Bill as Introduced

HB 527 - AS INTRODUCED

2003 SESSION

03-0813
08/01

HOUSE BILL ***527***

AN ACT relative to the transfer of appropriations for certain expenditures under the municipal budget law.

SPONSORS: Rep. N. Johnson, Straf 68

COMMITTEE: Municipal and County Government

ANALYSIS

This bill changes the definition of "purpose" to limit the transfer of appropriations in municipal budgets.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 527 – AS INTRODUCED

03-0813
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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to the transfer of appropriations for certain expenditures under the municipal budget law.

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

1 Municipal Budget Law; Definitions. Amend RSA 32:3, V to read as follows:

V. "Purpose" means a goal or aim to be accomplished through the expenditure of public funds. In addition, as used in RSA 32:8 and RSA 32:10, I(e), concerning the limitation on expenditures, a line on the budget form posted with the warrant, or form submitted to the department of revenue administration, or an appropriation contained in a special warrant article, ***or any issue placed as a separate article on a warrant,*** shall be considered a single "purpose."

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

Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 527

BILL TITLE: relative to the transfer of appropriations for certain expenditures under the municipal budget law.

DATE: February 5, 2003

LOB ROOM: 301 **Time Public Hearing Called to Order:** 2:24 PM

Time Adjourned: ??? 2:50

(please circle if present)

Committee Members: Reps. Patten, Brundige, Lockwood, Twombly, Boyce, Dumaine, Stohl, Noyes, Buhlman, Doyle, C. Dunne, Dupuis, Gillick, Gould, M. Pappas, N. Johnson, M. Cooney, Davidson, Osborne, Schmidt and Theberge.

Bill Sponsors: Rep. N. Johnson, Straf 68

TESTIMONY

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

***Rep. N. Johnson, Dist 68**
This bill should close a loophole in budgeting. A warrant article raising money, that fails, can still be done by governing body. The definition of purpose is important. Attempting to allow the will of the voters to prevail.

Robert Svnec, Milton Budget Committee
Line item removed, warrant article failed, yet monies spent anyway. Took it to court, lost. Town has asked court for removal of school board members.

Bryan Williams, Hooksett
Intent of this bill is same as the previous one. It will help with any bill that accomplished the same.

Ed Naile, Deering
Supports the bill. The present law needs tightening. Discrepancy of advice from lawyers. HB 527 better than HB 493.

Respectfully submitted,

Priscilla P. Lockwood

Priscilla P. Lockwood, Clerk
Municipal and County Government

Testimony

File HB 527

To: The Municipal and County Government Committee

From: Representative Nancy K. Johnson

Re: Testimony HB 527, relative to the transfer of appropriations for certain expenditures under the municipal budget law

Date: February 5, 2003

Thank you Madam Chair and my fellow members of the Municipal and County Government Committee.

For the record, my name is Nancy K. Johnson. I represent District 68 which includes Barrington, Farmington, Strafford, Milton, Middleton, and New Durham in Strafford County.

We have already heard a number of bills that attempt to make some technical changes regarding the school budget process, petition warrant articles and default budgets. This bill is an attempt to close a loophole in the budget approval process and subsequent spending.

I was approached by my Budget Committee last year to help them solve a problem that resulted in the School Board not adhering to what the voters clearly wanted by their vote.

The problem is that if a warrant article that asks the voters to expend money, does not pass, money can still be spent for the purpose rejected by the voters.

Municipal budget law is not always easy to understand, but I will try to make this as brief as possible and try to make it clear why this bill, if passed, will hold those who have to abide by the law, more accountable to the voters. Currently, accountability can take a backseat to what the voters clearly want or don't want.

RSA 32:8 says that no board of selectmen, school board, village district commissioners or any other officer....shall pay or agree to pay any money for any ***purpose*** in excess of the amount appropriated by the legislative body for that ***purpose***, or for any ***purpose*** for which no appropriation has been made, except as provided in RSA 32: 9-11.

