Bill as Introduced

1999 SESSION

99-0279
08/01

HOUSE BILL ***226-LOCAL***

AN ACT establishing municipality bond payment schedules and percentages.

SPONSORS: Rep. Fraser, Merr 21; Rep. Hoadley, Merr 24; Rep. Russell, Ches 15; Sen. Larsen, Dist 15

COMMITTEE: Municipal and County Government

ANALYSIS

This bill establishes municipal bond payment schedule. This bill also requires each issuance of bonds to be a separate loan.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

99-0279
08/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord One Thousand Nine Hundred and Ninety-Nine

AN ACT establishing municipality bond payment schedules and percentages.

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

1 Issuance of Bonds; Payment Schedules; Amount Payable. Amend RSA 162-K:8 to read as follows:

162-K:8 Issuance of Bonds. The municipality may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto. ***Bonds issued under authority of this chapter shall be payable in annual payments which shall be so arranged that the amount of annual payment of principal and interest in any year on account of any bond shall not be less than the amount of principal and interest payable in any subsequent year by more than 10 percent of the principal of the entire bond. The total amount of such payments shall be sufficient to extinguish the entire bond on account of which they are made at maturity. The first payment of principal on any bond shall be made no later than 5 years and the last payment not later than 30 years after the date thereof. Each authorized issue of bonds shall be a separate loan.*** All dedicated tax increments received by the municipality pursuant to RSA 162-K:10 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt under RSA 33.

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

Amendments

Municipal and County Government
October 6, 1999
1999-2047h
08/10

Amendment to HB 226-LOCAL

Amend the bill by replacing section 1 with the following:

1 Issuance of Bonds; Payment Schedules; Amount Payable. Amend RSA 162-K:8 to read as follows:

162-K:8 Issuance of Bonds. The municipality may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto. ***Bonds issued under authority of this chapter shall be payable in annual payments which shall be so arranged that the amount of annual payment of principal and interest in any year on account of any bond shall not be less than the amount of principal and interest payable in any subsequent year by more than 5 percent of the principal of the entire bond. The total amount of such payments shall be sufficient to extinguish the entire bond on account of which they are made at maturity. The first payment of principal on any bond shall be made no later than 5 years and the last payment not later than 30 years after the date thereof. Each authorized issue of bonds shall be a separate loan.*** All dedicated tax increments received by the municipality pursuant to RSA 162-K:10 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt under RSA 33.

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Committee Minutes

MUNICIPAL AND COUNTY GOVERNMENT COMMITTEE

1999 Re-Referred Bills and Subcommittee Assignments

8/3/99

HB 0569	relative to the tax credit for service-connected total disability.	**Rep. Patten, Chair** Rep. Akins Rep. Cote Rep. Griffin Rep. Lockwood
HB 0595 -L	enabling municipalities to grant the elderly property tax exemption to an additional person in a household.	
HB 0696 -FN-L	relative to the taxation of land held by municipalities for water supply purposes.	
SB 0089 -L	relative to library trustees.	

HB 0071 -FN-L	relative to authorizing agreements for the determination of each municipality's share of county costs.	**Rep. Leone, Chair** Rep. Golden Rep. Lovejoy Rep. Rice Rep. St. Cyr Rep. Sarette
HB 0226 -L	establishing municipality bond payment schedules and percentages.	
HB 0521 -L	exempting initial bond issues from the 10 percent limitation on exceeding appropriations recommended by the budget committee.	
SB 0086	relative to enforcement of the collection and payment of county taxes by the county treasurer.	

HB 0209	relative to authorizing the consideration of traditional village patterns in local zoning ordinances.	**Rep. Brundige, Chair** Rep. Hager Rep. McGuirk Rep. Noyes Rep. Salatiello Rep. Simon
HB 0391	establishing a village plan alternative in zoning and land use planning laws.	
HB 0446 -L	subjecting certain land in the town of Newport to local land use regulations.	

HB 0285	providing that equalized value of property in small towns be calculated as a multi-year average.	**Rep. Hess, Chair** Rep. Foster Rep. Fraser Rep. Sabella Rep. Zerba
HB 0507 -L	relative to the taxability of certain appurtenant land to a taxable building.	
HB 0641 -L	clarifying the value of public utility property for property tax purposes.	
SB 0076 -L	allowing certain municipalities to offer tax exemptions to foster commercial and industrial construction.	

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # 226 Date 21 January 1999

Committee Municipal & County Gov't.

** Please Print All Information **

Name	Address	Phone	Representing	(check one) Pro	Con
Donald G. Russell	Keene	352-2648		✓	
Linda L. Eklund	10 Meadow Rd. Durham	868-5353			✓

Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 226

BILL TITLE: establishing municipality bond payment schedules and percentages.

DATE: January 21, 1999

LOB ROOM: 301 **Time Public Hearing Called to Order:** 2:30 p.m.

Time Adjourned: 3:54 p.m.}

(please circle if present)

Committee Members: Reps. Hess, Patten, Golden, P. Cote, Rice, Brundige, Sabella, Griffin, Leone, Noyes, Hager, Akins, Lovejoy, Lockwood, Foster, Fraser, McGuirk, Salatiello, St. Cyr, Sarette, Simon and Zerba.

