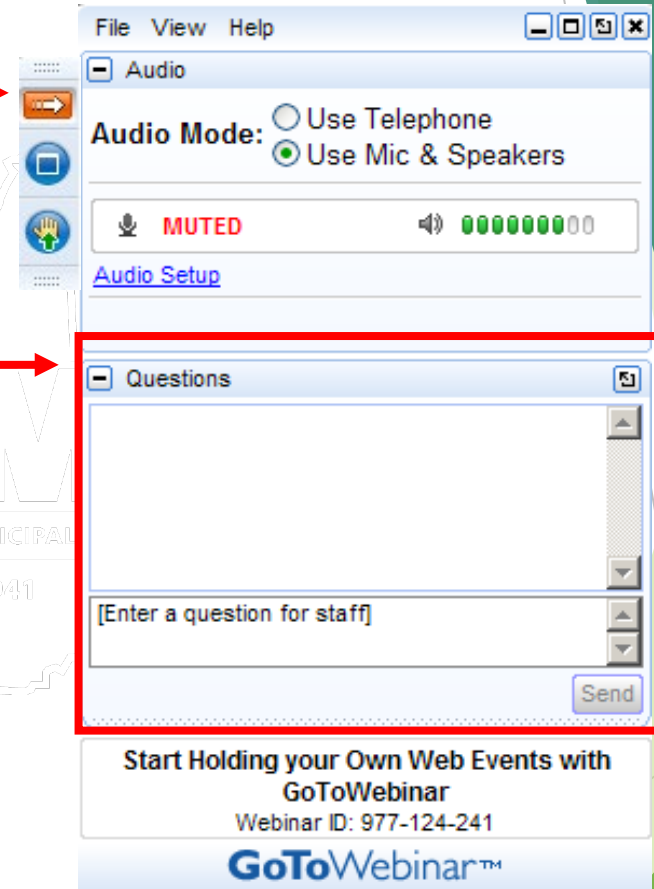
*Becky I. Benvenuti*  
*Government Finance Advisor*



# How to Participate Today



- Open and close your panel
- Submit text questions
- Q&A addressed during the webinar session



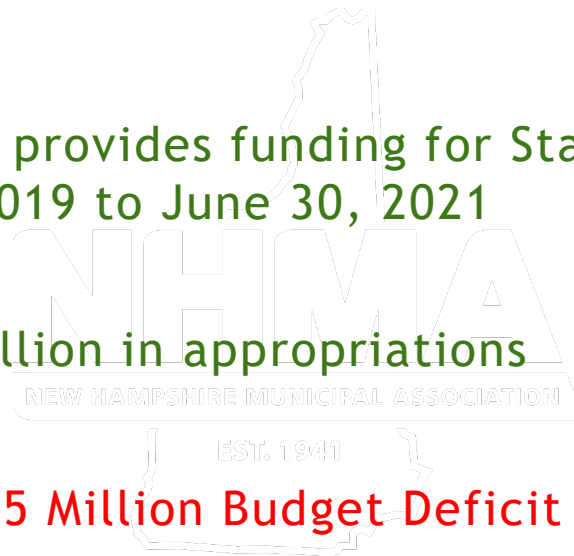


# Current State Biennial Budget



## Two-year budget

- Current State Budget provides funding for State FYs 2020-2021: July 1, 2019 to June 30, 2021
- Approximately \$13 billion in appropriations



**Fiscal Year 2020: \$81.5 Million Budget Deficit**

**Fiscal Year 2021:** Deficit will have to be filled to have a balanced budget by June 30, 2021 - OR be addressed in the FY 2022-23 budget.

LBA  
10/20/20

## SCHEDULE OF STATE AID TO CITIES, TOWNS, AND SCHOOL DISTRICTS

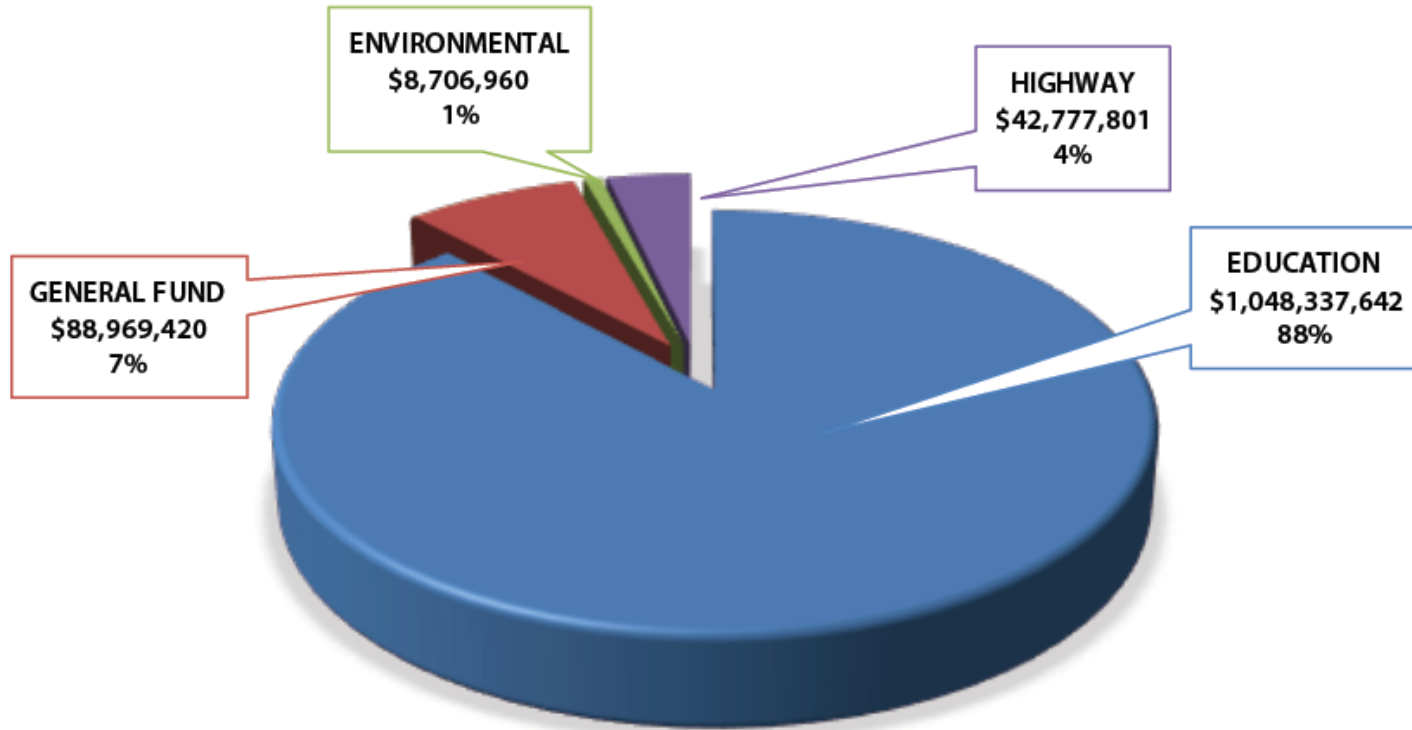
AID BY CATEGORY	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
<b>EDUCATION</b>											
1 Adequate Education Aid	941,830,717	941,357,888	941,911,353	929,874,227	926,031,426	933,258,763	936,504,198	926,382,935	915,723,893	962,496,843	1,024,052,596
2 Building Aid	46,301,048	48,891,283	47,076,655	44,178,887	43,286,408	40,774,253	37,098,071	36,530,219	33,695,932	37,294,872	30,500,000
3 Court Ordered Placements	1,285,791	2,193,744	1,333,893	1,168,277	1,147,382	1,139,319	2,563,504	2,361,189	2,839,879	3,281,971	2,000,000
4 Driver Education	1,563,300	-	-	-	-	-	-	-	-	-	-
5 Dropout Prevention	2,122,110	486,860	711,635	373,782	820,126	350,400	674,317	714,631	675,132	325,322	500,000
6 Kindergarten Aid	2,842,800	1,707,750	1,776,750	-	-	-	-	-	10,534,441	178,501	-
7 Kindergarten Construction	2,741,088	3,038,661	798,100	-	841,000	-	-	-	-	-	-
8 Local Education Improvement	625,396	23,950	-	-	-	-	-	-	-	-	-
9 Retirement Normal Contribution - Teachers	27,809,968	2,198,706	-	-	-	-	-	-	-	-	-
10 School Breakfast	113,808	117,845	105,289	122,053	102,532	108,380	102,339	105,682	109,848	178,927	496,500
11 School Lunch	832,003	832,003	832,003	832,003	832,003	832,003	820,847	832,003	832,003	832,003	832,003
12 Special Education	23,750,920	21,613,130	21,633,843	22,552,381	21,623,196	22,300,014	22,300,002	22,323,179	22,317,665	30,798,879	30,800,000
13 Tuition & Transportation	6,951,048	6,900,000	6,900,000	7,422,619	7,027,000	7,400,000	7,400,000	7,546,000	7,712,000	9,000,000	9,000,000
14 Public School Infrastructure Fund	-	-	-	-	-	-	-	453,711	11,849,464	3,952,325	-
<b>Education Total</b>	<b>1,058,769,997</b>	<b>1,029,361,819</b>	<b>1,023,079,520</b>	<b>1,006,524,229</b>	<b>1,001,711,084</b>	<b>1,006,163,132</b>	<b>1,007,463,278</b>	<b>997,249,550</b>	<b>1,006,290,256</b>	<b>1,048,337,642</b>	<b>1,098,181,099</b>
<b>ENVIRONMENTAL</b>											
15 Flood Control	811,515	221,952	221,952	787,898	1,330,570	811,407	811,407	844,871	844,871	789,328	887,000
16 Landfill Closure Grants	894,703	927,658	899,812	1,080,206	886,850	792,116	776,245	658,248	476,036	388,936	395,824
17 Public Water System Grants	1,149,844	1,184,996	1,131,619	1,170,678	1,073,438	876,821	797,661	791,421	701,865	651,960	624,048
18 State Aid Grants - Pollution Control	5,902,524	5,199,986	3,327,866	6,519,872	6,610,139	5,711,222	6,415,756	7,598,938	6,257,397	6,878,737	9,307,838
<b>Environmental Total</b>	<b>8,758,586</b>	<b>7,534,592</b>	<b>5,581,049</b>	<b>9,558,655</b>	<b>9,900,997</b>	<b>8,191,566</b>	<b>8,801,070</b>	<b>9,893,479</b>	<b>8,280,169</b>	<b>8,706,960</b>	<b>11,214,710</b>
<b>OTHER GEN. FUNDS</b>											
19 Meals & Rooms Distribution	58,805,057	58,805,057	58,805,057	58,805,057	63,805,057	63,805,057	68,805,057	68,805,057	68,805,057	68,805,057	68,805,057
20 Railroad Tax - RSA 82:31	58,379	36,671	36,671	35,822	60,037	132,187	60,803	61,392	64,793	88,370	84,793
21 Railroad Tax - RSA 228:69	47,920	48,735	51,849	55,032	58,931	63,693	72,837	67,680	71,635	75,993	73,000
22 Municipal Aid	-	-	-	-	-	-	-	-	-	20,000,000	20,000,000
23 Retirement Normal Contribution	44,269,159	3,500,000	-	-	-	-	-	-	-	-	-
less: Teacher Normal Contribution	27,809,967	2,198,706	-	-	-	-	-	-	-	-	-
Net Police & Fire Normal Contribution	16,459,192	1,301,294	-	-	-	-	-	-	-	-	-
<b>Other General Funds Total</b>	<b>75,370,548</b>	<b>60,191,757</b>	<b>58,893,577</b>	<b>58,895,911</b>	<b>63,924,025</b>	<b>64,000,938</b>	<b>68,938,697</b>	<b>68,934,129</b>	<b>68,961,486</b>	<b>88,969,420</b>	<b>88,962,850</b>
<b>HIGHWAY FUNDS</b>											
24 Highway Block Grants	34,897,125	34,538,280	29,918,270	30,233,035	30,743,994	34,843,581	34,931,513	65,839,183	36,287,968	36,911,575	36,425,092
25 Highway Construction Aid	2,075,233	2,663,100	2,140,210	1,298,657	2,006,027	1,424,102	368,872	331,892	2,853,055	618,339	-
26 Municipal Bridge Aid	12,335,804	5,153,521	7,428,375	5,637,087	10,361,515	9,953,415	5,340,013	5,614,946	8,896,334	5,247,887	6,800,000
<b>Highway Funds Total</b>	<b>49,308,162</b>	<b>42,354,901</b>	<b>39,486,855</b>	<b>37,168,779</b>	<b>43,111,536</b>	<b>46,221,098</b>	<b>40,840,398</b>	<b>71,786,020</b>	<b>48,037,357</b>	<b>42,777,801</b>	<b>43,225,092</b>
<b>GRAND TOTAL</b>	<b>1,192,207,293</b>	<b>1,139,443,069</b>	<b>1,127,041,001</b>	<b>1,112,147,574</b>	<b>1,118,647,642</b>	<b>1,124,576,733</b>	<b>1,125,843,443</b>	<b>1,147,863,178</b>	<b>1,131,569,268</b>	<b>1,188,791,824</b>	<b>1,241,583,751</b>

