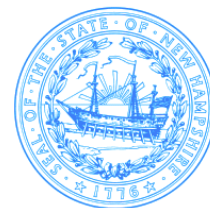




The State of New Hampshire  
**Department of Environmental Services**



**Robert R. Scott, Commissioner**

January 9, 2024

The Honorable Andrew Renzullo  
Chair, House Resources, Recreation and Development Committee  
Legislative Office Building, Room 305-307  
Concord, New Hampshire 03301

**Re: House Bill 1477-FN, relative to environmental surety bonds for businesses that pose a significant risk to the state's natural resources**

Dear Chairman Renzullo and Members of the Committee:

Thank you for the opportunity to testify on HB 1477-FN. The bill requires the New Hampshire Department of Environmental Services (NHDES) to “identify industries doing business in the state that could potentially pollute the air, water, or soil and require persons working in such industries to have surety bonds in place during the licensing process”. While the Department understands the potential merits of the bill, we have numerous concerns as to the potential implementation and possible unintended consequences. Thus, NHDES opposes this legislation as introduced.

This bill directs the Commissioner of Environmental Services to develop a program requiring environmental surety bonds for businesses that pose a significant risk to the state's natural resources. While unclear, we assume the term “persons working in such industries” is intended to mean business owners or managers and the term “licensing” is intended to refer to the Department's permitting programs. As noted in the bill’s fiscal note, such a program would require a new bureau with several additional positions necessary to:

- develop the criteria and rules for the bond requirement,
- identify applicable businesses (or “persons”),
- develop estimates of potential environmental damages,
- manage, track and enforce bonding requirements, and
- calculate damages for awards.

As no criteria are provided, the bill could potentially impose bonding requirements on thousands of businesses or persons. Estimating the number of new staff necessary to implement the requirements is not possible at this time. The Department is unable to take on these tasks without authorization and budget for the necessary additional staff.

The Honorable Andrew Renzullo  
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Although unknowable, the Department presumes the bill would give rise to numerous requests for compensation by citizens and lead to continuous litigation requiring testimony by the Department's staff. If the term "persons" refers to all persons working in identified businesses, the requirement could potentially apply to hundreds of thousands of employees in the state and, therefore, be unmanageable and unenforceable.

Thank you again for the opportunity to comment on HB 1477-FN. If you have any questions or require further information, please contact Michael Fitzgerald, Assistant Director, NHDES Air Resources Division ([william.m.Fitzgerald@des.nh.gov](mailto:william.m.Fitzgerald@des.nh.gov), (603) 271-6390).

Sincerely,

A handwritten signature in black ink, appearing to read "Robert R. Scott", with a long horizontal flourish extending to the right.

Robert R. Scott  
Commissioner

ec: Sponsors of HB 1477-FN: Representatives Potenza, Haskins