Bill Sponsors: Rep. Fraser, Merr 21; Rep. Hoadley, Merr 24; Rep. Russell, Ches 15; Sen. Larsen, Dist 15

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

The purpose of this bill is to set up a convenient bond payment schedule for municipalities that participate in the acquisition and betterment of real and personal property needed t carry out a development program within a given specified district.
*Senator Larsen opened the testimony by stating how important a Tax Increment Funding (TIF) program was for the City of Concord as well as for the other towns and cities across the state. She further claimed that creating a TIF district has been an effective device in developing public parking garages, providing business locations for private business ventures and the like. This in turn helps to increase the tax base for the community.
The TIF program (30 years) essentially allows for lower payments in the first five years of a 30 year bond obligation. This gives the municipality a chance to improve the property values in order to generate more tax revenue to help pay off the bonds.
Sen. Larsen also stated that this bill has the full approval of the Concord city Council.
Rep. Brundige: Can this system (TIF) be used for school bonds?
Senator Larsen: There may be some problems with that.
Rep. Akins: Do you have any current projects in Concord?
Sen. Larsen: Yes, the City of Concord has created a TIF zone in the theatre area.
Rep. Hoadley spoke in "generic" support of the bill as a school board member. She said she was much in favor and would encourage as much economic development as we can. She emphasized the importance of lines 4 – 6 in the bill, which refers to the advantage of a longer time to pay. She said it helps the community as a whole. She also stated that lines 6 – 10 in the bill refers to flexibility and lines 10 – 12 emphasizes stability.
Fred Enderle, Assistant Concord Finance Officer, testified that in the past cities and towns had access to federal funds by not so anymore. The city is now investing its own tax dollars in the

infrastructure, creating opportunity corridors. That means we have to spend millions up front, therefore forcing us to bond for a larger period of time.
No principal payments in the first 5 years gives us time to build increments, and help us get better bond rates.
This legislation is derived from existing RSA 33:2 which allows for payments of loans. The existing legislation has less flexibility. The 10% rule (line 10) gives us a break now.
Rep. Lockwood: How long can you freeze property values?
Mr. Enderle: 20 years is allowed.
Rep. Simon: Senator Larsen mentioned these were prepayment penalties.
Mr. Enderle: When bonds go out, we put prepayment penalties in the agreement.
Rep. Simon: Isn't there a discrepancy in lines ^ - 9?
Mr. Enderle: It may need to be amended or it could possibly be worded better.
Rep. Simon: Given that, will this language create confusion?
Mr. Enderle: Not sure it will.
Rep. Brundige: I don't understand the end of line 4 and lines 10 – 12.
Mr. Enderle: No interest payments in 5 years – just principal.
Rep. Foster: We need a translator for bond issues. Is there a precedent to this? Is the bond market amenable?
Mr. Enderle: Yes.
Rep. Rice: I assume the bonds are backed by the entire city?
Mr. Enderle: Yes.
Rep. Leone: If the values are frozen, how are the taxes paid?
Mr. Enderle: Frozen is perhaps not a good word. As you add value, the taxes go into a fund for up to 20 years.
Rep. Akins: Aren't TIFs used to help downtrodden districts?
Mr. Enderle: Yes, in reference to RSA 162:K8.
Rep. Sarette: If it's to be paid in 25 years, there is a 5-year window?
Mr. Enderle: Our anticipation is that it will be paid off sooner.
Maureen Carroll of the New Hampshire Municipal Association spoke in favor of the bill. She stated that the thing most cities/towns want is flexibility.
If the committee would like more information on this program, we'd be happy to secure the people who know more about it.
Rep. Patten: In reference to frozen values, would that affect existing or proposed programs?
Carroll: We are dealing with the finance committee on this.
Rep. Simon: Has Manchester used the TIF approach?
Carroll: Not to her knowledge.
Rep. Foster: Manchester has other tools in its kit, similar to TIF?
Carroll: Yes, there are other tools.
Rep. Foster said that Milford uses the TIF program.
Marjorie Swope of the Concord City Council said she had voted for the TIF program, but was concerned about some of the state funding proposal.
Rep. Simon: Is the City of Concord waiting for this legislation to be passed?
Ms. Sxxxx: No, not yet. We have many things to do as yet. For example, railroads, roads, etc. We may ask for more flexibility.
Mr. Enderle: It (the legislation) will not stop us from going forward, but we will need to know because it will affect the bond rate.

Richard C. Leone, Clerk

Sub-Committee Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

SUBCOMMITTEE WORK SESSION ON HB 226

BILL TITLE: **establishing municipality bond payment schedules and percentages.**

DATE: February 17, 1999

Subcommittee Members:

Comments and Recommendations: Andrea Reid of the Department of Revenue Administration recommended a study committee for this bill. Concern included:

(1) 10 percent amount on principal.

(2) Nothing here requires a payment before 30 years. Some inexperienced people may put it off. What if there is an economic downturn?

(3) Successful projects which could be paid off in 5-6 years may not be able to do so if they are locked in.

(4) What happens to a revaluation (reval) during this time? Example: Town-owned land, current use.

(5) Also concerned about statewide property tax on income tax. It could affect the TIF (impact of Claremont). (If the increment isn't there, the taxpayer makes up the difference.

(6) Payment schedules may need to be restructured due to new state taxing system.

TIFs are presently used by Concord, Keene, Jaffrey, Peterborough, Newmarket, Milford and Claremont.

