

Minutes
City Council Legislative Subcommittee
Friday, April 4, 2025, at 9:30 a.m.
Conference Room A, 1 Junkins Ave., Portsmouth, NH

- I. Greeting: Mayor McEachern.
- II. Mayor McEachern, Assistant Mayor Kelley, Councilor Tabor, Councilor Cook, Senior Assistant Attorney Jane Ferrini, Senator Perkins Kwoka, Representative Mandelbaum, Representative Meuse and Representative Murray were in attendance.
- III. Approval of February 7, 2025 Minutes. Councilor Tabor moved and Councilor Kelley seconded a motion to approve the February 7, 2025 Minutes. The motion passed unanimously.
- IV. Discussion by Portsmouth Delegation regarding crossover bills, legislative issues of interest and the State budget.

Senator Perkins Kwoka noted there were bills relative to legalization of cannabis, many housing bills and SB 297, regarding amending the risk pool statute. She stated that the dispute regarding SB 297 relates to a disagreement on setting reserve levels and as a result, what must be returned to members. Insufficient assets would mean additional premiums from members. It appeared that there were different accounting methods used by actuaries from SOS and Health Trust and she noted that there needed to be a clearer way to translate that information. Initially, the stated bill would need increased premiums to be collected from members in one year, but the Senate amended the bill to three years. She noted Health Trust had alleged in might need to dissolve if the bill passed but also stated that the Secretary of State would take action to prevent dissolution.

Regarding the budget, Senator Perkins Kwoka discussed public hearings on the budget will be held in several locations in the State (Hampton, Conway and Manchester). Senator Perkins Kwoka noted that millions of dollars are at risk for Health and Human Services due to reductions in federal funding. Representative Murray noted that the funding for transportation (\$500,000) was put back in the budget, and that the budget included in its revenue projections excess SWEPT. The Mayor asked the reason the House put the excess SWEPT revenue in the budget, and Representative Murray answered that it was in response to the court cases. Representative Murray also noted that Keno would be allowed by right, and further stated that a new source of revenue, video slot machines, would also be allowed by right and the operator would keep 70% and the State would receive 30% for educational purposes. She further noted that revenue sharing will be repealed, there are substantial reductions in funding for the university system and regarding the budget shortfall, 1/3 to 2/3 may be taken from the rainy-day fund, which could increase bond rates. Councilor Cook noted the tourism funds were put back in and funding for the Arts had been taken out of the budget.

- V. Senior Assistant City Attorney Ferrini updated the Committee on the bills on the Agenda and the Committee commented on the following bills:

The Committee discussed **HB 544** (support) , the hotel occupancy fee bill (*ITL*) The Mayor noted that he hears from residents regarding the State's downshifting of costs, like the reduction of the meals and rooms and the failure to pass any legislations that would ease the property tax burden and help municipalities offset this downshifting, like the hotel occupancy bill. He noted as an example how much the City raises in meals in rooms and how little the City received for meals and rooms distribution.

The Committee discussed SWEPT bill HB 669 that was amended to only a tax cap bill. The delegation discussed the 2/3 majority to override a tax cap and noted the recent resistance to such a cap in Kearsarge.

The Committee also discussed housing bill **HB 631**, a bill that would permit residential housing by right in commercial districts. The City's Planning Director recommended that the City support the bill, however the Mayor noted that abutting neighbors on City infrastructure, like Rye, Newington and New Castle, may be impacted, and as such the City will track this bill, rather than support or oppose the bill. Senator Perkins Kwoka noted that the bill was amended to include a municipality's ability to deny if the residential property would abut a nuisance.

The Mayor further noted that the legislature is attempting to encourage housing but is not connecting the issue of housing to education funding. He noted we are one of the fastest growing places in NH for housing, faster than all other places in the State. An increase in population brings increased costs for education. He noted that it is particularly true if donor town education funding comes back. He explained that when the City lost the Schuller station, and with COVID, our commercial tax values went down and our residential property values went up, further burdening the property taxpayer. He stated the City will stop growing if we can't get property tax relief. He also appreciated that some towns do not have the infrastructure for housing, but if we do, we need to have some relief from the legislature like an increase in meals and rooms distribution.

The Committee also discussed **SB 188**, a bill regarding third party inspections. The Committee discussed third party inspections are already permitted by RSA 155-A. Senior Assistant City Attorney Ferrini reported the building inspectors oppose the bill due to its likely duplication of cost and delay. Senator Perkins Kwoka was successful in removing the bill from the Consent Calendar in the Senate. The Committee discussed tracking the bill and taking no action at this time.

Lisa Rapaport from the School Board spoke about the School Department's legislative bill list and invited the delegation to a meeting of the School Board's Legislative Subcommittee on Monday, April 7, 2025. She also commented generally regarding concerns about the possibility of losing federal funding.

- VI. The meeting was adjourned at 10:44 a.m.