**NOTE:** Revenue Sharing (RSA 31-A) is no longer included in "Schedule of State Aid.." has been suspended since 2009

The 'BOOK OF STATE AID TO CITIES AND TOWNS' is now available on the LBA's website:

<http://www.gencourt.state.nh.us/lba/default.aspx>

## 2020 STATE AID TO SCHOOL DISTRICTS vs. MUNICIPALITIES



Data Source: NHLBAO, 10/20/20

# MUNICIPAL REVENUE SHARING and STATE AID SOURCES



## General Funds:

- Meals and Rooms Tax Revenue Distribution
- State Revenue Sharing (Suspended 2010-2021)
- State Normal Retirement Contribution (Repealed 2013)
- Railroad Tax Distribution
- State Municipal Aid Grants (One-Time Revenue: Added 2020-21)

## Environmental:

- Flood Control
- Landfill Closure Grants
- Public Water System Grants/Water Supply Land Protection Grants
- Pollution Control Grants - State Aid Grants (SAGs)

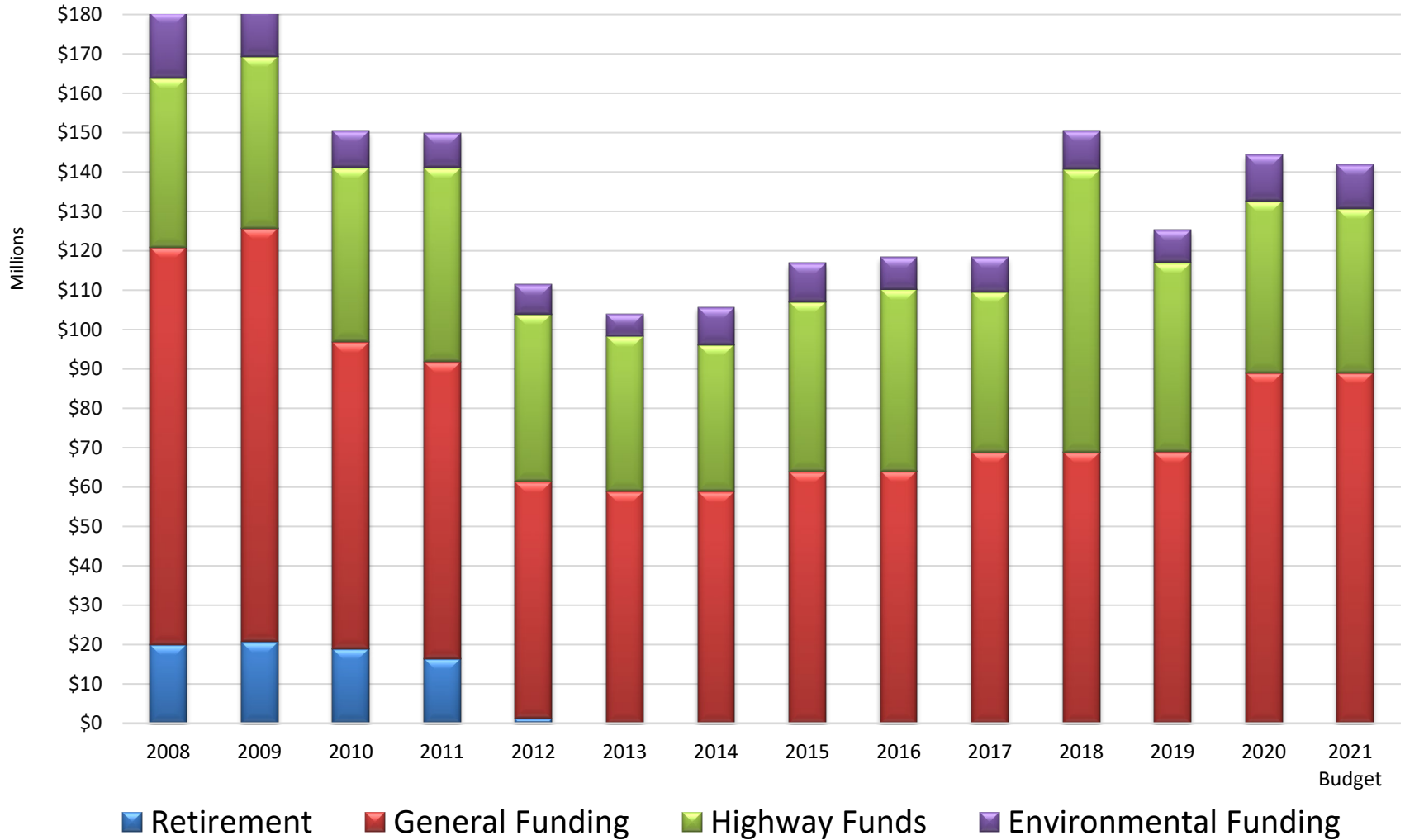
## Highway:

