

Rep. Berry, Hills. 44
Rep. Pauer, Hills. 36
March 2, 2026
2026-0980h
07/09

Amendment to HB 1300

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

2

3 AN ACT establishing a biennial school district local tax cap question and related limitations
4 on central office administrative expenses in school districts.

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

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8 1 New Section; Municipal Budget Law; Preparation of Budgets; Biennial School District Local
9 Tax Cap and School Administrative Fixed Cap on Central Office Administrative Budgets. Amend
10 RSA 32 by inserting after section 5-h the following new section:

11 32:5-i Biennial School District Local Tax Cap and School Administrative Fixed Cap on Central
12 Office Administrative Budgets.

13 I. Every town and ward in a city shall conduct a vote on a local tax cap question for their
14 school district and fixed cap on the school administrative unit central office administrative budget in
15 even numbered years at the state general election held in November. The question shall appear on
16 the ballot by operation of law and shall not require a warrant article, citizen petition, or separate
17 local legislative approval.

18 II. In municipalities that have adopted an official ballot system, the town or city clerk shall
19 cause the question to appear on a separate official ballot.

20 III. In towns that have not adopted an official ballot system, the town clerk shall cause the
21 question to be printed on separate local ballots. Such ballots shall be distributed to voters at the
22 polling place during the state general election and shall be cast, collected, and counted under the
23 supervision of the moderator in a manner consistent with ballot voting procedures.

24 IV. Nothing in this section shall prohibit a municipality, school board, or school
25 administrative unit board from holding a public hearing on the question for the local tax cap and for
26 the school administrative fixed cap on central office administrative budgets. The question on the
27 separate official ballot or local ballot shall not be included on the official statewide ballot
28 administered by the secretary of state. Such ballots shall be distributed to voters at the polling place
29 during the state general election and shall be cast, collected, and counted under the supervision of
30 the moderator in a manner consistent with local ballot voting procedures.

31 V.(a) The school district local tax cap and school administrative unit fixed cap question on
32 the ballot for towns and wards with an annual school district meeting shall read:

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1 “Shall the [name of municipality] adopt the provisions of RSA 32:5-i to implement a local tax cap for
2 the next two fiscal years on the portion of property taxes raised for the [name(s) of school district(s)]
3 and a fixed cap on the central office administrative budget of the supporting school administrative
4 unit? If adopted, the school district governing body (or budget committee) of each school district
5 shall not submit a recommended budget that increases the amount to be raised by local taxes (this
6 year's base), that is higher than the prior fiscal year's actual amount of local taxes raised (last year's
7 base), adjusted for inflation using the CPI-U Northeast Region and the change in attendance, in
8 accordance with RSA 32:5-b, I-b, except that costs for bonded capital projects are excluded from both
9 year's bases, and further that the central office administrative budget of the supporting school
10 administrative unit shall not exceed the school administrative unit fixed cap, which is 6 percent of
11 the sum of the total school district appropriation amounts, except costs of bonded capital projects, in
12 the school districts comprising the SAU in accordance with RSA 32:5-i? The local tax cap on a school
13 district may be overridden pursuant to RSA 32:5-b, III. The school administrative unit fixed cap
14 may be pursuant to RSA 32:5-i, and applies only to administrative operations of the SAU central
15 office and does not affect classroom instruction, school-based services, or other municipal
16 expenditures. Adoption of each cap requires an affirmative 3/5 majority vote.”