HB 226 Work Session 2/17/99

Cindrea Reid of DRA recommended a study committee for this bill. Concern included:

1) 10% amount of principal
2) Nothing here requires a payment before 30 years - some inexperienced people may put it off - what if there is an economic downturn?
3) Successful projects which could be paid off in 5-6 years, may not be able to do so if they are locked in.
4) What happens to a revaluation (reval) during this time? Ex. Town owned land, Current use
5) Alex concerned about statewide property tax or income tax - it could affect the TIF (Impact of Claremont) (If the increment can't there, the taxpayer makes up the difference
6) Payment schedules may need to be restructured due to new state taxing system.

TIFs are presently used by Concord, Keene, Jaffrey, Peterborough, Newmarket, Nelford and Claremont

State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

HELP LINE TDD RELAY
225-4033

COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

MEMORANDUM

TO: Rep. David W. Hess, Chairman
Municipal and County Government Committee

FROM: Rep. Richard C. Leone for the Subcommittee on HB 226 (re-referred)

DATE: October 1, 1999

RE: **Subcommittee Report on HB 226**, establishing municipality bond payment schedules and percentages

Analysis: This bill establishes municipal bond payment schedules.
This bill also requires each issuance of bonds to be separate loans.

Issues of Concern:

(1) When this bill was re-referred by the full committee by a vote of 15-0 on March 2, 1999, it wasn't fully established what effect the Claremont funding would have on TIF Districts. It has since been determined that Claremont would not have a significant effect.

(2) The Department of Revenue Administration did not agree with the original proposal of the bill which advocated up to a 10 percent spread in bond payments. The current law allows for 2 percent, but the city of Concord wanted the opportunity to pay it off sooner to save considerable dollars. DRA claimed that the way the law read, some communities could pay very little for several years (backload). They were particularly concerned about smaller communities which did not have financial officers who were familiar with the process (see attached Andrea Reid letter of August 24, 1999).

Action Taken:

After several meetings discussing the issue with DRA and the city of Concord, the subcommittee present (Reps. Lovejoy, Patten, Sarette, and Leone) voted 4-0 on September 22, 1999, to accept Andrea Reid's (DRA) recommendation that bond payment increments be 5 percent rather than 2 percent (current law) or the 10 percent (as proposed). This would mean that the 10 percent on line 10 of the bill would be changed to 5 percent (only change). It should also be noted that Rep. Rice, unable to attend the 9/22/99 meeting, telephoned in to notify us of his support of the subcommittee. **The subcommittee recommends OTP/A.**

SUBCOMMITTEE WORK SESSION

COMMITTEE: M+C

BILL NUMBER: HB 226

TITLE: Establishing Municipality Board Payment Schedules & Increases

DATE: 10/7/99 LOB ROOM: 301

TIME CALLED TO ORDER: _____ TIME ADJOURNED: _____

SUBCOMMITTEE MEMBERS: _____

NOTES: (Attach additional sheets if necessary)

See attached

OTP/A

RECOMMENDATION TO THE FULL COMMITTEE:

- ☐ See Below
- ☐ No Recommendation Yet

See attached

RESPECTFULLY SUBMITTED,

Rep. _____

For the Subcommittee

Rev. 08/24/98

Testimony

State of New Hampshire
Department of Revenue Administration

45 Chenell Drive
P.O. Box 487
Concord, N.H. 03302-0487
(603) 271-3397
Fax: (603) 271-1161

Stanley R. Arnold
Commissioner

Barbara T. Reid
Assistant Commissioner

Municipal Services Division
Andrea M. Reid
Director
Barbara J. Robinson
Assistant Director

August 24, 1999

Subcommittee, Municipal & County Government
Room 301
Legislative Office Building
Concord, NH 03301

Re: HB 226

Dear Committee Members:

Maura Carroll, Esq. of the New Hampshire Municipal Association contacted me on August 23, 1999 to ask for my input once again on HB226. I have already testified that I feel that the absence of early payments plus the up-to-10% spread allows a municipality to back-load bond payments to too great a degree. The governing body that institutes the tax increment financing district can play hero, so long as they leave office before the larger payments (which would fall on all taxpayers should the TIF fail) are due; that could leave a recent and blameless governing body with the onus of breaking bad news. See possible scenarios as written on accompanying page.

It is also possible that, as smaller towns without professional financial personnel become involved in TIFs, an early, seemingly innocuous mistake could result in real financial pain for many years.

I admire the ability to put off bond payments during the first four years. That would seem to be an advantage when a TIF district is formed that needs extensive infrastructure changes before the site(s) can be developed into taxable properties. I developed two compromises, one with no payback within the first four years but keeping a 2% spread as in current law, second with no payback within the first four years and a 5% spread.

I am unable to attend your work session on August 25, 1999 but could attend on September 1 or 8 if you wish to discuss this further.