- Highway Block Grants
- Highway Construction Aid
- State Municipal Bridge Aid



# STATE AID TO MUNICIPALITIES: 2008-2021 (Excluding Education)

Data Source: NHLBAO State Aid Chart Dated 10/01/19





# MEALS & ROOMS (RENTALS) TAX

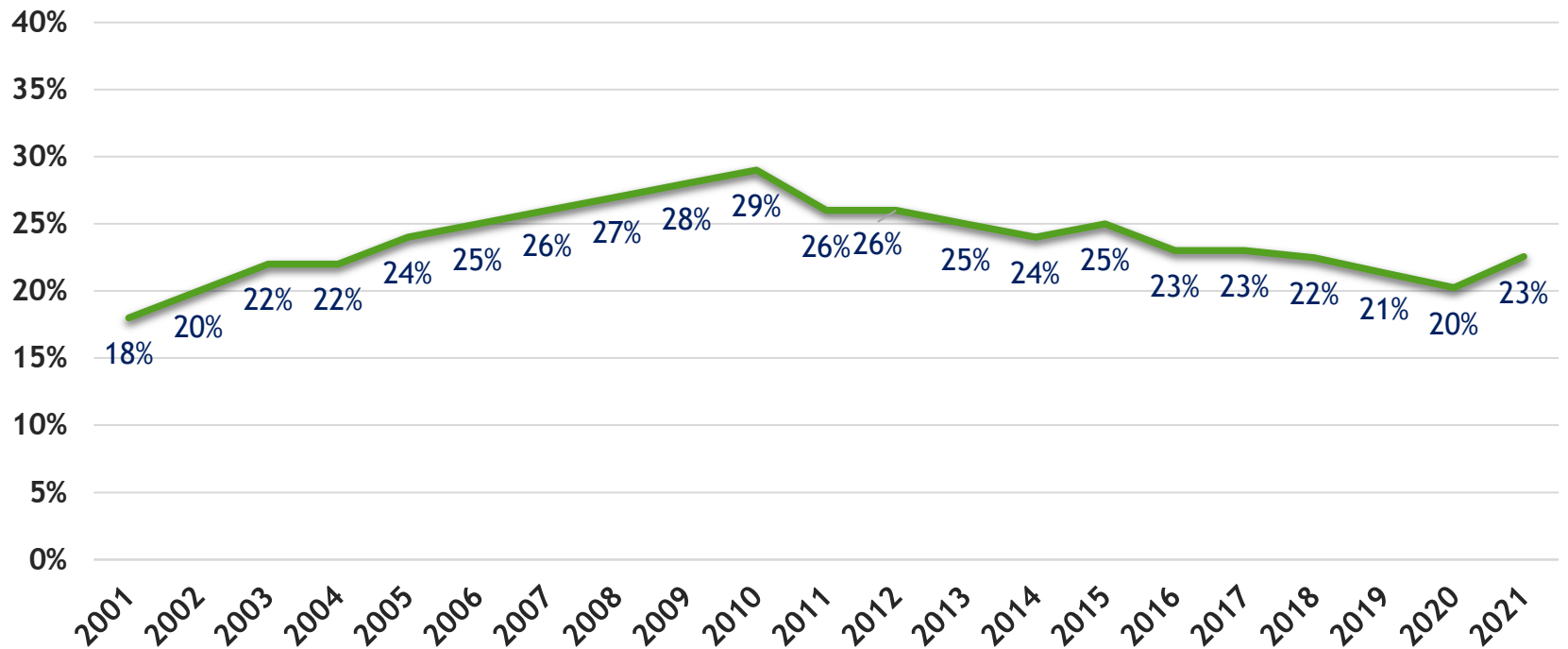
RSA 78-A:26, II



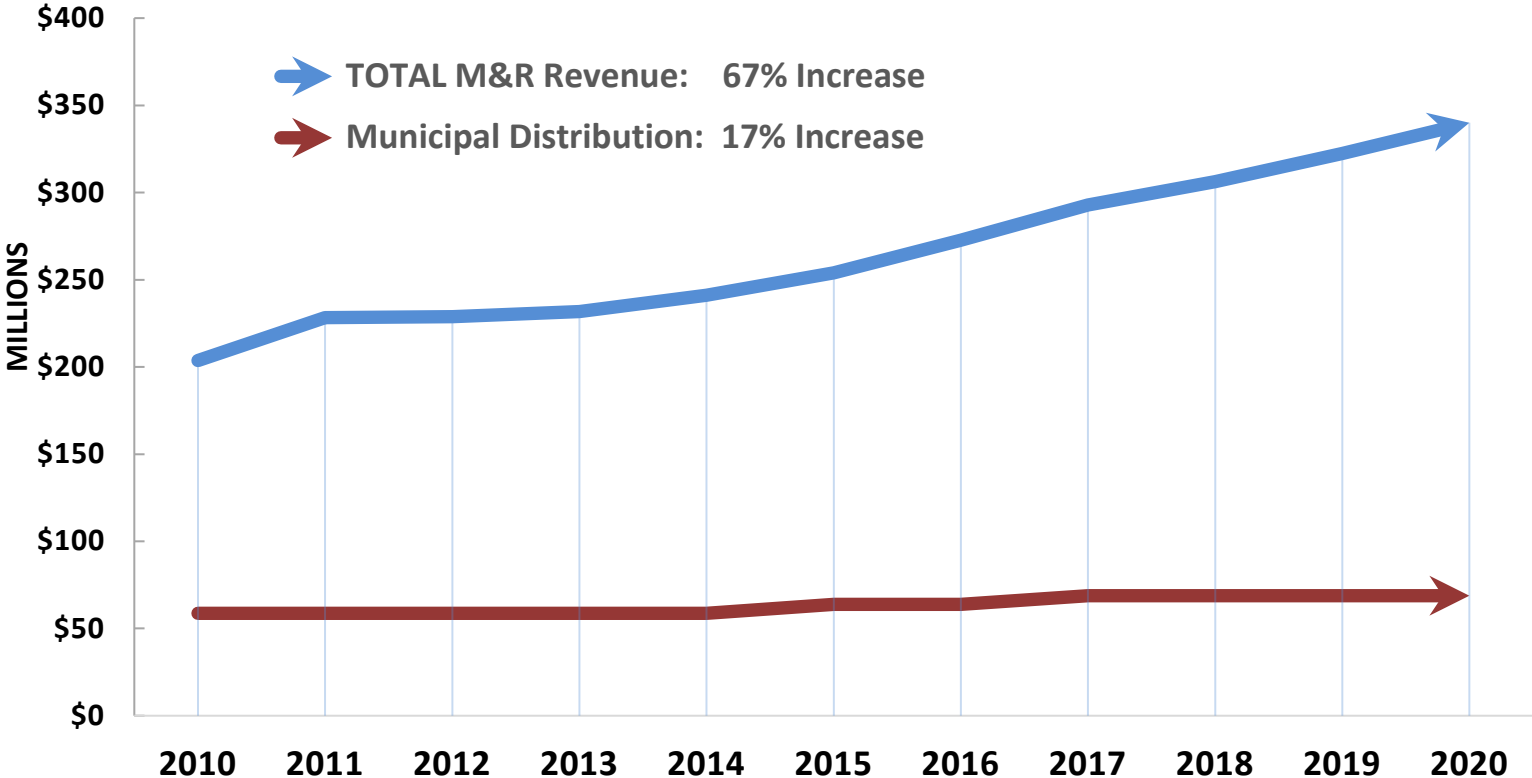
- ▶ **9% tax** levied on meals/restaurants, hotel/room rentals, and car rentals; The tax was raised from **8%** in 2010.
- ▶ Funds the General Fund, Education Trust Fund (car rentals portion), certain school building aid, and municipalities.
- ▶ **Municipal Distribution:** set **by law** at **40% of revenue**, but the formula enacted in 1993 to reach that percentage has been suspended – 10 of the last 12 years
- ▶ **This Annual 'catch-up' formula, designed to reach the 60/40 split, has a \$5 million annual maximum cap:**
  - ▶ = previous year's distribution, plus 75% of any year-over-year revenue increase, not to exceed \$5 million.

# Meals & Rooms Tax... 'Municipal Share'

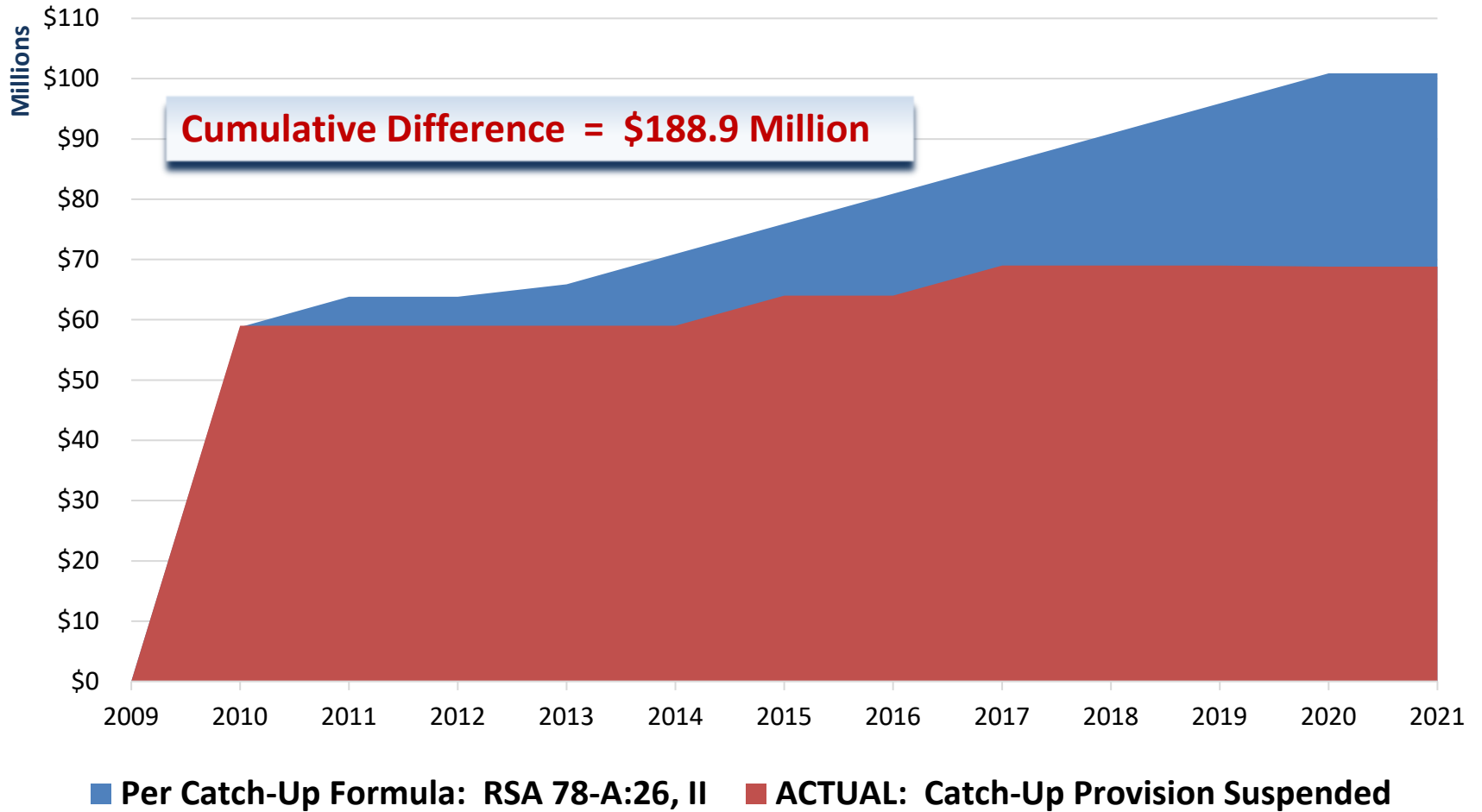
## 20 YEARS: 2001 - 2021



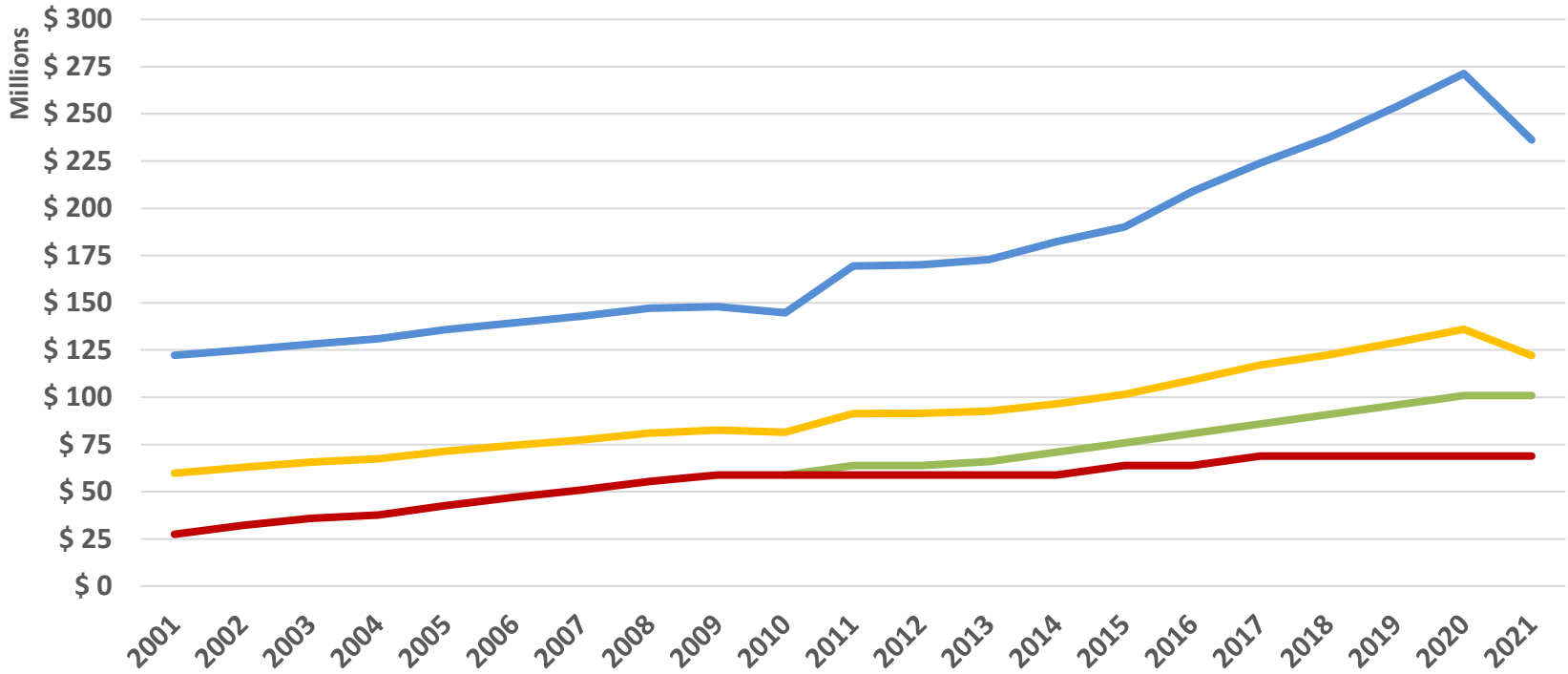
# Meals & Rooms Tax TOTAL Revenue vs. Municipal Distribution 2010 - 2020



# Meals & Rooms Tax Distribution to Municipalities



# Distribution History: Meals & Rooms Revenue 2001 to 2021



- ACTUAL 'State' Share of Distribution
- IF 40% Municipal Distribution Was Not Suspended in 1993
- IF Catch-Up Formula Was Not Suspended in 2009
- ACTUAL 'Municipal' Distribution

## REVENUE SHARING - RSA 31-A

In 1969, the State reformed how businesses were taxed . . .