17 (b) The school district local tax cap and school administrative unit fixed cap question on
18 the ballot for municipalities without an annual school district meeting shall read:

19 “Shall the [name of municipality] adopt the provisions of RSA 32:5-i to implement a local tax cap for
20 the next two fiscal years on the portion of property taxes raised for the [name(s) of school district(s)]
21 and a fixed cap on the central office administrative budget of the supporting school administrative
22 unit? If adopted, the school district governing body (or budget committee) of each school district
23 shall not submit a recommended budget that increases the amount to be raised by local taxes (this
24 year's base), that is higher than the prior fiscal year's actual amount of local taxes raised (last year's
25 base), adjusted for inflation using the CPI-U Northeast Region and the change in attendance, in
26 accordance with RSA 32:5-i, with costs for bonded capital projects are excluded from both year's
27 bases, and further that the central office administrative budget of the supporting school
28 administrative unit shall not exceed the school administrative unit fixed cap, which is 6 percent of
29 the sum of the total school district appropriation amounts, except costs of bonded capital projects, in
30 the school districts comprising the SAU in accordance with RSA 32:5-i? The local tax cap on a school
31 district, or school administrative unit fixed cap, or both may be overridden pursuant to RSA 32:5-i.
32 The fixed cap applies only to administrative operations of the SAU central office and does not affect
33 classroom instruction, school-based services, or other municipal expenditures. Adoption of these
34 caps requires an affirmative 3/5 majority vote.”

35 VI.(a) The moderator of each municipality or ward in the school district shall report the
36 results on the question to the secretary of the school administrative unit board for the school district.
37 If a 3/5 majority of the voters voting in the municipalities and wards served by the school district

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1 approve the question, then the local tax cap for the school district under RSA 32:5-b, I-b, exempting
2 bonded capital costs pursuant to paragraph XVI, shall be binding and apply for the ensuing 2 fiscal
3 years. If the local tax cap question is rejected in a school district, the local tax cap limitation shall
4 not apply for the next 2 fiscal years, but the question shall appear again on the separate official
5 ballot or local ballot during the next even-numbered year's November general election.

6 (b) The moderator of each municipality or ward in the school administrative unit shall
7 report the results on the question to the secretary of the school administrative unit board served by
8 the municipality or ward. If a 3/5 majority of the voters voting in the municipalities and wards
9 served by the school administrative unit approve the question, then the SAU fixed cap question for
10 the SAU central office administrative budget shall be binding and apply for the ensuing 2 fiscal
11 years. If the fixed cap question is rejected in a school administrative unit, the limitation shall not
12 apply for the next 2 fiscal years, but the question shall appear again on the separate official ballot or
13 local ballot during the next even-numbered year's November general election.

14 (c) The secretary of the school administrative unit board shall certify the results of the
15 votes to the department of revenue administration. Preservation of ballots shall be pursuant to RSA
16 33-A:3-a, XXXVII.

17 VII.(a) Any 10 registered voters from any municipality served by a school district, before the
18 expiration of 7 days from the date of the general election, may apply in writing to the school district
19 clerk for a recount of the ballots for the question on a school district local tax cap under this section.
20 The secretary shall schedule a recount, to be conducted by the school board, not earlier than 5 days
21 nor later than 10 days after the date the secretary receives the petition. The applicants for such a
22 recount shall pay to the school clerk a fee of \$10 for conducting the recount.

23 (b) Any 10 registered voters from any municipality served by a school administrative
24 unit, before the expiration of 7 days from the date of the general election, may apply in writing to the
25 secretary of the school administrative unit for a recount of the ballots for the question on a school
26 administrative unit fixed cap under this section. The secretary shall schedule a recount, to be
27 conducted by the school administrative unit, not earlier than 5 days nor later than 10 days after the
28 date the secretary receives the petition. The applicants for such a recount shall pay to the secretary
29 of the school administrative unit board a fee of \$10 for conducting the recount.

30 VIII. This paragraph shall apply only to municipalities that have approved the local tax cap
31 question for the school district for the biennium under this section.

32 (a) In the towns and wards served by a school district with an annual meeting, the
33 school district shall comply with the provisions of RSA 32:5-b, using the method in accordance with
34 RSA 32:5-b, I-b, using attendance and using the inflation index Consumer Price Index for All Urban
35 Consumers (CPI-U), Northeast Region, published by the U.S. Bureau of Labor Statistics, except that
36 bonded capital costs pursuant to paragraph XVI shall be exempted and not counted in any base
37 defined in RSA 32:5-b, I-b(b)(2).

