

HB 1461-FN-LOCAL - AS INTRODUCED

2026 SESSION

26-3214

08/07

HOUSE BILL ***1461-FN-LOCAL***

AN ACT encouraging municipalities with sewage systems to extend system service to neighboring communities.

SPONSORS: Rep. Veilleux, Hills. 34; Rep. Dargie, Hills. 43; Rep. Rung, Hills. 12; Rep. B. Boyd, Hills. 12; Rep. Dunn, Rock. 16; Rep. Pauer, Hills. 36; Rep. Edgar, Rock. 29; Sen. Watters, Dist 4

COMMITTEE: Municipal and County Government

ANALYSIS

This bill encourages municipalities with sewage systems to extend system service to neighboring communities by creating an expedited review process for such applications and giving priority to such projects during administration of loan and grant programs.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT encouraging municipalities with sewage systems to extend system service to neighboring communities.

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

1 1 New Paragraph; Water Pollution and Waste Disposal; Duties of Department. Amend RSA
2 485-A:4 by inserting after paragraph XVII the following new paragraph:

3 XVII-a. The department shall establish an expedited review process and target timelines for
4 approvals required under this chapter, including permits under RSA 485-A:13 and plan approvals
5 under RSA 485-A:29, for projects that extend municipal sewer service across municipal boundaries
6 pursuant to an agreement under RSA 53-A and that are consistent with the regional plan adopted by
7 the applicable regional planning commission under RSA 36, or are necessary to accommodate
8 priority housing projects, economic development initiatives, or other community needs identified in
9 either municipality's adopted master plan, or are otherwise consistent with state housing and
10 infrastructure priorities, or are requested by the governing body of either the host municipality or
11 receiving municipality. The commissioner shall adopt rules, pursuant to RSA 541-A, to implement
12 this paragraph.

13 2 New Sections; Sewerage and Waste Disposal Systems; Intermunicipal Sewer Extensions.
14 Amend RSA 486 by inserting after section 11 the following new sections:

15 486:11-a Intermunicipal Sewer Extensions.

16 I. The department of environmental services shall establish an expedited review process for
17 applications to extend municipal sewer service across municipal boundaries where:

18 (a) The host municipality and the receiving municipality have entered into an
19 agreement under RSA 53-A; and

20 (b) The extension is consistent with the regional plan adopted by the applicable regional
21 planning commission under RSA 36, is necessary to accommodate priority housing projects, economic
22 development initiatives, or other community needs identified in either municipality's adopted master
23 plan or is otherwise consistent state housing and infrastructure priorities, or is requested by the
24 governing body of either the host municipality or receiving municipality.

25 II. The department shall give priority, within existing loan and grant programs
26 administered under this chapter, to projects that extend service under this section.

27 III. Municipalities entering into agreements under this section may recover the proportional
28 costs of construction and operation of the extension through user fees, assessments, or impact fees
29 charged to the receiving municipality or developers served by the extension.

30 486:11-b Compelling Necessity; Approval of Extensions.

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1 I. This section shall apply only to municipal sewer systems that were substantially funded
2 through state or federal loan or grant programs. In cases where the commissioner of the department
3 of environmental services determines that a compelling necessity exists, including but not limited to
4 significant public health risks, material barriers to meeting state housing goals, or demonstrable
5 economic harm of regional importance, the commissioner may require that a proposed
6 intermunicipal sewer extension be approved notwithstanding local refusal, provided that:

7 (a) Adequate treatment capacity exists or may reasonably be provided through
8 expansion;

9 (b) Neither existing sewer ratepayers nor general taxpayers of the host municipality
10 shall bear increased costs solely as a result of such extension, except to the extent that the expansion
11 also provides a direct benefit to them; and

12 (c) The requesting municipality or the developers to be served shall be responsible for
13 the proportional costs of construction, operation, and expansion necessary to provide such service,
14 net of any grants, loan forgiveness, or other financial assistance available through state or federal
15 programs.

16 II. Prior to issuing an order under this section, the commissioner shall provide notice and an
17 opportunity for hearing to the affected municipalities.

18 III. The commissioner may adopt rules, pursuant to RSA 541-A, to implement this section,
19 including procedures for petitions, determinations of compelling necessity, cost allocation, and
20 dispute resolution.

21 3 New Section; Aid to Municipalities for Water Pollution Control; Intermunicipal Extensions;
22 Priority. Amend RSA 486 by inserting after section 14 the following new section:

23 486:14-a Intermunicipal Sewer Extensions; Priority.

24 I. Within existing loan and grant programs administered under this chapter, the
25 department of environmental services shall give priority to projects that extend municipal sewer
26 service across municipal boundaries pursuant to an agreement under RSA 53-A and that are
27 consistent with the regional plan adopted by the applicable regional planning commission under
28 RSA 36, or are necessary to accommodate priority housing projects, economic development
29 initiatives, or other community needs identified in either municipality's adopted master plan, or are
30 otherwise consistent with state housing and infrastructure priorities, or are requested by the
31 governing body of either the host municipality or receiving municipality.

32 II. The commissioner shall adopt rules, pursuant to RSA 541-A, establishing application
33 ranking criteria and documentation requirements to implement this section.

34 4 Effective Date. This act shall take effect 60 days after its passage.

**HB 1461-FN-LOCAL- FISCAL NOTE
AS INTRODUCED**

AN ACT encouraging municipalities with sewage systems to extend system service to neighboring communities.

FISCAL IMPACT:

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	\$0	\$0	\$0
Local Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
Local Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill requires the Department of Environmental Services (DES) to create an expedited review process for applications to extend municipal sewer service across municipal boundaries and establishes several criteria that make projects eligible for expedited consideration and priority within existing DES loan and grant programs. The bill also creates a “compelling necessity” process that authorizes the DES commissioner to evaluate petitions and, when certain public health, housing, or economic conditions are met, order approval of an intermunicipal sewer extension.

DES states that any administrative costs associated with implementing this bill can be absorbed within its existing budget. The bill would not change state expenditures, as no additional State Aid Grant (SAG) funding is provided and interconnection projects would compete within the existing SAG program. Local expenditures are indeterminable because it is unknown how many municipalities would choose to pursue interconnection projects. Sewer infrastructure typically costs more than \$1.5 million per mile, so participation by local communities could result in significant local costs. Prioritizing interconnection projects within existing SAG resources may affect the timing or selection of other municipal sewer projects, as proposed projects currently exceed available funding.

AGENCIES CONTACTED:

Department of Environmental Services