Sincerely yours,

Andrea M. Reid

Andrea M. Reid

Enc.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
Municipal Services Division

HB 226

Possible scenarios as written

Year	#1 % of Total Bonding	#1 Cumulative Payback	#2 % of Total Bonding	#2 Cumulative Payback	#3 % of Total Bonding	#3 Cumulative Payback
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	1	1	1	1	1	1
6	1	2	1	2	1	2
7	1	3	1	3	1	3
8	1	4	1	4	1	4
9	1	5	1	5	1	5
10	1	6	1	6	1	6
11	1	7	2	8	1	7
12	1	8	2	10	1	8
13	1	9	2	12	1	9
14	1	10	2	14	1	10
15	1	11	2	16	1	11
16	5	16	2	18	1	12
17	6	22	3	21	1	13
18	6	28	3	24	1	14
19	6	34	3	27	1	15
20	6	40	3	30	1	16
21	6	46	7	37	2	18
22	6	52	7	44	2	20
23	6	58	7	51	10	30
24	6	64	7	58	10	40
25	6	70	7	65	10	50
26	6	76	7	72	10	60
27	6	82	7	79	10	70
28	6	88	7	86	10	80
29	6	94	7	93	10	90
30	6	100	7	100	10	100

What could happen if it were made 10% - DRA concerned about backloading as contained in cover letter from Andrea Reid See #1s 1, 2 + 3

Suggested Options by Andrea Reid 8/24/99

Year	Current Law % of Total Bonding	Current Law Cumulative Payback	Compromise suggested earlier (same %) % of Total Bonding	Compromise suggested earlier (same %) Cumulative Payback	Compromise suggested earlier (5%) % of Total Bonding	Compromise suggested earlier (5%) Cumulative Payback
1	3	3	0	0	0	0
2	3	6	0	0	0	0
3	3	9	0	0	0	0
4	3	12	0	0	0	0
5	3	15	3	3	1	1
6	3	18	3	6	1	2
7	3	21	3	9	1	3
8	3	24	3	12	1	4
9	3	27	3	15	1	5
10	3	30	3	18	1	6
11	3	33	3	21	1	7
12	3	36	3	24	1	8
13	3	39	3	27	1	9
14	3	42	3	30	1	10
15	3	45	3	33	1	11
16	3	48	3	36	5	16
17	3	51	4	40	6	22
18	3	54	4	44	6	28
19	3	57	4	48	6	34
20	3	60	4	52	6	40
21	3	63	4	56	6	46
22	3	66	4	60	6	52
23	3	69	5	65	6	58
24	3	72	5	70	6	64
25	3	75	5	75	6	70
26	5	80	5	80	6	76
27	5	85	5	85	6	82
28	5	90	5	90	6	88
29	5	95	5	95	6	94
30	5	100	5	100	6	100

Existing

4%

5%

Tax Increment Financing – HB 226

February 3, 1999 Room 301 LOB

RSA 162-K Municipal Economic Development and Revitalization District

HIGHLIGHTS

- Valuable leveraging tool
- Comprehensive Planning Program Development
- Guaranteed Base Tax Revenue
  - Captured Value
  - Base Value
- School and County approval
- Citizen Advisory Panel

THE LEGISLATION

- Debt Service Restrictions
  - 2% - current limitation
  - 10% - proposed upset limit
    - 5 year principal payment deferral
    - Not a balloon
- Claremont Impact