- Business Profits Tax (BPT): Implemented -- REPLACING:
- Antiquated Taxes: Eliminated
  - ❖ 'Assessed and Collected' by Municipalities
    - including tax on machinery, stock in trade, taxes on studhorses, poultry, domestic rabbits, fuel pumps/tanks and other taxes...which were part of the
  - ❖ 'Property Tax Base' funding municipalities, school districts, and counties

*In consideration of the removal of certain classes of property from taxation, which would otherwise have the effect of reducing the tax base of cities and towns of the state, it is hereby declared to be the policy of the state to return a certain portion of the general revenues of the state to the cities and towns for their unrestricted use...Chapter 5, Laws of 1970.*

## CHAPTER 31-A RETURN OF REVENUE TO CITIES AND TOWNS

**31-A:1 Return of Revenue.** – Commencing in 1970 and in each year thereafter, a portion of the general revenue of the state shall be returned to each city and town of the state.

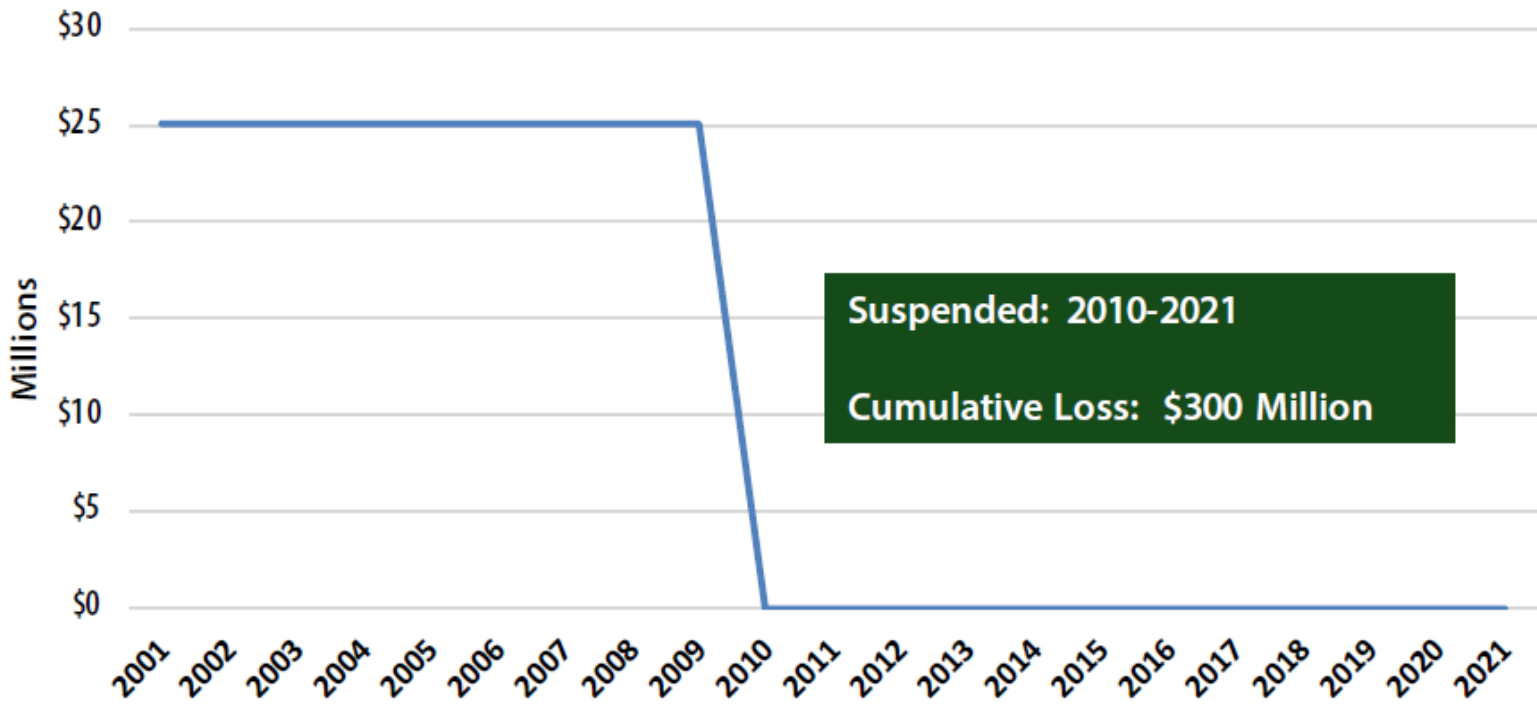
1999            \$47 Million - *Total Amount Appropriated by Legislature*  
2000            (\$22 Million) - *Became Part of the State Adequate Education Aid Funding*  
2000-2009    \$25 Million - *Balance distributed to municipalities each year*

On March 31, 1970, in testimony on House Bill 1, then New Hampshire Attorney General Warren Rudman responded to concerns that future legislators may choose not to honor this commitment to municipalities to fund revenue sharing, stating:

*...this bill creates a new chapter in the statutes of the state of New Hampshire which is specifically entitled "Return of Revenue to Cities and Towns". And it says "there is hereby appropriated for each fiscal year a sum sufficient to make the payments provided for by this section." Now the charge has been leveled that future legislators might choose not to honor this pledge...It seems quite doubtful to me that once this bill is passed that any legislator would go back on its pledge to return revenue to cities and towns that originally belonged to those cities and towns. And I might also add, in passing, that I could hardly see a Governor signing a bill which would deprive cities and towns of the revenue which they once had."*

RSA 31-A:5

# REVENUE SHARING (RSA 31-A)



Data Source: NHLBAO, 10/20/20



SCHEDULE OF STATE AID TO CITIES, TOWNS, AND SCHOOL DISTRICTS

AID BY CATEGORY	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2013 Budget
<b>EDUCATION</b>												
1 Adequate Education Aid	880,657,284	896,869,535	895,141,619	804,800,238	836,204,501	836,147,136	890,426,556	891,013,576	940,762,976	941,830,717	941,830,717	941,830,717
2 Building Aid	23,461,337	25,273,513	31,052,475	35,995,812	37,770,926	41,735,035	46,487,244	42,914,218	44,902,654	46,301,028	48,891,283	47,076,655
3 Court Ordered Placements	5,050,390	5,203,336	5,152,012	4,566,482	3,468,627	2,578,967	1,379,288	3,290,064	2,173,602	1,285,791	1,500,000	1,500,000
4 Driver Education	1,476,550	1,548,289	1,801,513	1,802,985	1,681,172	1,659,150	1,599,575	1,570,800	1,337,100	1,563,300	-	-
5 Dropout Prevention	-	-	722,400	265,200	246,032	297,176	956,918	1,730,024	1,004,666	2,122,110	600,000	600,000
6 Kindergarten Aid	1,534,800	1,086,000	722,400	265,200	567,600	750,000	850,800	957,600	2,661,675	2,842,800	1,952,310	1,952,310
7 Kindergarten Construction Aid <sup>1</sup>	5,874,933	2,123,206	995,110	1,190,659	208,496	2,402,060	1,131,221	404,402	3,261,884	2,741,088	4,588,395	-
8 Local Education Improvement	294,107	258,844	(4,089)	525,333	90,268	427,535	366,419	626,926	66,143	625,396	-	-
9 Reading Recovery <sup>2</sup>	277,753	359,445	200,921	415,303	341,780	342,035	318,306	459,198	(33,493)	-	-	-
10 Retirement Normal Contribution - Teachers <sup>3</sup>	-	-	-	-	-	18,588,116	30,196,769	30,811,480	32,537,542	27,809,968	-	-
11 School Breakfast	-	-	-	-	-	85,890	87,967	98,360	120,448	113,808	184,000	184,000
12 School Lunch	832,003	832,003	832,003	832,003	832,003	832,003	832,003	832,003	831,238	832,003	832,003	832,003
13 Catastrophic Aid (Special Education)	19,400,630	17,861,880	19,299,990	20,374,363	28,355,251	30,442,213	32,012,334	32,528,169	30,091,336	23,750,920	21,637,308	21,637,308
14 Tuition & Transportation	3,634,824	3,843,531	4,150,191	4,779,745	5,159,555	5,393,771	6,552,172	7,228,712	7,419,843	6,951,048	6,900,000	6,900,000
<b>Education Total</b>	<b>942,494,611</b>	<b>955,259,582</b>	<b>960,066,545</b>	<b>875,813,323</b>	<b>914,926,211</b>	<b>941,681,087</b>	<b>1,013,197,572</b>	<b>1,014,465,532</b>	<b>1,067,137,614</b>	<b>1,058,769,977</b>	<b>1,028,916,016</b>	<b>1,022,512,993</b>
<b>ENVIRONMENTAL</b>												
15 Flood Control	573,274	573,274	659,150	659,150	729,712	729,712	912,884	912,884	811,515	811,515	209,953	209,953
16 Landfill Closure Grants	1,929,971	1,906,773	1,413,182	2,292,073	2,067,751	2,030,802	1,944,036	1,287,790	981,070	894,703	927,658	899,812
17 Public Water System Grants	1,743,275	1,720,503	1,706,979	1,644,905	1,484,582	1,741,982	1,494,664	1,281,908	1,101,762	1,149,844	1,185,156	1,138,309
18 State Aid Grants - Pollution Control	12,373,846	12,720,836	12,485,769	12,891,357	11,826,356	12,195,029	10,820,000	9,003,767	6,463,893	5,902,524	5,201,385	3,326,403
19 Water Supply Land Protection Grants	1,353,125	483,446	1,696,811	92,200	577,301	373,750	1,398,942	571,655	-	-	-	-
<b>Environmental Total</b>	<b>17,973,491</b>	<b>17,404,832</b>	<b>17,961,891</b>	<b>17,579,685</b>	<b>16,685,702</b>	<b>17,071,275</b>	<b>16,570,526</b>	<b>13,058,004</b>	<b>9,358,240</b>	<b>8,758,586</b>	<b>7,524,152</b>	<b>5,574,477</b>
<b>OTHER GEN. FUNDS</b>												
20 Meals & Rooms Distribution	32,200,710	35,889,124	37,722,807	42,686,666	47,104,777	50,903,052	55,513,020	58,805,057	58,805,057	58,805,057	58,805,057	58,805,057
21 Railroad Tax <sup>4</sup>	182,102	167,164	119,137	137,013	127,218	46,520	101,460	145,903	98,006	58,379	58,379	58,379
<b>22 State Revenue Sharing</b>	<b>25,216,057</b>	<b>25,216,057</b>	<b>25,216,057</b>	<b>25,216,057</b>	<b>25,216,057</b>	<b>25,216,054</b>	<b>25,216,054</b>	<b>25,216,054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
23 Retirement Normal Contribution <sup>3</sup>	14,739,079	18,141,136	22,717,956	25,917,965	32,917,007	35,091,224	50,229,497	51,564,947	51,522,121	44,269,159	3,500,000	-
less: Teacher Normal Contribution	-	-	-	-	-	18,588,116	30,196,769	30,811,480	32,537,542	27,809,967	-	-
Net Police & Fire Normal Contribution	-	-	-	-	-	16,503,108	20,032,728	20,753,467	18,984,579	16,459,191	-	-
<b>Other General Funds Total</b>	<b>72,337,948</b>	<b>79,413,481</b>	<b>85,775,957</b>	<b>93,957,701</b>	<b>105,365,059</b>	<b>92,668,734</b>	<b>100,863,262</b>	<b>104,920,481</b>	<b>77,887,642</b>	<b>75,322,627</b>	<b>62,363,436</b>	<b>58,863,436</b>
<b>HIGHWAY FUNDS</b>												
24 Block Grants	25,566,257	27,292,299	27,238,546	29,450,081	28,819,381	28,456,617	29,600,000	30,512,000	29,665,000	34,697,125	34,900,000	30,250,000
<b>GRAND TOTAL</b>	<b>1,058,372,307</b>	<b>1,079,370,194</b>	<b>1,091,042,939</b>	<b>1,016,800,790</b>	<b>1,065,796,353</b>	<b>1,079,877,713</b>	<b>1,160,231,360</b>	<b>1,162,956,017</b>	<b>1,184,048,496</b>	<b>1,177,748,315</b>	<b>1,133,703,604</b>	<b>1,117,200,906</b>

