



State of New Hampshire Department of Revenue Administration

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MUNICIPAL AND PROPERTY
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July 27, 2017

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Judy A. Silva, Executive Director
New Hampshire Municipal Association
25 Triangle Park Drive
Concord, New Hampshire 03301

RE: SB 38 additional appropriation of Highway Block Grant Funds

Dear Ms. Silva:

Thank you for your recent inquiry regarding the additional appropriation of Highway Block Grant Funds made by the legislature in adopting Senate Bill 38. The Department of Revenue understands that this action has inspired a number of questions which I hope can be answered with the following information:

- The provisions of SB 38 include specific language that allows municipalities to accept and expend these funds under the process provided in RSA 31:95-b regardless of whether they have adopted this local option provision;
- There are specific procedural requirements for accepting that include:
 1. Pursuant to RSA 31:95-b, II (a) the board of selectmen is required to hold a public hearing if the amount of the funds received is \$10,000 or greater;
 2. For amounts less than \$10,000 “the board of selectmen shall post notice of the funds in the agenda and shall include notice in the minutes of the board of selectmen meeting in which such moneys are discussed.” See RSA 31:95-b, II (b); and,
 3. “The acceptance of unanticipated moneys under this subparagraph shall be made in public session of any regular board of selectmen meeting.” See RSA 31:95-b, II (b). (Emphasis added).
- RSA 32:7, IV, provides that money from a state grant for a specific purpose is non-lapsing;
- The money being provided to the municipalities are additional grants under RSA 235:23, I;
- RSA 235:25, provides in pertinent part that, “. . . the unused balance may be carried over to the following municipal fiscal year and expended for highway construction, reconstruction or maintenance purposes.” (Emphasis added);
- This amount of additional grant should not be reported as “Highway Block Grant Revenue” on the municipalities 2017 MS-434 Report of Revised Estimated Revenue;
- As dedicated grant funds, the additional grant will not become part of the unassigned fund balance; and,
- Cities and towns are encouraged to inquire of their accountant or accounting firm to determine the appropriate fund where the money will be placed.

Please let me know if you have any further questions or concerns, and please feel free to circulate this letter to your members.

Sincerely,

Stephan W. Hamilton, Director
Municipal and Property Division

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