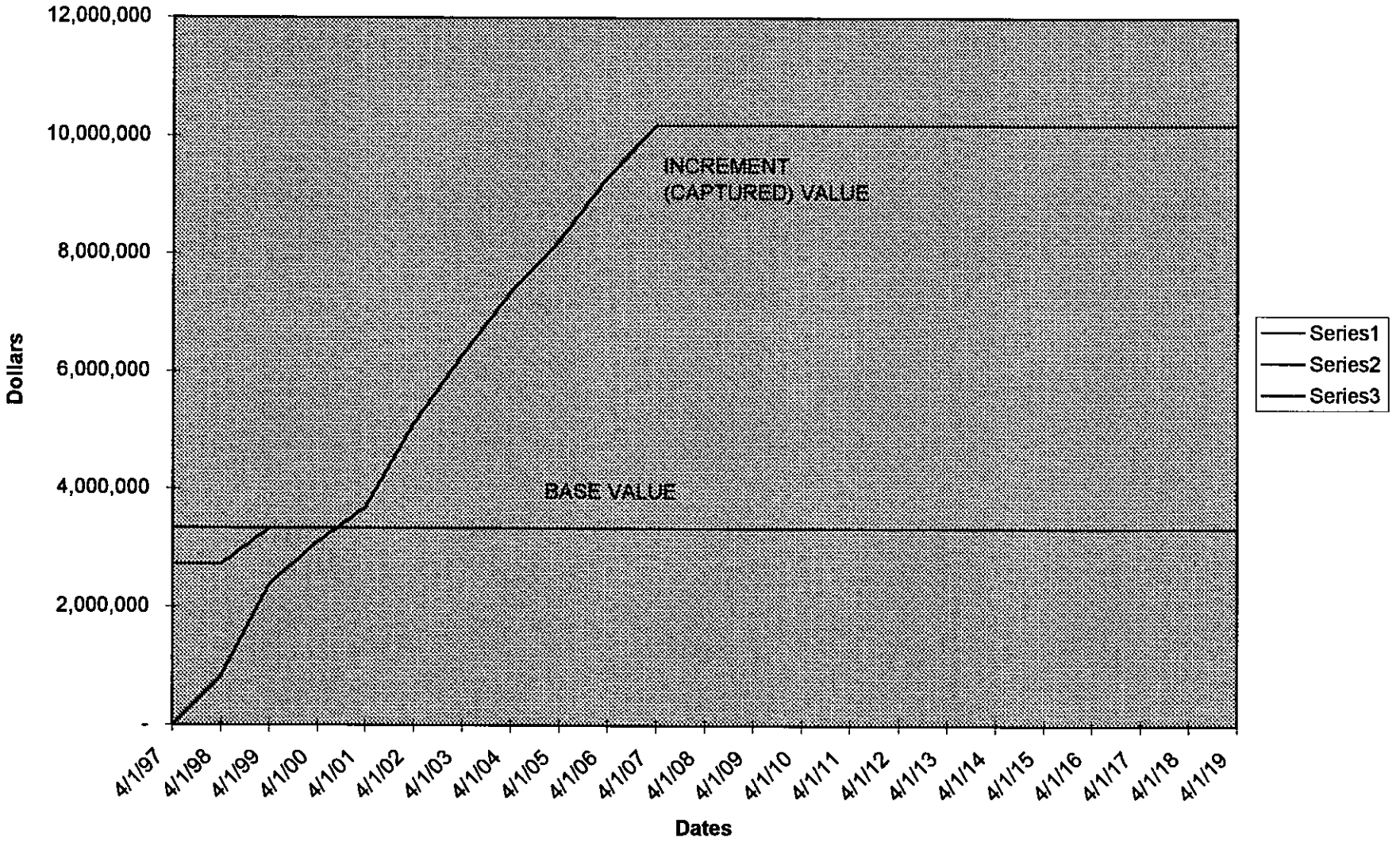
CONCORD EXPERIENCE

Durgin Block - $2.6 million Debt issue – District closed
- Captured Value - $8.4 million
- Base Value - $1.6 million

Eagle Square – District closed in first year

North End Opportunity Corridor (Hotel and Conference Center)
- Work in-Progress
- $2.8 million authorization

ASSESSED TAX VALUES



City of Concord, New Hampshire

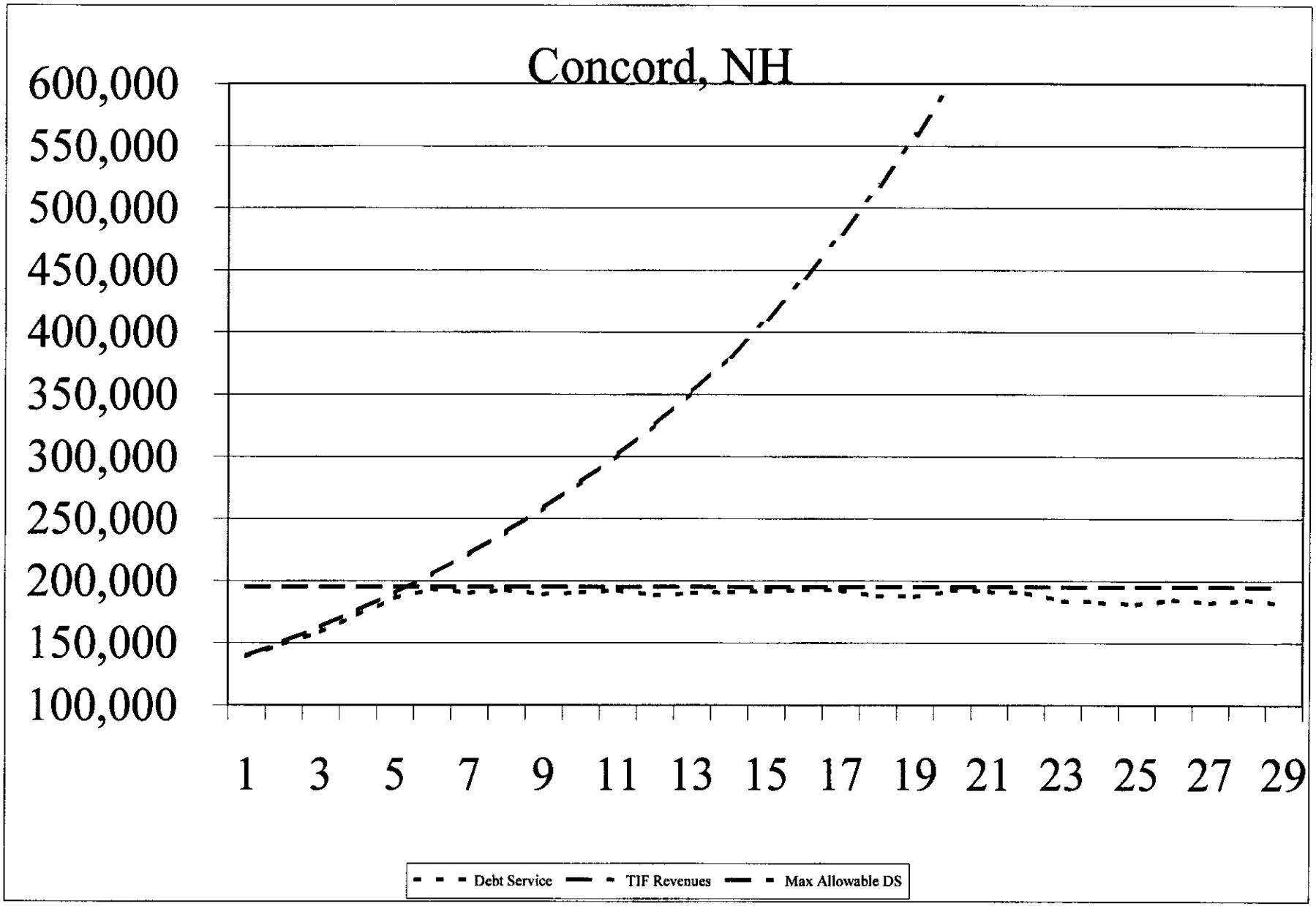
Tax Increment Financing District
Scenario R1