**Notes:** State Revenue Sharing - Suspended since 2009

Revenue Sharing is no longer included in LBA's Current Spreadsheet or 'Book of State Aid'

## REVENUE SHARING

### RSA 31-A

General revenues of the state are returned to each city and town annually based on amounts appropriated. The revenue sharing is computed by means of an equalization formula where for each city and town the local property taxes assessed are divided by the local equalized valuation and the result multiplied by the local population to arrive at a local equalized factor. The local equalized factors are added to form a total state sum. Each local equalized factor is then divided by the total state sum to produce a normalized factor. The normalized factor is multiplied by the appropriated amount to determine what each city or town will receive.

Per statute the amount appropriated for revenue sharing must not be less than \$47,300,000.

There is a hold harmless provision in the statute that provides no city or town shall receive an amount less than the sum of

I - Its 1978 revenue sharing distribution plus its share under the formula of an annual increase of 5% in the previous year's aggregate distribution, through the year 1981.

II - Its 1982 distribution under the interest and dividends tax.

III - Its 1982 distribution under the 1982 savings bank tax.

Chapter 17, Laws of 1999, requires the school portion of any revenue sharing funds distributed pursuant to RSA 31-A:4 which were apportioned to school districts in the property tax rate calculations in 1998 to be deposited into the Education Trust Fund. Therefore, beginning in FY 2000, \$25,200,000 is distributed to cities and towns under the terms of RSA 31-A:4 and the remainder, \$22,100,000 is deposited into the Education Trust Fund and is then distributed to cities and towns as part of the adequate education grants.

Chapter 144:9, Laws of 2009 suspended the revenue sharing program for fiscal years 2010 and 2011.

Chapter 224:2, Laws of 2011 suspended the revenue sharing program for fiscal years 2012 and 2013.

Chapter 144:2, Laws of 2013 suspended the revenue sharing program for fiscal years 2014 and 2015.

Chapter 276:162, Laws of 2015 suspended the revenue sharing program for fiscal years 2016 and 2017.

Chapter 156:86, Laws of 2017 suspended the revenue sharing program for fiscal years 2018 and 2019.

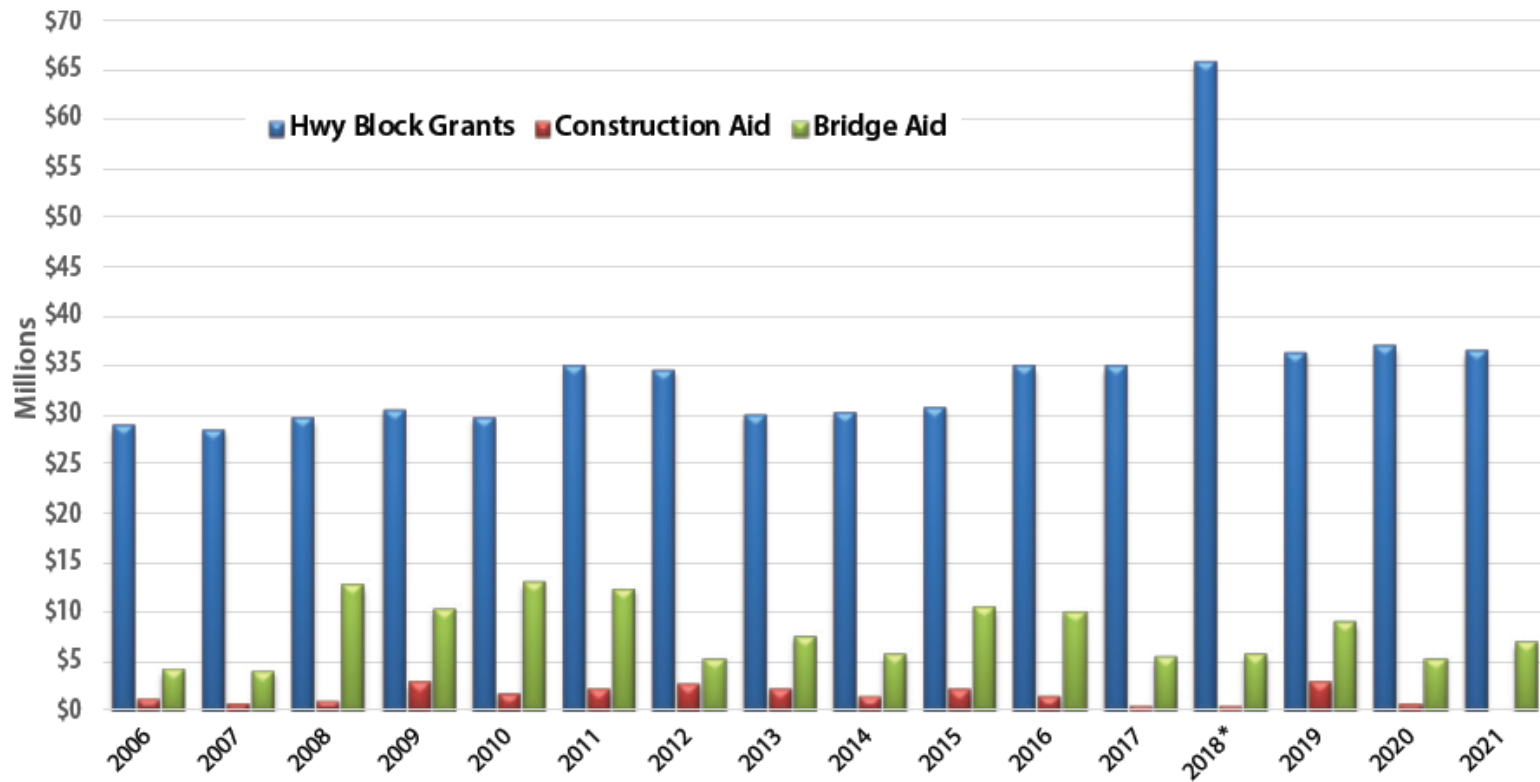
**CHAPTER 346**  
**HB 4-FN-A-LOCAL - FINAL VERSION**

25Sept2019... 2717-EBA

**2019 SESSION**

- 12        346:75 Revenue Sharing; Suspension. RSA 31-A, relative to revenue sharing with  
13 cities and towns shall be suspended for the biennium ending June 30, 2021.

# HIGHWAY FUNDING



Data Source: NHLBAQ, 10/20/20

\*2018 Includes \$30M, one-time surplus (CH227, Laws of 2018)

*New Hampshire Department of Transportation*

**2019 MUNICIPALLY-OWNED RED LIST PROGRESS CHART**

YEAR	YEAR START TOTAL	NUMBER ADDED	NUMBER REMOVED	YEAR END TOTAL
2004	397	5	29	373
2005	373	2	10	364
2006	364	33	34	363
2007	363	34	27	370
2008	370	21	33	358
2009	358	30	22	366
2010	366	25	32	359
2011	359	27	33	353
2012	353	26	27	352
2013	352	15	23	351
2014	351	20	27	344
2015	344	27	33	338
2016	338	15	29	324
2017	324/253*	16	17	252
2018	252	7	18	241
2019	241	15	13	243
2020	243			

\*71 bridges were removed from the 2017 Municipal Red List to comply with the amendment (known as Senate Bill 38) made to RSA 234:25-a Red List Bridges.



