

HB 1543-FN - AS INTRODUCED

2026 SESSION

26-2784

04/09

HOUSE BILL **1543-FN**

AN ACT relative to the transfer of state-owned real property to municipalities.

SPONSORS: Rep. Miles, Hills. 12; Rep. Chourasia, Hills. 11; Rep. Daniels, Hills. 43; Rep. Giasson, Hills. 29; Rep. Notter, Hills. 12; Rep. L. Walsh, Rock. 15; Rep. Presa, Hills. 12; Rep. Cole, Hills. 26; Sen. McGough, Dist 11; Sen. Pearl, Dist 17

COMMITTEE: Public Works and Highways

ANALYSIS

This bill restructures the process for disposing of or reclassifying highway-funded real estate by updating procedural steps, municipal notice requirements, and rehabilitation obligations.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 relative to the transfer of state-owned real property to municipalities.

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

1 1 Disposal of Highway, Federal, or Turnpike Funded Real Estate. Amend RSA 4:39-c to read as
2 follows:

3 4:39-c Disposal of Highway, Federal, or Turnpike Funded Real Estate.

4 I. Upon recommendation of the commissioner of the department of transportation to dispose
5 of or lease property purchased with state or federal highway funds or both, or turnpike funds, the
6 request for disposal or leasing shall be reviewed and approved by the long range capital planning
7 and utilization committee before submission to the governor and council for approval. Upon
8 determination that the property is no longer needed by the state, the governor and council shall first
9 offer it to the government of the town, city, or county in which the property is located. If the town,
10 city, or county refuses the offer, the governor and council may sell, convey, transfer, or lease the real
11 property. ***The state shall not dispose of class I or class II highway property if the highway is
12 still in use by the public for motor vehicle travel unless:***

13 (a) ***The municipality's legislative body concurs within 90 days after notice
14 under paragraph III; or***

15 (b) ***The municipality objects but the commissioner and municipality execute a
16 memorandum of understanding providing for rehabilitation, phased transfer, or time-
17 limited transition assistance consistent with RSA 229:5-a, and the governor and council
18 approve the disposal following a public hearing in the municipality.***

19 II. Sales of real property under this section shall be at not less than current market value of
20 the subject property, as may be determined by the governor and council. If the town, city, or county
21 decides to resell the property, it shall first offer the property to the state at the market value at the
22 time of sale.

23 III. The proceeds from a sale, conveyance, transfer, or lease under this section shall be
24 credited to either the highway fund, restricted federal fund, or the turnpike fund, whichever fund
25 provided money for the original purchase. Proceeds from a sale that results from money provided by
26 the highway fund for payback of real property purchased with federal funds shall be credited to the
27 department and shall be nonlapsing and continually appropriated to the department for the
28 purposes of meeting federal obligations or reimbursing the highway fund for payment of federal
29 obligations.

30 IV. This section shall not apply to the exchange of state-owned lands, which are under the
31 jurisdiction of the department of transportation, for other lands of equal or greater value, during

1 right-of-way negotiations, or to the sale of buildings that need to be moved to clear such rights-of-
2 way for public projects found necessary under other state laws.

3 ***V. Prior to any action under this section involving class I and class II highway***
4 ***property, the commissioner shall provide written notice to the governing body and***
5 ***legislative body of the municipality, and to the long range capital planning and utilization***
6 ***committee, and shall hold at least one public hearing in the municipality. Failure of the***
7 ***municipal legislative body to act within 90 days of notice shall be deemed concurrence.***

8 ***VI. The department shall prepare a written "turnback condition report" describing***
9 ***the highway segment's pavement, drainage, culverts, sidewalks, signage, and structures,***
10 ***and shall certify completion of all rehabilitation required by RSA 229:5 before any disposal***
11 ***or reclassification becomes effective.***

12 ***VII. The requirements of paragraphs I, II, V, and IV shall not apply to:***

13 ***(a) Segments no longer used for motor-vehicle travel;***

14 ***(b) De minimis remnants created by highway relocation where the municipality***
15 ***requests title; or***

16 ***(c) Temporary emergency realignments, provided the state maintains the former***
17 ***segment until formally discontinued.***

18 2 Bulk Disposal of Highway or Turnpike Funded Real Estate. Amend RSA 4:39-f, I to read as
19 follows:

20 I. The commissioner of the department of transportation may recommend the bulk disposal
21 of real estate purchased with state or federal highway funds or both, or turnpike funds. The request
22 for bulk disposal shall be presented for review and approval by the long range capital planning and
23 utilization committee before submission to the governor and council for approval. Upon
24 determination that the property is no longer needed by the state, the governor and council shall first
25 offer it to the government of the town, city, or county in which the property is located. If the town,
26 city, or county refuses the offer, the governor and council may sell, convey, transfer, or lease the real
27 property ***provided that any bulk disposal including class I or class II highway property still***
28 ***in use for motor-vehicle travel shall comply with RSA 4:39-c, V-VII.***

29 3 Disposal of Real Estate. Amend RSA 4:40, I to read as follows:

30 I. Except as provided in RSA 4:39-c, RSA 228:31-b, and RSA 204-D, upon recommendation of
31 the head of any state department having jurisdiction over the same, all requests for the disposal or
32 leasing of state-owned properties shall be reviewed and approved by the long range capital planning
33 and utilization committee, with advice from the council on resources and development, prior to
34 submission to the governor and council for approval. Upon determination that the property is no
35 longer needed by the state, the governor and council shall first offer it to the town, city, or county in
36 which the property is located. If the town, city, or county refuses the offer, the governor and council
37 may sell, convey, transfer, or lease the real property. ***No disposal under this section may result***

1 *in the reclassification, reversion, or discontinuance of class I or class II highway property*
2 *still in public use unless the requirements of RSA 4:39-c are met.*

3 4 Discontinuance of Relocated Portions of Class I and Class II Highways. Amend RSA 230:57 to
4 read as follows:

5 230:57 Reversion to Town.

6 Upon the filing of notice with the commissioner of transportation that such occasion exists, or, in
7 the event that the selectmen fail to take any action or notify the commissioner of transportation in
8 writing of their determination within 60 days after the receipt of notice from the commissioner
9 regarding property acquired by the state in 1945 or earlier, the right-of-way over such portion of land
10 and title to any interest held by the state in such portion shall thereupon revert to or vest in such
11 town, and the commissioner of transportation shall so certify in writing under oath to the selectmen,
12 and the highway shall thereupon become a class V or class VI highway. *The commissioner of*
13 *transportation shall not discontinue, reclassify to a class V or class VI highway, or revert*
14 *to the town, class I or class II highways if the highway is still in use by the public for motor*
15 *vehicle travel unless the municipality concurs or an agreement and approval consistent*
16 *with RSA 4:39-c, V-VII is obtained.*

17 5 New Section; Turnback Rehabilitation and Transition Assistance. Amend RSA 229 by
18 inserting after section 5 the following new section:

19 229:5-a Turnback Rehabilitation and Transition Assistance.

20 I. Prior to any reclassification or reversion of class I or class II highway still in public use,
21 the department shall complete all rehabilitation required by RSA 229:5 and provide the report
22 required by RSA 4:39-c, VI.

23 II. Within available appropriations, the department may provide time-limited, nonlapsing
24 transition assistance grants or in-kind services to offset near-term municipal maintenance costs
25 identified in the report; such assistance shall not consist of a local mandate.

26 6 Effective Date. This act shall take effect 60 days after its passage.

**HB 1543-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the transfer of state-owned real property to municipalities.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	Indeterminable		
<i>Funding Source(s)</i>	Highway Fund and Turnpike Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill restructures the process for disposing of or reclassifying highway-funded real estate by updating procedural steps, municipal notice requirements, and rehabilitation obligations. The Department of Transportation assumes that under this bill it would be required to provide 90-days notice, hold a public hearing and obtain a municipality’s concurrence before disposing of highway, federal, or turnpike funded real property, or reclassifying a class I or II highway that is still in use by the public for motor vehicle travel. The Department assumes RSA 4:40 does not apply to real estate purchased with turnpike funds or state or federal highway funds. The Department states any fiscal impact is indeterminable as the impact of maintenance, rehabilitation and reconstruction would be ongoing in perpetuity. Sometimes, after the Department has relocated a portion of a class I or II highway, the bypassed portion of highway takes on the characteristics of a class V or VI highway, serving mostly local traffic. If the municipality objects to the reclassification of the highway, which is not unforeseeable, the Department would be required to continue maintenance of what characteristically is a class V highway, diverting funds away from the from the maintenance and operation of states primary and secondary highway system. The fiscal impact of the rehabilitation required by RSA 229:5 is also indeterminable. Historically this has been a pavement resurfacing and fixing anything that is broken, intended to leave the highway in a serviceable condition, not a more inclusive project.

AGENCIES CONTACTED:

Department of Transportation