Bonds Dated:	March 1, 1999
LT Interest Rate:	5.00%
Yearly TIF increase:	8.00%

Fiscal Year	TIF Bond Issue Principal	TIF Bond Issue Interest	Total P&I*	Tax Increment Revenues	Coverage Ratio
1	0.00	139,250.00	139,250.00	140,000.00	1.01
2	10,000.00	139,250.00	149,250.00	151,200.00	1.01
3	20,000.00	138,750.00	158,750.00	163,296.00	1.03
4	35,000.00	137,750.00	172,750.00	176,359.68	1.02
5	50,000.00	136,000.00	186,000.00	190,468.45	1.02
6	60,000.00	133,500.00	193,500.00	205,705.93	1.06
7	60,000.00	130,500.00	190,500.00	222,162.41	1.17
8	65,000.00	127,500.00	192,500.00	239,935.40	1.25
9	65,000.00	124,250.00	189,250.00	259,130.23	1.37
10	70,000.00	121,000.00	191,000.00	279,860.65	1.47
11	75,000.00	117,500.00	192,500.00	302,249.50	1.57
12	75,000.00	113,750.00	188,750.00	326,429.46	1.73
13	80,000.00	110,000.00	190,000.00	352,543.82	1.86
14	85,000.00	106,000.00	191,000.00	380,747.32	1.99
15	90,000.00	101,750.00	191,750.00	411,207.11	2.14
16	95,000.00	97,250.00	192,250.00	444,103.68	2.31
17	100,000.00	92,500.00	192,500.00	479,631.97	2.49
18	100,000.00	87,500.00	187,500.00	518,002.53	2.76
19	105,000.00	82,500.00	187,500.00	559,442.73	2.98
20	115,000.00	77,250.00	192,250.00	604,198.15	3.14
21	120,000.00	71,500.00	191,500.00	652,534.00	3.41
22	125,000.00	65,500.00	190,500.00	704,736.72	3.70
23	125,000.00	59,250.00	184,250.00	761,115.66	4.13
24	130,000.00	53,000.00	183,000.00	822,004.91	4.49
25	135,000.00	46,500.00	181,500.00	887,765.30	4.89
26	145,000.00	39,750.00	184,750.00	958,786.53	5.19
27	150,000.00	32,500.00	182,500.00	1,035,489.45	5.67
28	160,000.00	25,000.00	185,000.00	1,118,328.61	6.05
29	165,000.00	17,000.00	182,000.00	1,207,794.89	6.64
30	175,000.00	8,750.00	183,750.00	1,304,418.49	7.10
Total	2,785,000.00	2,732,500.00	5,517,500.00		

* Under current legislation, total debt service cannot increase by more than 2% of par from any preceding year.

First Year DS:	139,250.00
2% of Par:	55,700.00
Max. Allowed:	194,950.00


Concord, NH
600,000
550,000
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
1
3
5
7
9
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13
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21
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25
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Debt Service
TIF Revenues
Max Allowable DS

City of Concord, New Hampshire

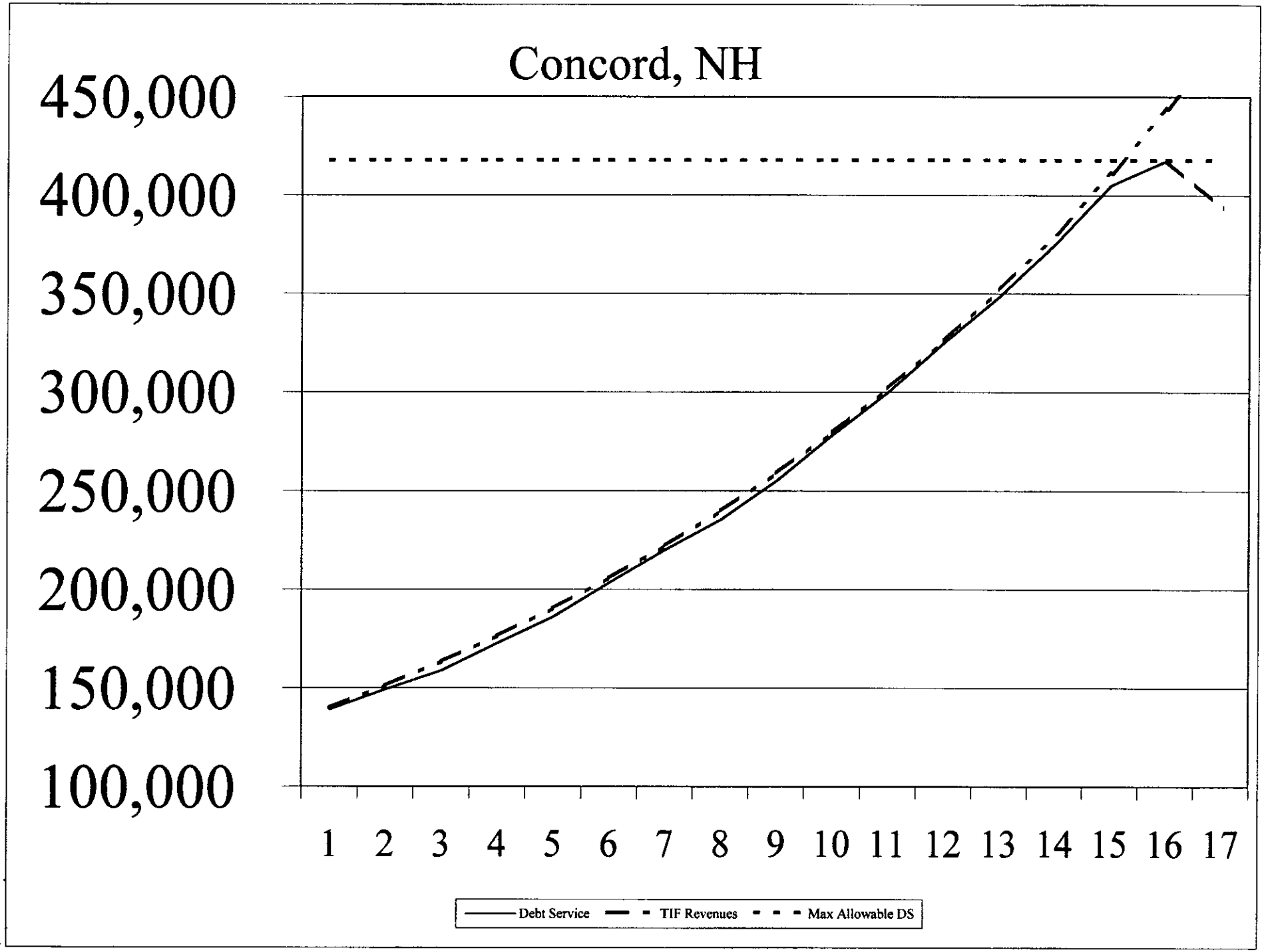
Tax Increment Financing District
Scenario R1