## State Aid Grants - Water Pollution Control (RSA 486)

- 10-year average grant payments: \$6,000,000; (2020: \$6,876,737)

## Public Water System Grants (RSA 486-A)

- Water Supply Land Protection (WSLP) Grant Program
  - 10-year average grant payments: \$953,000; (2020: \$651,960)
  - *No appropriations for 'new' projects since 2008*

## Landfill Closure Grants (RSA 149-M:41-50)

- 10-year average grant payments: \$778,000; (2020: \$388,936)

## Flood Control (RSA 122:1)

- 10 year average grant payments: \$748,000 (2020: \$789,328)
- 

## NH Drinking Water and Groundwater Trust Fund (RSA 6-D, 485-F)

- Created in 2016 - \$276 Million from MtBE lawsuit against Exxon-Mobil

## PFAS Remediation Loan Fund (RSA 485-H:9)

- Created in 2020 - \$50 Million for low-interest loans

# CHAPTER 486

## AID TO MUNICIPALITIES FOR WATER POLLUTION CONTROL

### Section 486:1

#### **486:1 State Contributions. –**

I. (a) The state of New Hampshire shall pay annually 20 percent of the annual amortization charges, meaning principal and interest, on the eligible costs resulting from the acquisition and construction of sewage disposal facilities by municipalities (meaning counties, cities, towns, or village districts), in accordance with RSA 485:8, RSA 485-A:4, IX, and RSA 485-A:4, XII, for the control of water pollution. The word "construction" shall include engineering services, in addition to the construction of new sewage treatment plants, pumping stations, intercepting sewers, and sewer separation by storm drains when the latter can be demonstrated as a cost-effective method for eliminating a combined sewer overflow structure; the altering, improving or adding to existing treatment plants, pumping stations, intercepting sewers, and sewer separation by storm drains when the latter can be demonstrated as a cost-effective method for eliminating a combined sewer overflow structure; provided the construction has been directed by the department, or constitutes a voluntary undertaking designed to control or reduce pollution in the surface waters of the state as defined in RSA 485-A:2, and the plan therefor is approved in compliance with the provisions of RSA 485:8, RSA 485-A:4, IX, and RSA 485-A:4, XII. The term "eligible costs" as used in this chapter, except as noted, shall mean the entire cost of the construction of treatment plants, pumping stations, intercepting sewers and sewer separation by storm drains as defined in the Clean Water Act of 1977, less any other grant or subsidy. Cash payments, net of any other grant or subsidy, made by municipalities toward eligible costs shall also be eligible for state contributions in accordance with this section.

# TITLE L

## WATER MANAGEMENT AND PROTECTION

### CHAPTER 486-A

#### AID TO PUBLIC WATER SYSTEMS

##### Section 486-A:3

**486-A:3 State Contribution; Surface Water Treatment Costs; Water Supply Land Protection Costs; Regional Water System Costs. –**

I. (a) Any public water system which is or was required, beginning in 1986, to achieve compliance with the surface water treatment rules of the EPA or the rules of the New Hampshire department of environmental services adopted to implement the federal Safe Drinking Water Act amendments of 1986 shall be eligible for a state contribution. As its contribution, the state shall pay 20 percent of the annual amortization charges, meaning the principal and interest, on the eligible surface water treatment costs resulting from the construction of new wells or a filtration system to meet the requirements of the surface water treatment rules.

(b) To be eligible under RSA 486-A:3, I(a), construction shall be necessary in order for the public water system to comply with the surface water treatment rules of the department or the EPA, or both. Plans for construction shall be approved in accordance with the provisions of RSA 485:8.

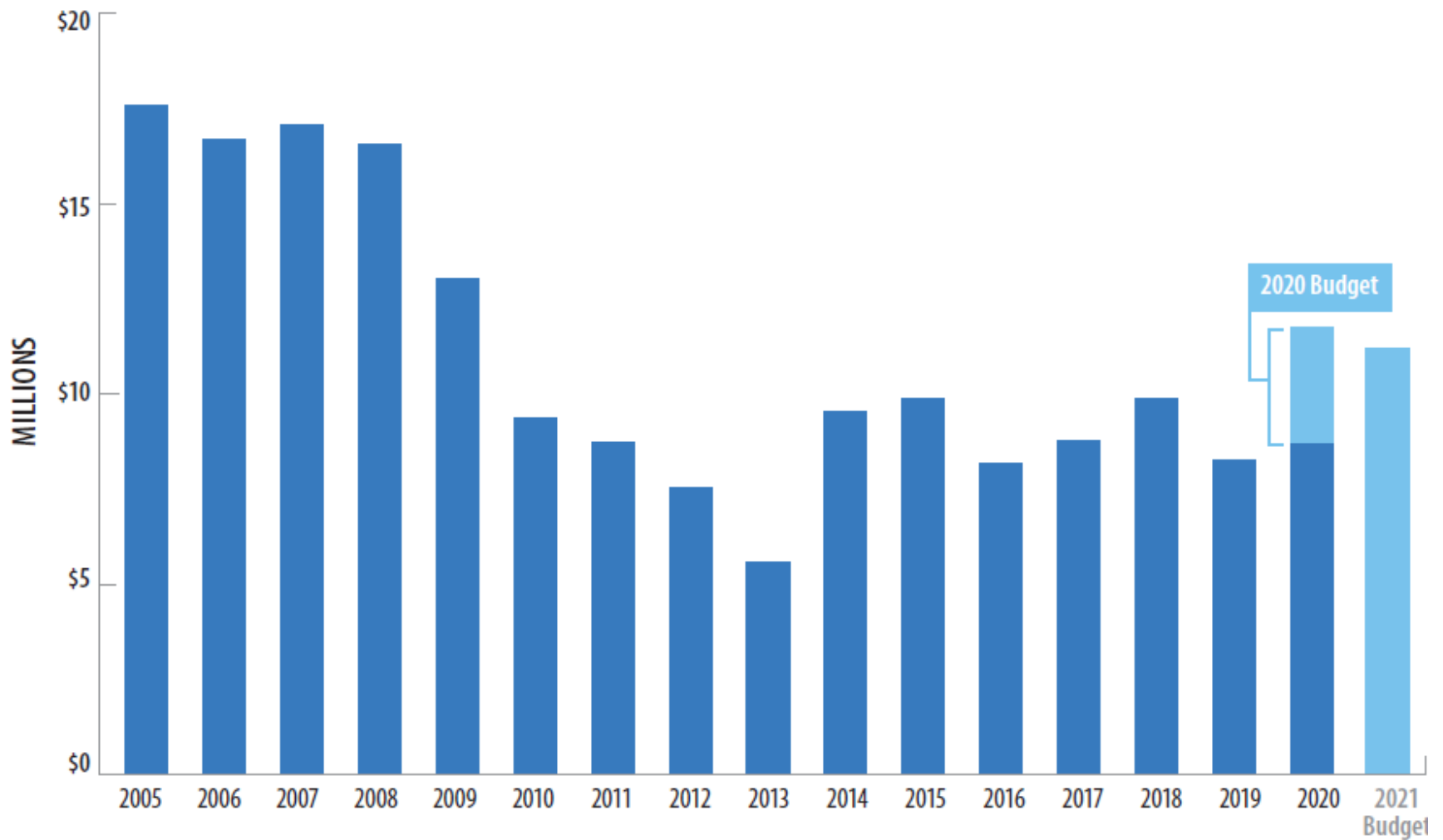
II. The state may pay up to 25 percent of the eligible water supply land protection costs.

III. Any public water system which incurs eligible regional water system costs or eligible evaluation of contributing area of groundwaters contribution to public wells that have recorded levels of chemical contaminants costs, excluding MTBE, after the effective date of this paragraph shall be eligible for a state contribution in accordance with the provisions of this chapter. As its contribution, the state shall pay 25 percent of the annual amortization charges, meaning the principal and interest, on the bonded eligible regional water system costs, or 25 percent of non-bonded, eligible regional water system costs. Plans for construction shall be approved in accordance with the provisions of RSA 485:8.