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1 (b) In the municipalities served by a school district without an annual meeting, the local
2 tax cap, limiting the base amount to be raised by property taxes to last year's base, shall be adjusted
3 to account for inflation and change in attendance, according to the following formula:

4 This year's base = (Last year's base) x (1 + CPI-U) x (This year's attendance / Last year's
5 attendance).

6 (1) "Attendance" shall mean the average daily membership in residence (ADMR) of
7 the school district, pursuant to RSA 198:38, I-a. "This year's attendance" shall be the annual ADMR
8 reported to the department of education as of October 1 preceding the date of the budget hearing
9 held pursuant to RSA 32:5, I. "Last year's attendance" shall be the annual ADMR reported to the
10 department of education as of October 1 of the year prior to the annual ADMR reported for "This
11 year's attendance."

12 (2) "Base amount" or "base" shall mean the local taxes raised for the year. "This
13 year's base" shall be the "base" proposed at the annual budget hearing held pursuant to RSA 32:5, I.
14 "Last year's base" shall be the "base" of the year prior to the "base" reported for "This year's base."
15 Bonded capital costs pursuant to paragraph XVI shall be exempted and not counted in any base. If
16 the local taxes raised for the prior year were reduced by any fund balance brought forward from
17 previous years, the amount of such reduction shall be added back and included in "Last year's base."

18 (3) The increase for inflation, or CPI-U in the formula above, shall be the annual
19 percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), Northeast
20 Region, published by the U.S. Bureau of Labor Statistics, as of October 1, preceding the date of the
21 hearing held pursuant to RSA 32:5, I.

22 (4) The legislative body may override the local tax cap on the school district budget
23 by a supermajority vote defined in their charter pursuant to RSA 49-C:33, I(d) or RSA 49-D:3, I(e).

24 IX. In the municipalities and wards served by a school administrative unit where the school
25 administrative unit fixed cap question under this section is approved by the voters for the biennium,
26 the fixed cap for school administrative unit central office administrative budgets shall be 6 percent of
27 the sum of the total school district appropriation amounts, except costs of bonded capital projects
28 pursuant to paragraph XVI, in the school districts comprising the SAU. "School administrative unit
29 central office administrative budgets" means expenditures for the general management and
30 administration of a school administrative unit. These expenditures include superintendent services;
31 assistant or deputy superintendent services; business administration; human resources; finance;
32 payroll; purchasing; district-level information technology administration; legal services; public
33 relations; and other non-school-based administrative functions, regardless of physical location or
34 building assignment. The term also includes district-level curriculum directors, directors of
35 instruction, or similarly titled positions who are not employed under a collective bargaining
36 agreement or who do not provide direct classroom instruction for more than 50 percent of their work
37 time, as well as any personnel reported to the department of education as employed by the central

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1 office. The term does not include school-based administrative staff; classroom instruction;
2 instructional support services; special education services; transportation; food services; or facilities
3 operations and maintenance.

4 X. The provisions of this paragraph shall apply only to districts without an annual meeting
5 that have adopted the school administrative unit fixed cap under this section. The legislative body,
6 pursuant to RSA 194-C:9, shall adopt a school administrative unit budget that is not in excess of the
7 school administrative unit fixed cap pursuant to paragraph IX, except that the legislative body may
8 override the fixed cap on the school administrative unit budget by a supermajority vote defined in
9 their charter pursuant to RSA 49-C:33, I(d) or RSA 49-D:3, I(e).

10 XI. No municipal tax rate shall be set that causes a taxing authority to exceed its certified
11 limits under this section. Any tax rate set in violation of this section shall be void.

