

Senate Finance Committee

Deb Martone 271-4980

SB 240-FN-A, making an appropriation to the department of environmental services for eligible water projects.

Hearing Date: February 4, 2025

Time Opened: 2:18 p.m.

Time Closed: 2:38 p.m.

Members of the Committee Present: Senators Gray, Innis, Birdsell, Pearl, Lang, Rosenwald and Watters

Members of the Committee Absent: Senator Carson

Bill Analysis: This bill makes an appropriation to the department of environmental services for the purpose of making payments to communities for projects for new awards and for making payments for projects that have previously been awarded state aid grant funding for eligible and completed wastewater infrastructure projects.

Sponsors:

Sen. Ricciardi
Sen. Avar
Sen. Fenton
Sen. Watters
Rep. D. Paige

Sen. Ward
Sen. Innis
Sen. Reardon
Sen. Long

Sen. Gannon
Sen. Rochefort
Sen. Altschiller
Rep. Bucu

Who supports the bill: Senators Rochefort, Innis, Ward, Fenton, Altschiller and Gannon; Margaret Byrnes; William Hounsell; Michele Tremblay; Steve Wingate; Janet Lucas; Jason Randall.

Who opposes the bill: Daniel Richardson

Summary of testimony presented in support:

Senator Ricciardi, Prime Sponsor:

- This bill will appropriate funds critical to the state's water infrastructure.
- SB 240-FN-A will provide \$30 million over 2 years to support wastewater infrastructure projects which are essential to public health, environmental protection and economic development.
- The funding will allow municipalities to complete previously awarded projects and initiate new ones, ensuring wastewater treatment systems remain safe, effective and comply with state standards.

- Reliable wastewater infrastructure is not just about clean water. It is a foundation for housing development and economic growth.
- Without modern, well maintained wastewater systems, new housing projects cannot move forward. This limits the availability of homes for working families and slowing economic progress.
- Many communities lack the resources to fund these projects on their own, making state support essential to expanding housing opportunities and supporting local economies.
- By passing SB 240-FN-A we are addressing long-term environmental challenges, providing relief to municipalities, and ensuring that New Hampshire can build the housing and infrastructure it needs.
- This bill is a strategic investment in clean water, community growth, and sustainable development.
- Water is the essence of life.

Margaret Byrnes, New Hampshire Municipal Association:

- It is so important to invest in these local projects. For many years, these projects were not funded, which led to municipalities picking up approximately \$50 million in what would have been the state grant portion, the 20-30 percent of these projects in the years following the Great Recession. It also led them to picking up a portion of those projects that were sold to the voters as being eligible for grants that never materialized.
- The current budget appropriated \$27.9 million for these grants. SB 240-FN-A will essentially allow the program to continue by providing the funding necessary for the 20-30 percent grant matching funds.
- As part of the Housing Champions Program, there has been a recognition that without the important water and sewer infrastructure, housing development cannot be expanded. The State Aid Grant Program is a wonderful compliment to the initiatives that were created through the Housing Champions Program.
- Senator Pearl sought confirmation this bill dealt only with wastewater. Ms. Byrnes agreed.
- Senator Lang sought confirmation funding was included in the current biennium budget. Ms. Byrnes agreed and added the \$27.9 million is to cover existing projects that had previously been approved. Senator Lang wondered how much of that funding has currently been spent. Ms. Byrnes was unsure. She indicated the proposed appropriation in SB 240-FN-A, if approved, would then cover new projects.
- Senator Rosenwald asked for clarification on "new" projects. Have these projects been started yet? Aren't they projects that have been completed and the state is helping to pay 20 percent of the debt service? Ms. Byrnes agreed. Those projects are ready to receive that 20-30 percent. Senator Rosenwald asked if it was true that we have been funding these projects for some time now, at least several years. Ms. Byrnes was unsure of the state's history of funding with earlier budgets.

William Hounsell, Lower Bartlett Water Precinct and North Conway Water Precinct; Policy Analyst, Granite State Rural Water Association:

- It's been a struggle for years to determine what would sustain the demand of the program.
- Mr. Hounsell distributed to committee members the current project needs list.
- Housing cannot be built without density. Density needs municipal wastewater.
- Rural areas have been able to build infrastructure at an affordable rate due to the State Aid Grant Program, federal grants, and other grants from the US Department of Agriculture.
- All of the debt of the State Aid Grant Program is taken on by the municipalities.
- Mr. Hounsell encouraged the state to maintain the current level of funding.
- New project applications coming into DES for this funding are at \$9.1 million.
- This bill is the starting point for everything the state needs to do for economic development and housing.
- Senator Rosenwald explained the cities and towns bond these projects over 20-30 years. When the project is completed, a municipality can apply for 20 percent of their debt service to be paid for by the state. She inquired how this important program will help us build housing. The program applies to wastewater programs that have already been built and are completed. Mr. Hounsell responded by giving an example of the town of Conway, which is now in the water and wastewater business. The town desperately needs housing. They need to develop a plan for wastewater.
- It is a good thing for the state to pay the interest on these loans.

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Date Hearing Report completed: February 5, 2025