**Source.** 1993, 341:1. 1996, 228:106. 2000, 310:1. 2003, 178:5, 6, eff. July 1, 2003.

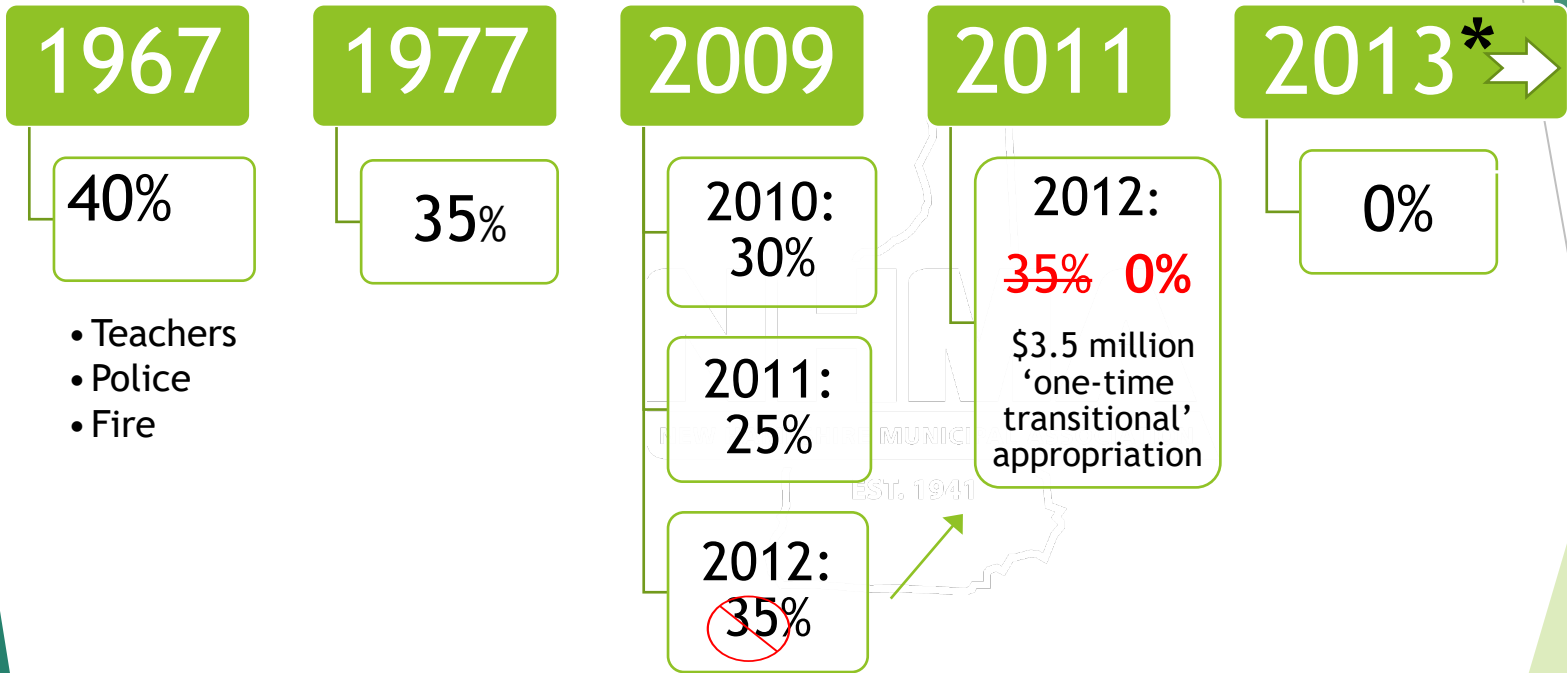


## STATE AID TO MUNICIPALITIES: ENVIRONMENTAL GRANTS



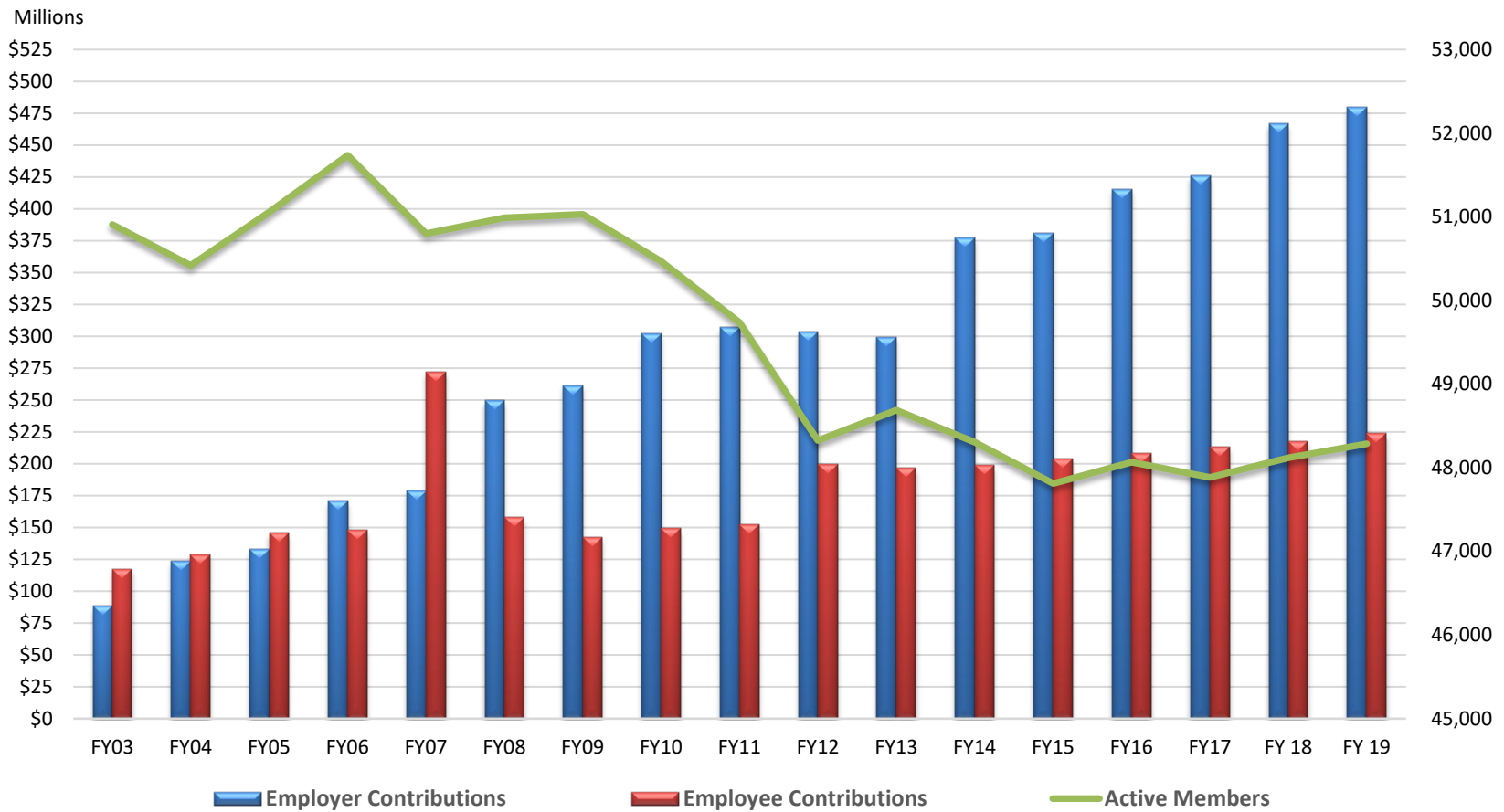
Data Source: NHLBAO, 10/10/20

# New Hampshire Retirement System State Contribution History



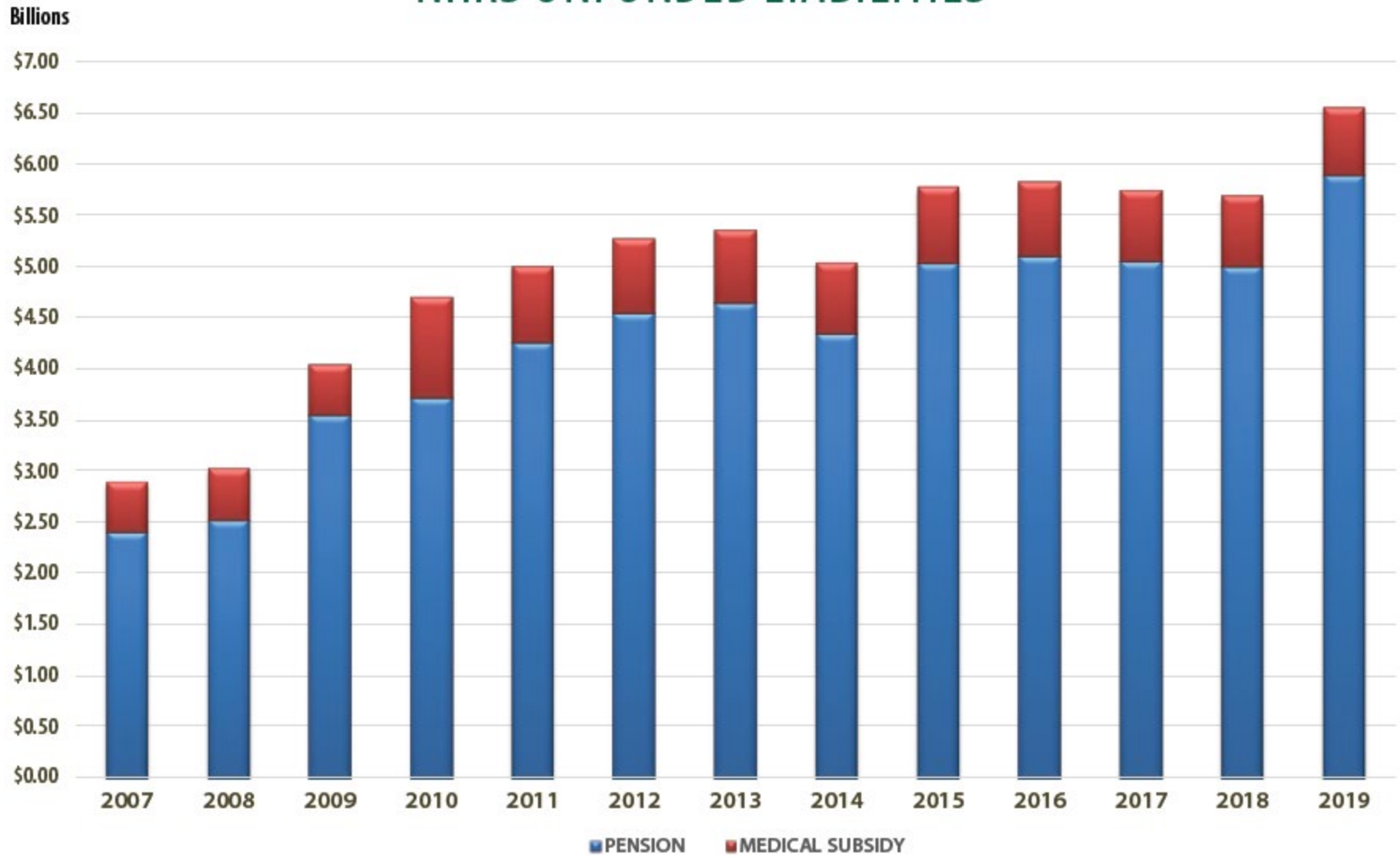
*Reduction to Municipal Contributions 2010-2021 = **\$729.5 Million***

# Employer and Employee NHRS Contributions and Active Members



Note: Member contributions increased 84% in FY07 due primarily to voluntary purchases of nonqualified service.

# NHRS UNFUNDED LIABILITIES



Source: FY 2007-2019 NHRS Actuarial Valuations and Annual Reports

**POLITICAL SUBDIVISION EMPLOYER CONTRIBUTION RATE  
FYs 2022-23**

	<b>Current Rates</b>	<b>New Rates 7/1/21- 6/30/23</b>	<b>Percent Increase</b>
<b><u>GROUP I</u></b>			
Employees	11.17 %	<b>14.06 %</b>	<b>25.87 %</b>
Teachers	17.80 %	<b>21.02 %</b>	<b>18.09 %</b>
<b><u>GROUP II</u></b>			
Police	28.43 %	<b>33.88 %</b>	<b>19.17 %</b>
Fire	30.09 %	<b>32.99 %</b>	<b>9.64 %</b>

	<b>FY 20 Employer Contribution</b>	<b>FY 22 Projected Increase</b>	<b>FY 22 Projected Employer Contribution</b>
Political Subdivisions	\$376.8	\$78.8	\$455.6

# 2020-2021 Biennial State Budget Process



- **October 1** - Agencies Submit Budget Requests
- **February 15** - Governor's budget
- **April 1** - Final Vote on Budget; Crossover Day
- **June 3** - Final Day for Senate Vote on Budget
- **July 1** - New Budget Effective