Bonds Dated: March 1, 1999
LT Interest Rate: 5.00%
Yearly TIF increase: 8.00%

Fiscal Year	TIF Bond Issue			Tax Increment Revenues	Coverage Ratio
	Principal	Interest	Total P&I*		
1	0.00	139,250.00	139,250.00	140,000.00	1.01
2	10,000.00	139,250.00	149,250.00	151,200.00	1.01
3	20,000.00	138,750.00	158,750.00	163,296.00	1.03
4	35,000.00	137,750.00	172,750.00	176,359.68	1.02
5	50,000.00	136,000.00	186,000.00	190,468.45	1.02
6	70,000.00	133,500.00	203,500.00	205,705.93	1.01
7	90,000.00	130,000.00	220,000.00	222,162.41	1.01
8	110,000.00	125,500.00	235,500.00	239,935.40	1.02
9	135,000.00	120,000.00	255,000.00	259,130.23	1.02
10	165,000.00	113,250.00	278,250.00	279,860.65	1.01
11	195,000.00	105,000.00	300,000.00	302,249.50	1.01
12	230,000.00	95,250.00	325,250.00	326,429.46	1.00
13	265,000.00	83,750.00	348,750.00	352,543.82	1.01
14	305,000.00	70,500.00	375,500.00	380,747.32	1.01
15	350,000.00	55,250.00	405,250.00	411,207.11	1.01
16	380,000.00	37,750.00	417,750.00	444,103.68	1.06
17	375,000.00	18,750.00	393,750.00	479,631.97	1.22
18	0.00	0.00	0.00	518,002.53	-
19	0.00	0.00	0.00	559,442.73	-
20	0.00	0.00	0.00	604,198.15	-
21	0.00	0.00	0.00	652,534.00	-
22	0.00	0.00	0.00	704,736.72	-
23	0.00	0.00	0.00	761,115.66	-
24	0.00	0.00	0.00	822,004.91	-
25	0.00	0.00	0.00	887,765.30	-
26	0.00	0.00	0.00	958,786.53	-
27	0.00	0.00	0.00	1,035,489.45	-
28	0.00	0.00	0.00	1,118,328.61	-
29	0.00	0.00	0.00	1,207,794.89	-
30	0.00	0.00	0.00	1,304,418.49	-
Total	2,785,000.00	1,779,500.00	4,564,500.00		

* Under proposed legislation, total debt service cannot increase by more than 10% of par from any preceding year.

First Year DS:	139,250.00
10% of Par:	278,500.00
Max. Allowed:	417,750.00


Concord, NH
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17
Debt Service
TIF Revenues
Max Allowable DS

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 226

BILL TITLE: **establishing municipality bond payment schedules and percentages.**

DATE: March 2, 1999

LOB ROOM: 301

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Simon

Seconded by Rep. Patten

Vote: 15-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 15-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Richard C. Leone, Clerk

Bill # 226

Public Hearings _____ Executive Session _____

COMMITTEE REPORT: (Re-Refer) -

	YEAS	NAYS
Hess, David W, Chairman		
Patten, Betsey L, V Chairman	1	
Golden, Paul A		
Cote, Patricia L	2	
Rice, Thomas E P	3	
Brundige, Robert W		
Sabella, Norma A		
Griffin, Mary E	4	
Leone, Richard C, Clerk	5	
Noyes, Richard A	6	
Hager, Elizabeth S	7	
Akins, Ralph L		
Lovejoy, Marian E		
Lockwood, Priscilla P	8	
Foster, Linda T	9	
Fraser, Marilyn A	10	
McGuirk, Paul A	11	
Salatiello, Thomas B		
St Cyr, Gerard L	12	
Sarette, John C	13	
Simon, Anthony F	14	
Zerba, Roger T	15	
TOTAL VOTE		

