



RESOLUTION

CREATING A SPECIAL REVENUE FUND FROM STATE HIGHWAY FUND BLOCK GRANTS AND A PORTION OF MOTOR VEHICLE PERMIT FEES FOR ROAD AND HIGHWAY EXPENDITURES

CITY OF NASHUA

In the Year Two Thousand and Fourteen

The City of Nashua ordains that pursuant to NH RSA 47:1-b and c and 31:95-c and d, the majority of the board of aldermen answer “yes” to the following question:

“Shall we adopt the provisions of RSA 47:1-b and 31:95-c to restrict one hundred percent (100%) of revenues from block grants from the state highway fund and seven hundred thousand dollars (\$700,000) annually of revenues from motor vehicle permit fees collected under RSA 261:165 to expenditures for the purpose of road and highway expenditures? Such revenues and expenditures shall be accounted for in a special revenue fund to be known as the Special Road and Highway Fund, separate from the general fund. Any surplus in such fund shall not be deemed part of the general fund accumulated surplus and shall be expended only after a vote by the legislative body to appropriate a specific amount from said fund for a specific purpose related to the purpose of the fund or source of the revenue.”

And thus, upon the date of passage, create such a described special revenue fund.

LEGISLATIVE YEAR 2014

RESOLUTION:

R-14-033

PURPOSE:

Creating a special revenue fund from State Highway Fund Block Grants and a portion of motor vehicle permit fees for road and highway expenditures

SPONSOR(S):

Mayor Donnalee Lozeau

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

This resolution will provide a funding source for road and highway expenditures such as street paving in the amount of approximately \$2,000,000 annually and will reduce general fund revenue by a like amount. If this legislation is adopted, the FY2015 operating budget will not include any proposed appropriations for street paving.

ANALYSIS

The state gives municipalities the ability to restrict revenues from a specific source to expenditures for specific purposes in RSA 47:1-b and c (cities) and 31:95-c and d (towns). Special revenue funds are limited to municipal activities funded primarily through user fees. This legislation creates a special revenue fund to specifically set aside and use 100% of State Highway Fund Block Grants and \$700,000 of motor vehicle permit fees annually towards road and highway expenditures. RSA 31:95-c, II (a) provides for this specific type of special revenue fund. It states that a special revenue fund may be established to “[p]rovide special highway funds from appropriate revenues, such as revenues from block grants from the state highway fund, motor vehicle permit fees collected under RSA 261:165,” etc. Restricted revenues can be limited by a fractional or dollar amount. RSA 31:95-d, I (c). “Appropriations from the special highway fund shall be used for highway expenditures”. RSA 31:95-c, II (a). RSA 44:2 states that all provisions of statutes...relating to towns, shall be understood to apply to cities”. If this special revenue fund is created, the city may rescind its action at a later date, in a similar manner. NH RSA 47:1-c, IV (a).

Special revenue funds require an annual appropriation and will be included in the annual municipal budget. Under NRO 5-145, B, the combined annual municipal budget for spending cap purposes does not include special revenue funds.

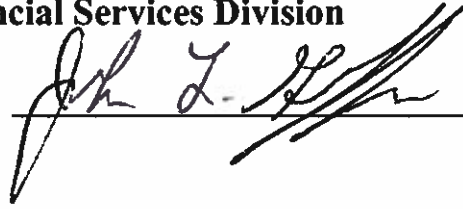
State law requires the board of aldermen to hold a public hearing on this legislation at least 15 days but not more than 30 days before this legislation is to be voted on. Notice of the public hearing must be posted in at least 2 public places in the city and published in a newspaper of general circulation at least 7 days before the hearing. NH RSA 47:1-c, I (b).

Note that this legislation is a companion piece to the FY15 budget resolution, R-14-034. The FY15 budget resolution has been prepared based on passage of this resolution.

Approved as to content:

Financial Services Division


By:



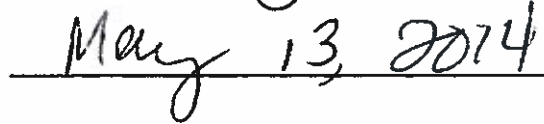
Approved as to form:

Office of Corporation Counsel

By:



Date:





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Such funds shall be used for the annual paving contract(s) as approved by the Finance Committee.”

And thus, upon the date of passage, create such a described special revenue fund.