RSA 32: 9 says money may be spent to pay a judgment against the town or district;

RSA 32: 10 says money may be transferred when necessary to expend more than the amount appropriated for a specific ***purpose*** ...provide that...the total amount spent shall not exceed the total amount appropriated, records are kept, that they have been properly authorized, any amount under a special warrant article may be used only for the ***purpose*** specified in that article and shall not be transferred and finally, "As used in RSA 32:10, I(a)-(d), concerning transfers of appropriations ..."***purpose***" refers, in addition to its

meaning in RSA 32:3, V, to individual line items in whatever detailed budget shall not be considered a '***purpose***' to which an amount may be transferred.

RSA 32: 11 deals with the need to recognize emergency expenditures.
So, the definition of the word "purpose" becomes very important when it comes to spending money.

The definition of "purpose" currently (as defined in RSA 32:3 V) means a goal or an aim to be accomplished through the expenditure of public funds. In addition, as used in RSA 32:8 and RSA 32:10, I (e), concerning the limitation on expenditures, a line on the budget form posted with the warrant, or form submitted to the department of revenue administration, or an appropriation contained in a special warrant article, shall be considered a single "purpose".

What does all this mean? If there is a warrant article that asks the voters to expend money for a "purpose" and the voters turn it down, it can still be spent.

We had the exact situation happen in Milton last year. The Milton School District had a warrant article to raise $47,000 in salary and benefits to employ a half-time assistant principal for the schools. At the deliberative session, this amount was amended to be $6,000 to cover the difference in salary between the reduced teaching positions and the Assistant Principal positions created. The voters in March defeated this article, but because it was not part of the definition of "purpose", the Milton School District hired the assistant principal. Needless to say, this is a slap in the face of the voters.

What I am attempting to do is clarify that when the voters say no, they mean no

Thank you for your time.

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 527

BILL TITLE: **relative to the transfer of appropriations for certain expenditures under the municipal budget law.**

DATE: March 18, 2003

LOB ROOM: 301

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

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

Moved by Rep. Gillick

Seconded by Rep. Gould

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

Motions: OTP, OTP/A, ITL, 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. Priscilla P. Lockwood, Clerk

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB527 **Title:** transfer - mun. land acq

PH Date: 2/5/03 **Exec Session Date:** 3/18/03

Motion: ITL **Amendment #:**

MEMBER	YEAS	NAYS
Patten. Betsey L. Chairman	15	
Brundige. Robert W. V Chairman	1	
Lockwood. Priscilla P	2	
Twomblv. James E	3	
Bovce. Laurie J	4	
Dumaine. Dudlev Daniels	5	
Pappas. Marc	6	
Dunne. Christopher H	absent	
Stohl. Eric G	7	
Noves. Richard A	8	
Buhlman. David L	absent	
Dovle. Christopher L	absent	
Dupuis. Roland L	9	
Gillick. Thomas J	10	
Gould. Kenneth H	11	
Johnson. Nancv K	absent	
Coonev. Marv R	absent	
Davidson. Robert A	absent	
Osborne. Jessie L	12	
Schmidt. Peter B	13	
Theberge. Robert L	14	
TOTAL VOTE:	15	0

Printed: 1/6/2003

Committee Report

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 527**

TITLE: relative to the transfer of appropriations for certain expenditures under the municipal budget law.

DATE: March 18, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

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

STATEMENT OF INTENT
(Include Committee Vote)

The subject matter in HB 527 relative to appropriations under the municipal budget law is very similar to HB 493 dealing with the municipal budget act. Since the RSA involved is in the same chapter, the committee voted to retain the subject matter.

Vote 15-0.

Rep. Thomas J. Gillick
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Municipal and County Government

HB 527, relative to the transfer of appropriations for certain expenditures under the municipal budget law. **INEXPEDIENT TO LEGISLATE**

Rep. Thomas J. Gillick for Municipal and County Government: The subject matter in HB 527 relative to appropriations under the municipal budget law is very similar to HB 493 dealing with the municipal budget act. Since the RSA involved is in the same chapter, the committee voted to retain the subject matter. **Vote 15-0.**

HB493

HB527

The subject matter in HB 527 relative to appropriations under the municipal budget law is very similar to HB 493 dealing with the municipal budget act. Since the RSA involved is in the same chapter the committee voted to retain the subject matter and then voted HB 527 Inexpedient to Legislate.

OK
3/18/03
4:07 pm
TSG