

HB 1435-FN - VERSION ADOPTED BY BOTH BODIES

2026 SESSION

26-2345
07/08

HOUSE BILL ***1435-FN***

AN ACT relative to changes to the Winnepesaukee river basin control replacement fund.

SPONSORS: Rep. Bogert, Belk. 5; Rep. St. Clair, Belk. 5

COMMITTEE: Ways and Means

ANALYSIS

This bill makes changes to the Winnepesaukee river basin control replacement fund.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 changes to the Winnepesaukee river basin control replacement fund.

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

1 1 Water Management and Protection; Winnepesaukee River Basin Control; Replacement Fund
2 Established. Amend RSA 485-A:51, II-VIII to read as follows:

3 II. The fund shall be capitalized at an amount equal to ~~[5]~~ **2** percent of the value of the
4 equipment and other depreciable assets of the treatment facilities. The value of the equipment and
5 other depreciable assets shall be computed every 5 years, beginning in 1990, and shall be based on
6 current replacement costs. ***Notwithstanding any other provision of law to the contrary, this***
7 ***capitalization value shall apply to the valuation commencing on June 30, 2024.***

8 III. Each member's share of the total fund capital shall be contributed over a period of 10
9 years after the initial establishment of the fund and shall be paid as a yearly surcharge to the
10 member's operating charges. Thereafter, each member's surcharge shall be ~~[prorated]~~ **adjusted** as
11 membership and ~~[design]~~ **valuation** changes require.

12 IV. Once a member has fully funded its share of the replacement fund capital, the member
13 shall make no further contributions until the fund is utilized for repair or replacement of a facility
14 used by that member or the asset valuation increases such that the fund capitalization increases as
15 established in paragraphs II and III. Following any expenditure from the fund, 50 percent of the
16 expenditure shall be replenished by contributions from those members that utilize the facilities
17 receiving funding based on each member's proportional usages of said facilities, and 50 percent of the
18 expenditure shall be shared among all members using their respective percentage assessment for
19 replacement fund contributions pursuant to paragraph III. The expenditures shall be reimbursed by
20 the members over a 10-year period, ***or over a shorter period at the discretion of the member,*** in
21 addition to the member's yearly contribution to the fund until the member's share of the fund is fully
22 restored.

23 V. If a repair or replacement cost exceeds the value of the fund established for that
24 particular facility, the repair cost shall be paid out of the portion of the fund established for other
25 facilities, however, reimbursement to the fund shall always be assessed back to members in
26 accordance with the apportionment set forth in paragraph IV.

27 VI. As new facilities, if any, are added to the system, additional assessments shall be made
28 to the members benefiting from these facilities, prorated on the basis of projected use.

29 VII. If a new member joins the system, the assessments shall be modified to reflect the new
30 member's proportional benefit from the facilities~~[, and excess prior payments made by other~~
31 ~~members, if any, shall be credited to their accounts]~~.

HB 1435-FN - VERSION ADOPTED BY BOTH BODIES

- Page 2 -

1 VIII. ~~[All contracts paid for using the fund shall be submitted to the governor and council for~~
2 ~~approval]~~ ***If a member exits the system or there is consolidation of members, the fund shall***
3 ***be adjusted to reflect modified projected use of the equipment and other infrastructure,***
4 ***fund balances, and expenditure reimbursement obligations.***

5 2 Water Management and Protection; Winnepesaukee River Basin Control; Replacement Fund
6 Established. Amend RSA 485-A:51, II to read as follows:

7 II. The fund shall be capitalized at an amount equal to 2 percent of the value of the
8 equipment and other depreciable assets of the treatment facilities. The value of the equipment and
9 other depreciable assets shall be computed every 5 years, beginning in 1990, and shall be based on
10 current replacement costs. ~~[Notwithstanding any other provision of law to the contrary, this~~
11 ~~capitalization value shall apply to the valuation that occurred on June 30, 2024.]~~

12 3 Effective Date.

13 I. Section 2 of this act shall take effect June 30, 2029.

14 II. The remainder of this act shall take effect upon its passage.

**HB 1435-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to changes to the Winnepesaukee river basin control replacement fund.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	(\$994,340)	(\$994,340)	(\$994,340)	(\$994,340)
<i>Revenue Fund(s)</i>	Winnepesaukee River Basin Replacement Fund			
Expenditures*	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<i>Funding Source(s)</i>	Winnepesaukee River Basin Replacement Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

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	\$0	\$0	\$0
Local Expenditures	(\$994,340)	(\$994,340)	(\$994,340)	(\$994,340)

METHODOLOGY:

This bill reduces the capitalization rate for the Winnepesaukee River Basin Replacement Fund from 5% to 2% of the value of depreciable assets, collected over a ten-year period. The bill also updates statutory language regarding adjustments when members join, exit, or consolidate within the system. This bill will take effect upon passage, with the capitalization assessment percentage change beginning on June 30, 2024, and the FY 2025 annual assessment based on the FY 2025 to FY 2029 current replacement cost asset valuation.

The Department of Environmental Services states this bill will result in a decrease in state revenues, an indeterminable impact on state expenditures, and a decrease in local expenditures beginning in FY 2026. Under current law, the Replacement Fund is capitalized through assessments on the ten Winnepesaukee River Basin communities. The existing capitalization rate collects 5% of depreciable asset value over ten fiscal years, effectively a 0.5% annual

assessment. Based on the FY 2025 to FY 2029 valuation of \$314,446,852, annual assessments total approximately \$1,657,234.

The bill reduces the capitalization percentage to 2% collected over ten fiscal years, effectively a 0.2% annual assessment. Using the same valuation, annual assessments would total approximately \$662,894, resulting in an annual reduction of \$994,340. Because member communities pay 100% of the Replacement Fund assessment, this change reduces state revenues in Winnepesaukee River Basin Replacement Fund by \$994,340 per year and reduces local expenditures by the same amount.

Replacement Fund expenditures remain indeterminable as they vary yearly based on repair and replacement needs at Winnepesaukee River Basin Program facilities. The bill does not change the purpose or operation of the Replacement Fund, so expenditure levels will continue to fluctuate based on system conditions.

AGENCIES CONTACTED:

Department of Environmental Services