12 (a) For a school district that has adopted the school district local tax cap or a school
13 administrative unit that has adopted the school administrative unit fixed cap under this section, the
14 governing body shall forward, at a time and in a form prescribed by the department of revenue
15 administration, documentation demonstrating compliance with the adopted caps. Such
16 documentation shall include:

17 (1) The computation of the school district local tax cap or school administrative unit
18 fixed cap for the applicable year;

19 (2) Proposed appropriations by the governing body and budget committee and
20 estimated revenues going into the annual meeting, showing the estimated amount of property taxes
21 to be raised for the school district budget or school administrative unit central office administrative
22 budgets, or both;

23 (3) Appropriations voted by the annual or special meeting of the legislative body; and

24 (4) The count of any ballot votes taken to override the school district local tax cap or
25 school administrative unit fixed cap.

26 (b) Upon review of documentation submitted under subparagraph (a), if the
27 commissioner of the department of revenue administration determines that the certified school
28 district budget results in estimated taxes exceeding the adopted school administrative unit fixed cap
29 and that no valid override vote was obtained as provided in this section, the commissioner shall
30 reduce the appropriation of the certified budget by the amount that the certified budget exceeds the
31 cap.

32 (c) Upon review of documentation submitted under subparagraph (a), if the
33 commissioner of the department of revenue administration determines that the certified school
34 administrative unit central office administrative budget results in estimated taxes exceeding the
35 adopted school administrative unit fixed cap and that no valid override vote was obtained as
36 provided in this section, the commissioner shall reduce the appropriation of the certified budget by
37 the amount that the certified budget exceeds the cap.

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1 (d) The department of revenue administration shall not approve any tax rate that
2 exceeds the certified limit and shall withhold rate approval until the municipality demonstrates
3 compliance either by showing the certified budget is within the certified cap or by showing a valid
4 override vote in accordance with RSA 40:13 or applicable annual meeting procedures.

5 (e) Nothing in this section shall prohibit the department of revenue administration from
6 requiring additional information, documentation, or schedules reasonably necessary to determine
7 compliance with the adopted local tax cap or fixed cap under this section.

8 XII. If approved by the voters, the school district local tax cap or the school administrative
9 unit fixed cap, or both, shall apply beginning with the fiscal 2028 school district total budget or
10 school administrative unit budget, as applicable, for the following 2 fiscal years.

11 XIII. Any taxpayer in a member school district or school district of the school administrative
12 unit, as applicable, shall have standing to enforce this section in superior court.

13 XIV. Nothing in this section may be construed to repeal, supersede, or diminish any
14 property tax limitation that is more restrictive under existing law, a municipal charter, or a local
15 ordinance. When more than one property tax limitation, tax cap, local tax cap, or budget cap applies,
16 each applicable limitation must be fully satisfied.

17 XV. This section shall operate solely as a local tax cap limitation on the estimated amount of
18 local taxes to be raised for the fiscal year attributable to the school district or a fixed cap on the
19 school administrative unit central office administrative budget, as applicable.

20 XVI.(a) Bonded capital costs shall include principal or interest on bonds or notes only if the
21 bonded indebtedness is issued solely for the acquisition, construction, or major structural renovation
22 of real property, reported pursuant to RSA 198:4-a. No exclusion shall apply to bonded indebtedness
23 issued for:

- 24 (1) Operating expenses;
25 (2) Salaries or benefits;
26 (3) Vehicles or rolling stock;
27 (4) Equipment with a useful life of less than 10 years;
28 (5) Technology, furnishings, or instructional materials; or
29 (6) Any purpose other than real property.

30 (b) The department of revenue administration shall certify annually the portion of debt
31 service that qualifies for exclusion.

32 (c) No exclusion shall apply unless certified by the department.

33 2 Effective Date. This act shall take effect November 1, 2026.

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AMENDED ANALYSIS

This bill:

- I. Establishes a biennial school district local tax cap question.
- II. Establishes limitations on central office administrative expenses in school districts.