Appeared in Favor	Appeared in Opposition
15	0

EXECUTIVE SESSION

COMMITTEE M+C

BILL NUMBER HB226

BILL TITLE: _____

_____

DATE: 10/7/99 **LOB ROOM:** 307

Amendments:

Sponsor: Rep. St Cyr / Griffin OLS Document #: 1999-2047h Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: OTP, (OTP/A), ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. St Cyr / Griffin

Seconded by Rep. _____

Vote: _____ (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. _____

Seconded by Rep. _____

Vote: _____ (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 13-2

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Richard C. Lee Clerk

MUNICIPAL AND COUNTY GOVERNMENT 1999 SESSION

Bill # HB326

Public Hearings _____ Executive Session 10/7/99

COMMITTEE REPORT: OTP/A

	YEAS	NAYS
Hess, David W, Chairman	13	
Patten, Betsey L, V Chairman	1	
Golden, Paul A		
Cote, Patricia L		
Rice, Thomas E P		
Brundige, Robert W		
Sabella, Norma A		
Griffin, Mary E	2	
Leone, Richard C, Clerk	3	
Noyes, Richard A	4	
Hager, Elizabeth S		
Akins, Ralph L	5	
Lovejoy, Marian E	6	
Lockwood, Priscilla P	7	
Foster, Linda T		1
Fraser, Marilyn A		2
McGuirk, Paul A		
Salatiello, Thomas B	8	
St Cyr, Gerard L	9	
Sarette, John C	10	
Simon, Anthony F	11	
Zerba, Roger T	12	
TOTAL VOTE		

Appeared in Favor	Appeared in Opposition
13	2

Committee Report

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 226-L**

TITLE: establishing municipality bond payment schedules and percentages.

DATE: March 2, 1999 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☒ RE-REFER

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill concerns tax increment financing (TIF) districts and would allow more flexibility in establishing bond repayment schedules. TIFs have been very effective in some New Hampshire communities and the concept embodied in this bill could increase their effectiveness. However, Claremont II creates serious questions about TIFs and this bill should not be acted upon until the education funding question is resolved.

Vote 15-0.

Rep. Anthony F. Simon
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 226-L**

TITLE: establishing municipality bond payment schedules and percentages.

DATE: October 7, 1999 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ RE-REFER

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

The sponsors of this bill originally asked to change the bond payment schedule from 2 percent (current law) to 10 percent intervals to pay off Tax Increment Financing (TIF) projects. Their argument was that considerable savings could be realized in interest if the bond could be retired earlier. The Department of Revenue Administration was concerned that this could create problems of back-loading, especially if some community leaders decided to hold off payments until the last few years, possibly leaving the community in financial difficulty. The Department was also concerned that some of our smaller towns may not have access to financial officers or expertise to guide them as some of the larger communities do. The Committee was satisfied with a compromise of 5 percent increments worked out with the sponsors and the Department of Revenue Administration.

Vote 13-2.

Rep. Gerard L. St. Cyr
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Municipal and County Government

HB 226-L, establishing municipality bond payment schedules and percentages. OUGHT TO PASS WITH AMENDMENT

Rep. Gerard L. St. Cyr for **Municipal and County Government:** The sponsors of this bill originally asked to change the bond payment schedule from 2 percent (current law) to 10 percent intervals to pay off Tax Increment Financing (TIF) projects. Their argument was that considerable savings could be realized in interest if the bond could be retired earlier. The Department of Revenue Administration was concerned that this could create problems of back-loading, especially if some community leaders decided to hold off payments until the last few years, possibly leaving the community in financial difficulty. The Department was also concerned that some of our smaller towns may not have access to financial officers or expertise to guide them as some of the larger communities do. The Committee was satisfied with a compromise of 5 percent increments worked out with the sponsors and the Department of Revenue Administration. Vote 13-2.

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 226-L**

TITLE: establishing municipality bond payment schedules and percentages.

DATE: October 7, 1999 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ RE-REFER

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

The sponsors of this bill originally asked to change the bond payment schedule from 2 percent (current law) to 10 percent intervals to pay off Tax Increment Financing (TIF) projects. Their argument was that considerable savings could be realized in interest if the bond could be retired earlier. The Department of Revenue Administration was concerned that this could create problems of back-loading, especially if some community leaders decided to hold off payments until the last few years, possibly leaving the community in financial difficulty. The Department was also concerned that some of our smaller towns may not have access to financial officers or expertise to guide them as some of the larger communities do. The Committee was satisfied with a compromise of 5 percent increments worked out with the sponsors and the Department of Revenue Administration.

Vote 13-2.

Rep. Gerard L. St. Cyr
FOR THE COMMITTEE

10/20/99

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

OK

HB 226

The sponsors of this bill originally asked to change the bond payment schedule from 2% (current law) to 10% intervals to pay Tax Increment Financing (TIF) projects off. Their argument was that considerable savings could be realized in interest if the bond could be retired earlier. The Department of Revenue Administration was concerned that this could create problems of back-loading, especially if some community leaders decided to hold off payments until the last few years, possibly leaving the community in financial difficulty. The Department was also concerned that some of our smaller towns may not have access to financial officers or expertise to guide them as some of the larger communities do. The Committee was satisfied with a compromise of 5% increments worked out with the sponsors and the Department of Revenue Administration

GERARD
~~Gerald~~ L. St.Cyr for the Committee Ought to pass with amendment ___...____..

Gerard L. St Cyr

OK
B 10/20/99

Consent