

This document provides background for proposed legislation to request State funding of state-owned rail trails.

(Prepared by NH Rail Trails Coalition, September 15, 2025)

## **New Hampshire Rail Trails: A Path to Economic Growth, Sustainability, and Public Health**

Well-developed and properly maintained rail trail networks offer profound benefits to the state of New Hampshire. They stimulate the economy, improve public health, enhance safety, expand transportation and recreation options, and elevate the quality of life - making New Hampshire a more attractive place for young workers, families, and visitors. Successful rail trail systems across the region, such as the Lamoille Valley Rail Trail in Vermont, the Erie Canal Trail in New York, and the Great Allegheny Passage in Pennsylvania, prove that investment in these resources pays off.

This document outlines a modest, four-year pilot project to secure state funding and enhance 83 miles of state-owned rail trails. This initiative aims to increase economic returns—currently contributing 160 jobs, \$19 million in annual economic activity, and \$3 million in annual tax revenues—by three to fivefold. Primary funding would come from federal grants (80%), supplemented by state funds (10%) and private contributions (10%).

The following timeline summarizes the development and next steps for the proposed funding strategy.

### **Timeline and Key Milestones**

**August 2022. Publication of NH State Rail Trail Plan (RT Plan)** The NHDOT and DNCR publish a comprehensive plan that includes an inventory of trails, economic benefit analysis, and funding recommendations.

- **Trail Inventory:** New Hampshire's state-owned rail trails span 338 miles, serving pedestrians, bicyclists, equestrians, snowmobiles (90% of rail trails), and off-highway recreational vehicles (20% of rail trails). Most trails are in the Monadnock, White Mountains, Dartmouth-Lake Sunapee, and Merrimack Valley regions.

- **Economic Benefits:** The RT Plan studied 9 of New Hampshire's rail trails and showed that they generate \$2.74 million in tax revenue annually. Visitors account for 15% of trail usage and spend three times more per visit than residents. Longer, connected trail systems attract more visitors.

**Funding Gaps:** Unlike Vermont and Maine, New Hampshire lacks dedicated state funding for rail trail improvements, despite demonstrated economic and community benefits.

**August 2023. Joint Commissioner Letter – NHDOT and DNCR**

Commissioners formally request discussions with Legislative Committees and the Executive Council to consider next steps for the RT Plan's implementation.

**October 2023. NH Rail Trails Coalition (NHRTC) Identifies implementation of the RT Plan as a Priority –** At the NHRTC biennial conference, the 100 attendees enthusiastically supported the need to implement the RT Plan, setting the stage for future advocacy.

**November 2023. NHRTC Board Votes to Support Legislative Initiative –** The NHRTC formally backs a legislative effort to secure state funding for rail trail development.

**January – April 2024. Cost Estimation –** NHRTC develops detailed cost estimates for upgrading the entire state rail trail system (338 miles). A comprehensive statewide project is projected at \$100 million.

**April 2024. Pilot Project Concept Developed –** After meetings with NHDOT and DNCR Commissioners and senior leadership a scaled-down, four-rail trail pilot project (covering 83 miles) is proposed as a demonstration. Additionally, a \$1 million statewide emergency fund would be established for trail restoration due to severe storm damage.

**May 1, 2024. State support for trail repairs -** Trail systems were severely damaged in the southwest and northern regions due to the historic storms of July and December 2023. Governor Sununu makes \$1 Million dollars available for OHRV trail repairs. State funding was provided "...to provide local clubs with the financial support needed to repair hundreds of miles of trails."

**April – July 2024. Stakeholder Engagement –** NHRTC holds discussions with key state agencies and organizations: NHDOT, DNCR, NH Fish and Game, NH

Bureau of Economic Affairs, Outdoor Recreation Industry Development, Stay-Work-Play, NH Business and Industry Association, NH Municipal Association, and the NH Snowmobile Association. Support is strong, with caution regarding the state's revenue constraints.

**August 2024. Revised Proposal Finalized** – After follow-up meetings with state agencies, a refined proposal focuses on building state capacity to transfer ownership of four-rail trails from NHDOT to DNCR and establish an emergency repair fund. The estimated cost to the state would be \$1.8 million annually for four years. The pilot project would leverage federal funds and incorporate private-sector contributions. Grant applications and project management would be performed by the private sector.

**September – October 2024. Legislative Advocacy and Sponsorship** – Discussions with NH Fish and Game, NH Snowmobile Association, statewide organizations and municipal leaders continue. Senator Donovan Fenton agrees to sponsor legislation to secure state funding for the pilot project.

### **Key Proposal Highlights**

- **Scope:** Improve 83 miles of rail trails across four key routes in southwest and northern New Hampshire as part of four-year pilot project, with potential for statewide expansion. State funding for adequate agency capacity to improve these existing trails includes personnel (DNCR and NH Fish and Game), equipment, supplies, and an emergency repair fund that can be allocated state-wide.
- **Project Funding:** 80% from federal grants, 10% from state sources (via dedicated funds), and 10% from private contributions (e.g. donations, Hike Safe Card expansion, municipalities, rail trail groups, snowmobile clubs, OHRV clubs). Note that private sector contributions of federal grant applications and management, and project management add multiple professionals to overall project capacity, at no cost to the State.
- **Economic Impact:** Expected to significantly boost the outdoor recreation economy by attracting tourism and local spending, increasing tax revenues, creating jobs and stimulating small business development. In addition, the trails will provide recreation for residents and visitors, transportation alternatives, improved health outcomes, community connectivity and pride.

