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Contains: Additional Scheduling, Report and Amendment for March 25

HOUSE CALENDAR

THURSDAY, MARCH 25

ADDITIONAL COMMITTEE REPORT

MUNICIPAL AND COUNTY GOVERNMENT

HB 734, relative to establishing a voluntary school contribution program in support of local school districts. OUGHT TO PASS WITH AMENDMENT

Rep. David W. Hess for Municipal and County Government: This bill, as amended, reflects the collective, collaborative effort of the House leadership and the House Democratic leadership to address two of the most serious uncertainties which our schools and teachers will face if the April 1 Claremont II deadline approaches and passes without adoption of a final legislative response. Section 1 of the bill authorizes state guarantees for "TANs" – (tax anticipation notes) which a number of our municipalities may have to issue in order to cover the costs of public education for the remainder of this school year. This bill enables all municipalities to obtain such a state guarantee if they can demonstrate a compelling need for that guarantee to both the Legislative Fiscal Committee and the Governor and Council. Section 2 of the bill extends the statutory deadline by which school districts must provide their teachers with non-renewal notices as a result of the uncertainty arising out of Claremont II

from April 15, 1999 to May 15, 1999. This section, however, applies only to those school districts which do not have a specific, non-renewal notice date in their collective bargaining agreements with teachers. It also applies only to calendar year 1999. With the agreement of the prime sponsor, that portion of the original bill authorizing municipalities to accept and spend voluntary contributions for public education in lieu of school taxes has been retained by this Committee for further study and refinement. The Committee expects to report it out in amended form later in the session. Vote 18-0.

THURSDAY, MARCH 25

ADDITIONAL AMENDMENT

1999-0543h

Amendment to HB 734-FN-LOCAL

Proposed by the Committee on Municipal and County Government

Amend the title of the bill by replacing it with the following:

AN ACT relative to state guarantees of tax anticipation notes issued by municipalities; and relative to teacher non-renewals for the 1999-2000 school year.

Amend the bill by replacing all after the enacting clause with the following:

1 State Guarantee.

I. Any municipality faced with a compelling need to borrow in anticipation of taxes may petition the fiscal committee for a state guarantee of the principal and interest thereon of such tax anticipation notes. The state guarantee shall then be limited to the amount approved by the legislative fiscal committee and by the governor and council. Notwithstanding the provisions of RSA 33:7 and in view of the general public benefits expected to be derived from the uninterrupted operation of local government, the fiscal committee and the governor and council may award a state guarantee of the principal and interest thereon of tax anticipation notes. The full faith and credit of the state shall be pledged for any such guarantees of principal and interest. The governor, with the advice and consent of the council, is authorized to draw a warrant for such a sum out of any money in the treasury not otherwise appropriated, for the purpose of honoring any guarantee awarded under this section. The state's guarantee shall be evidenced on each guaranteed note by an endorsement signed by the state treasurer.

II. In connection with the award of a state guarantee, the fiscal committee and the governor and council may impose such terms and conditions as they may deem appropriate concerning the notes and reimbursement to the state. Such terms and conditions shall be contained in an agreement between the state and the municipality, to be executed on behalf of the state by the governor and the state treasurer and on behalf of the municipality by its duly authorized treasurer or finance director.

2 Notice Provisions; Temporary Suspension. For the 1999-2000 school year, the provisions of RSA 189:14-a are hereby suspended only as such provisions may be applied to school districts with no specific non-renewal notice date in the existing teacher's contract. This suspension is limited to those decisions to non-renew teachers resulting from uncertainty as to the level of state funding for education. The suspension set forth in this section shall terminate on May 15, 1999.

3 Effective Date. This act shall take effect upon its passage.

AMENDED ANALYSIS

The bill also allows municipalities to petition the legislative fiscal committee and the governor and council, based upon a compelling need, for state guarantees on tax anticipation notes.

The bill also specifies that the provisions of RSA 189:14-a relative to notice of teacher non-renewals resulting from uncertainty as to the level of state funding for education shall be temporarily suspended.

COMMITTEE MEETING

FRIDAY, MARCH 26

LEGISLATIVE FACILITIES (RSA 17-E:2), Room 105A, State House

11:00 a.m. Regular meeting.