

MINUTES
City Council Legislative Subcommittee
Monday, January 31, 2022 at 10:00 a.m.
Conference Room A
1 Junkins Ave.
Portsmouth, NH

I. Greeting.

Mayor McEachern began the meeting at 10:10a.m. Mayor McEachern, Assistant Mayor Kelley, Councilor Tabor and Councilor Cook attended the meeting in person, as did City Manager Conard and Assistant City Attorney Ferrini. The Mayor's introductory remarks thanked the members for serving, encouraged them to work with our delegation where we can be effective and urged all members to testify in Concord.

II. Approval of December 22, 2021 Minutes.

The Committee discussed that other than the Mayor, there were different Committee members for the December 22, 2021 meeting and they felt they could not approve the minutes.

Councilor Tabor **moved** and Councilor Cook **seconded** a motion to keep the draft minutes posted on the City's webpage. The Committee **voted unanimously** to support the Motion.

III. Legislative Principles and Procedures for Testimony.

The Mayor introduced the Legislative Principles and Procedures for Testimony. He suggested the goal for today's meeting was for the Committee to review and bring these Principles and Procedures forward to the City Council. He referenced the testimony submitted to date, noting that Concord moves quickly and the Committee does not always have a chance to meet prior to the submission of testimony. The Committee discussed the Principles and Procedures. Councilor Tabor asked if these were new Principles and Assistant City Attorney Ferrini replied that these were the same Principles that were last amended by the Council in February 2019. City Manager Conard confirmed with Assistant Attorney Ferrini that the list of Principles are not in any order of priority. The Mayor commented that the Committee could amend the Principles later but it was important to get them established in order to be able to move forward with testimony. Councilor Tabor noted the Principle and Procedures were necessary so the City could be, essentially, light on its feet.

The Committee discussed some of its priorities for the legislative session. Councilor Cook identified that local authority was a priority because there were many bills that were trying to restrict local control, such as bills on voting and housing (tiny houses, Airbnb). The Mayor agreed and noted that Concord was responding to a vacuum because municipalities have not acted to address the Airbnb issue, which has created a shadow market for short term rentals. The Mayor explained that this is an example of something he would look to this Committee to bring back to the Council if we need to take action. The Committee identified additional priorities, such as workforce housing, climate change and additional sources of revenue for municipalities, such as the pillow tax.

Councilor Tabor **moved** and Assistant Mayor Kelley **seconded** a motion to amend Legislative Principle 17 by adding to the beginning of the sentence “Support policies that create affordable housing as well as...”. The Committee **voted unanimously** to approve the amendment.

Councilor Cook **moved** and Councilor Tabor **seconded** a Motion to approve the Legislative Principles and Procedures and to recommend them to the City Council. The Committee **voted unanimously** in favor of the Motion.

The Mayor stated that it was important to be part of the legislative process and if the Office of the Mayor declines to speak, it sends a message, so he encouraged Committee members to testify. The Committee discussed encouraging City Council members to testify and for them to note if their views differed from positions taken by the Legislative Subcommittee,

IV. Status update on bills and testimony submitted in 2022:

- Hotel occupancy (SB 338). The Mayor explained that the bill was killed but will likely be converted to a study committee as an amendment to another bill. The partisan opposition to this bill is in part because it is characterized as a tax, not a fee. Some Senate Committee members questioned whether the property tax on hotels is sufficient to cover their costs. He noted that the Mayors’ Roundtable supports the bill and this will go to a floor vote even though the Committee voted 4-1 ITL, Inexpedient to Legislate.
- Short term rentals (SB 249). The Mayor stated there is bipartisan support for this bill in the Senate. The bill was introduced in Concord to fill a void because municipalities were not addressing the issue. The bill provides no protection from out of state companies buying up residential property and turning Portsmouth into a community without residents from Thursday night through Sunday. The Mayor also stated that he understands the need for owner occupied rentals to help defer costs and that the City needs to address this shadow economy.
- Funding for sound barriers (HB 2022, HB 1593, HB 1656); The Mayor discussed the City’s Type I sound barriers in the 10 year plan and raised the issue of schools being treated the same as cemeteries when evaluation

sound barriers and stated that this is an issue that must be addressed outside the legislative process. The Mayor complimented Representative Somssich's work over many years on attempting to get funding for City's sound barriers, which were until recently, classified as Type II. The Mayor also noted that passage of the Legislative Principles permits Assistant Attorney Ferrini to work with our Representatives and Senator Perkins Kwoka.

- Increase municipal vehicle registration fee (SB 437). The Mayor spoke with Senator Perkins Kwoka who confirmed there is bipartisan support for this bill.
- Municipal fee from traffic violations (SB 441). The Mayor relayed that NHMA did not support this bill because some members were concerned that municipalities might issue more tickets to pad their budget.

- V. Discussion of legislative issues of interest and requests for support and Mayors' Roundtable. The Mayor spoke about Mayors' Roundtable, a nonpartisan group of Mayors that support legislative issues. He said the group will be discussing legislative issues of importance with the Governor on February 8, 2022.
- VI. General discussion of issues of interest to Committee. The Committee discussed offshore wind (SB 440, SB 268). The Mayor and City Manager noted their tour this morning of the Piscataqua turning basin with our federal delegation. The Mayor discussed Senator Watters' legislation on offshore wind. Councilor Cook identified as a legislative priority the issue of downshifting costs from the state on to municipalities. The Committee discussed HB 1417, a bill that would obligate the state to resume paying a portion of retirement costs. In discussing SB 400, a bill that supports workforce housing, Assistant Attorney Ferrini noted the award of attorney's fees in the bill. She explained the land use appeal process for the Housing Appeals Board and the superior court. She also noted that there were bills to both repeal the HAB and to expedite superior court appeals.
- VII. Update on Coalition Communities 2.0. Assistant Attorney Ferrini briefly explained the history of donor towns and the reestablishment of the Coalition Communities 2.0. and the group's hiring of Jim Merrill from Bernstein Shur as a lobbyist to track and oppose changes in the school funding formula that would bring back a return to a donor town school funding system. Assistant Attorney Ferrini also mentioned that the ConVal matter is in litigation, which challenges the school funding formula, which won't be heard until 2023. The Mayor said this issue may not be a priority for this legislature this session but it will return. He acknowledged the work of the Commission on Education Funding and how they addressed student inequity well but did not address tax inequity as well. The Mayor asked for a presentation from former Councilor Chris Dwyer, who was on the Commission on Education Funding, and quoted her comments to the Commission that acknowledge that we want equity for all students but we do not want rely on the property tax. Councilor Cook requested a report back on the Freedom Education Account and to determine

if these accounts would have an impact on the budget. Council Tabor requested a report back on whether there is any movement in the legislature to address commercial appraisals. Assistant Attorney Ferrini noted there was a bill that proposed different tax rate for commercial property this session. Councilor Tabor stated that this could be a problem for smaller businesses. Assistant City Attorney Ferrini stated that staff members with areas of expertise may participate in the report back at next meeting.

- VII. Adjournment. The next Legislative Subcommittee meetings will be scheduled with our delegation after reaching out to confirm a date and time. Councilor Tabor moved and Councilor Cook seconded motion to adjourn at 11:17 a.m.

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