# FY2021 Tax Revenues

## through December 2020

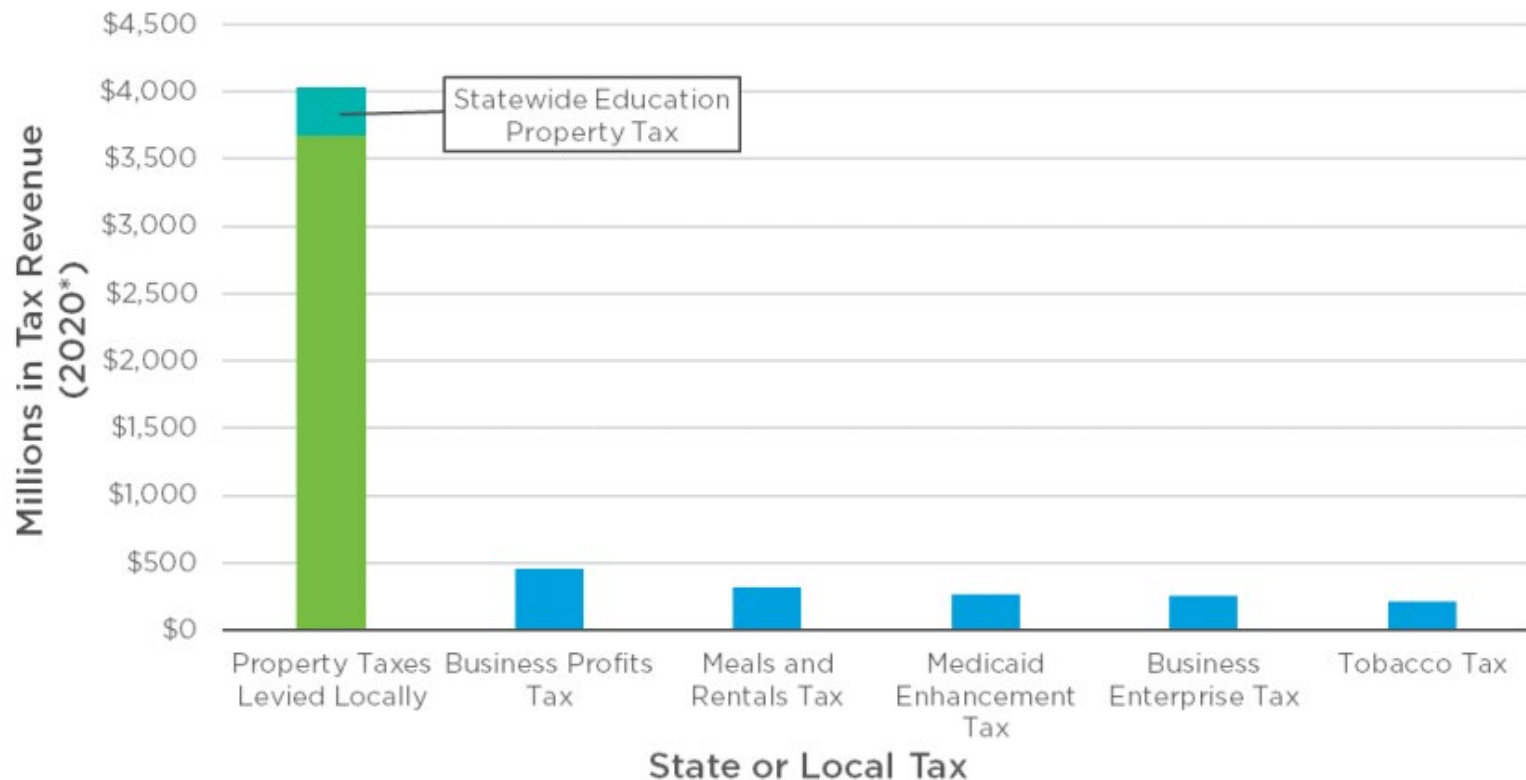
### Unaudited

Taxes	1st 6 Months Actual	1st 6 Months Plan	Actual Revenue vs Plan Revenue	Last 6 months Plan as a % of Total Plan
Business	\$ 392,100,000	\$ 327,300,000	19.8%	58.4%
M&R	\$ 168,400,000	\$ 214,000,000	-21.3%	44.7%
Tobacco	\$ 130,500,000	\$ 104,600,000	24.8%	48.0%
RETT	\$ 105,800,000	\$ 92,300,000	14.6%	41.7%
I&D	\$ 48,500,000	\$ 29,800,000	62.8%	74.5%
UPT	\$ 21,700,000	\$ 20,700,000	4.8%	53.2%
CST	\$ 18,700,000	\$ 20,500,000	-8.8%	51.0%
	\$ 885,700,000	\$809,200,000	9.5%	<b>53.4%</b>

Note: The 1<sup>st</sup> 6 Months of Actual revenue include the \$30.8m of anomalous receivable

# STATE AND LOCAL REVENUES: PROPERTY TAXES A KEY CONSIDERATION

## LARGEST STATE AND LOCAL TAXES IN NEW HAMPSHIRE



\*Note: Tax Year 2020 commitments used for property taxes. All other data for State Fiscal Year 2020.  
Sources: New Hampshire Comprehensive Annual Financial Report, State Fiscal Year 2020; New Hampshire Department of Revenue Administration, 2020 Annual Report and 2020 Tax Rates.

NEW HAMPSHIRE FISCAL POLICY INSTITUTE



# Legislative Biennium Budget Decisions



## Revenue Sharing & State Aid For Towns and Cities



## Property Taxes & Municipal Services



## Right-to-Know Law Virtual Workshop for Law Enforcement

Join NHMA's Legal Services attorneys who will share insights and strategies to assist law enforcement agencies in handling governmental record matters arising under the Right-to-Know Law. 9:00 am - 12:00 pm, Thursday, January 21, 2021. Cost is \$40.00.

[REGISTER TODAY!](#)

[REGISTER HERE!](#)



## ZOOM WEBINAR

### **2021 Legislative Preview: Get Ready to Advocate!**

**12:00 noon - 1:00 pm**

**Wednesday, January 27, 2021**

Despite facing a pandemic that is far from resolved, the New Hampshire General Court begins not only wrestling with hundreds of bills but also on how best to conduct in-person and/or remote hearings. It's also that time of year, again, when legislators need to hear from local officials about the concerns of municipalities.

Join Executive Director Margaret Byrnes, Government Affairs Counsel Cordell Johnston, Government Finance Advisor Becky Benvenuti and Municipal Services Counsel Natch Greyes for a sneak preview at what the 2021 legislative session has in store for cities and towns.

Remember, your legislators cannot represent your concerns if you have never taken the time to educate them on issues of importance to you and your municipality. Whether you have newly elected or re-elected legislators, be sure to take some time to reintroduce yourself and the issues important to your city or town. Your elected officials work for you, so put them to work for your municipality.

This webinar is open to NHMA members and is of interest to all municipal officials and employees.

**[REGISTER TODAY!](#)**



**[REGISTER HERE!](#)**



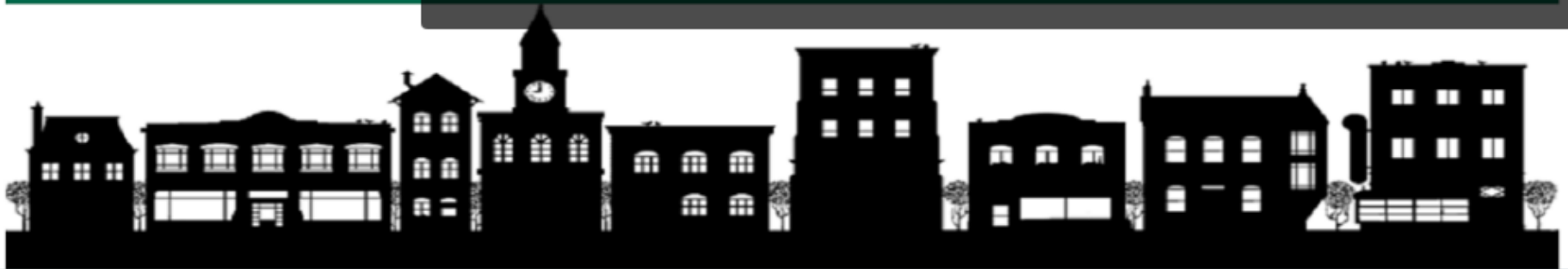
# WEEKLY MEMBERSHIP CALL

FRIDAYS AT 1:00 PM

## NHMA Weekly Membership Call

NHMA legal and legislative attorneys host *a weekly call at 1:00 pm on Fridays* for municipal officials and employees on all municipal concerns, issues and matters. All member municipalities are encouraged to listen in.

[Get Teams Invite Here!](#)



[GET TEAMS INVITE HERE!](#)

# Save <sup>the</sup> Date

Tuesday, March 2, 2021

2:00 - 4:30 pm



## Managing Cybersecurity Risk for Local Government

*A STATEWIDE CYBER SUMMIT*

Join us to hear from Federal, State, and local government leaders regarding cybersecurity and learn about threats, resources, and capabilities.

This Summit will be held virtually.



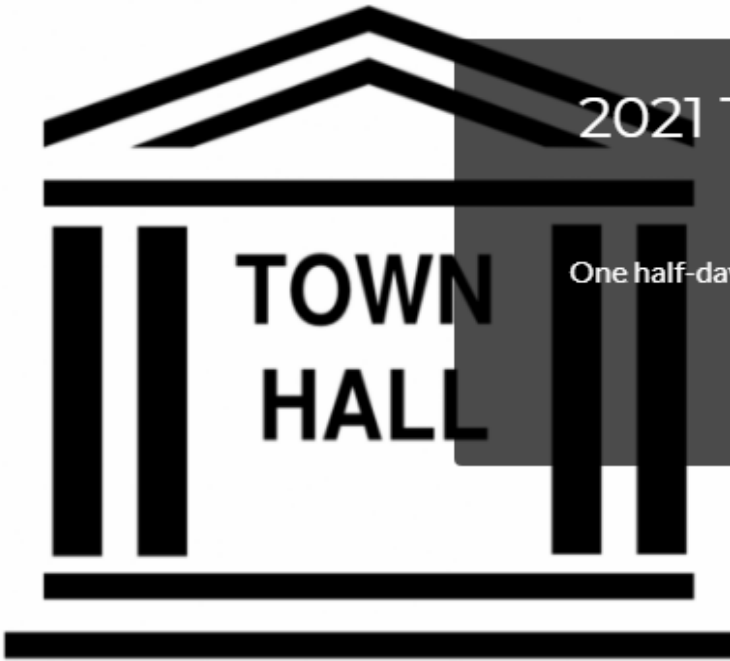
HOMELAND SECURITY  
EMERGENCY MANAGEMENT  
NEW HAMPSHIRE DEPARTMENT OF SAFETY

Primex  
NH Public Risk Management Exchange



CISA  
CYBER-INFRASTRUCTURE





## 2021 Town & School VIRTUAL Moderators Workshops

One half-day workshop for Traditional Meetings (9:00 am - 2:00 pm, Saturday, February 6, 2021). Cost is \$55.00

**REGISTRATION OPEN!**

[REGISTER HERE!](#)

## New Hampshire Municipal Association

Free VIRTUAL workshops for newly-elected and seasoned municipal officials and employees of member municipalities .



# 2021 Local Officials Workshops

Free Virtual  
Training Event!

### SAVE THESE DATES!

9:00 am—4:00 pm, Tuesday, April 6, 2021

9:00 am—4:00 pm, Tuesday, May 18, 2021

Presented virtually by NHMA's Legal Services attorneys, these workshops provide municipal officials with tools and information to effectively serve their communities. Topics will include the Right-to-Know Law, ethics and conflicts, effective meetings, town governance, municipal roads, budget and finance, and more. Ample time allowed for questions, answers, and discussion.

For more information and to register visit: [www.nhmunicipal.org](http://www.nhmunicipal.org)



Attendees will receive a complimentary copy of NHMA's 2020 edition of the publication, *Knowing the Territory*.



SAVE THESE DATES!

# *THANK YOU for attending our webinar today!*

Through the collective power of cities and towns, NHMA promotes effective municipal government by providing education, training, advocacy and legal services.

NEW HAMPSHIRE MUNICIPAL ASSOCIATION

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