The RT Plan studied 9 of New Hampshire's rail trails and showed that they generate \$2.74 million in tax revenue annually. Extrapolating to our 27 state-owned rail trails, current tax revenues are estimated at \$7.5M-\$9M annually. National data indicate potential for three- to five-fold growth.

Visitors account for 15% of trail usage and spend three times more per visit than residents. Longer, connected trail systems attract more visitors, so improving the existing rail trail network maximizes economic benefits to restaurants, accommodations, and transportation services.

Marketing our rail trails to NH residents and visitors by maps, publicity and programs such as a " Rail Trail Challenge" can increase rail trail visits and economic benefits to businesses along the trails.

### **Legislation – Senate Bill SB 274 (Spring – Summer 2025)**

With guidance from Prime Sponsor Sen. Donovan Fenton and assistance from legislative staff, we crafted SB274 to present our funding proposal to the Senate. A central part of our proposal was that existing trails generate more revenue than the requested funding, and that improving state trails could easily increase revenues and jobs by a factor of three or more. Thus, state commitment to an improved rail trail system is, on multiple levels, an economic win.

Both Senate Transportation and Finance Committees unanimously passed SB274 once the funding request was reduced to \$500k but ultimately was not funded due to the tight budget requirements for the 2025 session. Even this small amount, if committed solely to trail building, could have made a substantial impact.

Across America, Governors have leaned into their state's rail trail funding. Utah, Vermont, Ohio, New York, Virginia, Washington, Maine and more have seen the enormous economic, health, and community potential of extended and thriving rail trail systems. Top-down leadership is required to make such a major policy shift, but the benefits are widely recognized and well documented.

We have prepared a summary presentation to communicate our proposal. Following are some selected slides that reinforce key points of this document:

# Benefits to the State of NH:

A NH State-wide Rail Trail Network



**NEW HAMPSHIRE RAIL TRAILS PLAN**

August 2022



## NH State Rail Trail Plan Implementation Benefits

### As Listed in the Plan



Northern Rail Trail, Orange Cut

**Economic Benefits**

- Visitor Spending: 3x vs residents
- Tax Revenue and Job Creation: 9 of 27 rail trails contribute \$2.7M, 164 jobs

**Tourism and Multi-day Trips**

Tourism Development: Scenic rail trails and connectivity attract tourist multi-day trips boosting local hospitality, and businesses

**Health and Wellness**

Community Health: Promotes physical activity

**Transportation and Connectivity**

Alternative Transportation: Provide non-motorized transportation options, reduce traffic congestion, lower transportation costs

**Environmental Benefits**

Reduce carbon emissions and environmental pollution



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# Multiple Agencies Benefit from the RT Plan:

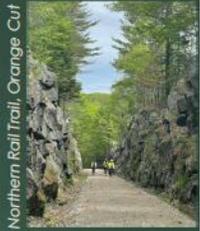


# Four-Trail Pilot Program Summary (4 year schedule):

## PHASE I

### Proposed State 4 Rail Trail NHDOT -> NHBOT Ownership Transfer Implementation Plan 4 Year Implementation

#### Summary



Northern Rail Trail, Orange Cut

Federal Portion		State Portion		Grantee Portion	
Item	Future State	Item	Future State	Item	Future State
Federal Grants (80% of project cost)	\$1.63M/Yr	NHBOT (Staff)	\$300k/Yr	Project & Maintenance (10% of project cost)	\$204k/Yr
<b>Total</b>	<b>\$1.63M/Yr</b>	NHBOT & FG (Maintenance, material, equipment, 10% of project cost)	\$508k/Yr	<b>Total</b>	<b>\$204k/Yr</b>
		Emergency (For all trails)	\$1M/Yr	<b>Grantee Responsibilities</b>	
		<b>Total</b>	<b>\$1.8M/Yr</b>	Write and manage the Federal grants	
				Provide the grantee matching funding	
				Manage project execution	


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# Existing Tax Revenue as Primary Source of State Agency Funding:

## A NH State-wide Rail Trail Network



NEW HAMPSHIRE RAIL TRAILS PLAN

August 2022



## How to pay for the 4 Rail Trail Plan

### NH Economic Impact

Number of RTs	Annual Economic Contribution	Annual Tax Revenue	Jobs Supported	Data Source
9 of 27	\$18.7M	\$2.7M	164	NH State Rail Trail Plan (Current Rail Trail Conditions)
27 of 27	\$51.4M-\$60.6M 95% Confidence	\$7.5M-\$9.0M 95% Confidence	450-520 95% Confidence	NH State Rail Trail Plan Extrapolated (ChatGPT Estimation)



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Annual Tax Revenue covers the proposed \$1.7M state portion annual cost


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