

Senate Election Law and Municipal Affairs Committee

Jessica Bourque 271-2104

HB 1300, establishing a biennial school district local tax cap question and related limitations on central office administrative expenses in school districts.

Hearing Date: April 28, 2026

Time Opened: 9:36 a.m.

Time Closed: 10:34 a.m.

Members of the Committee Present: Senators Gray, Lang, Rochefort and Long

Members of the Committee Absent: Senator Perkins Kwoka

Bill Analysis: This bill:

I. Establishes a biennial school district local tax cap question.

II. Establishes limitations on central office administrative expenses in school districts.

Sponsors:

Rep. Ankarberg

Sen. Innis

Who supports the bill: 35 people signed in to support the bill. For a full list of names, please contact committee aide, Jessica Bourque, at jessica.bourque@gc.nh.gov

Who opposes the bill: 619 people signed in opposed to the bill. For a full list of names, please contact committee aide, Jessica Bourque, at jessica.bourque@gc.nh.gov

Who is neutral on the bill: No one

Summary of testimony presented:

Representative Ross Berry, Hillsborough-District 44

- Property taxes in New Hampshire are rising at roughly twice the rate of inflation, driven by increases in school spending, even as student enrollment declines and state school aid increases faster than inflation.
- The current budget process is inherently broken, as evidenced by deliberative sessions that run 12 to 14 hours on school nights, effectively shutting out working parents and taxpayers from participating.

- This bill places a question on the November ballot asking voters whether their school district should adopt a property tax cap and a 6% limit on administrative spending.
- This is a property tax cap, not a spending cap. State aid increases and federal grants are unaffected; the cap only limits the ability to raise property taxes beyond inflation plus new growth.
- Maintains the same adoption threshold as traditional and SB 2 meetings, requiring 60% to adopt and 60% to override.
- Moving the vote to November increases voter participation and eliminates gamesmanship in deliberative sessions, where warrant articles are routinely manipulated, amended, or delayed.
- New Hampshire has the second highest per-pupil administrative spending in the country. The 6% administrative spending cap ensures that administrative costs are addressed before any other cuts are made.
- This is a local question about a local issue and is not subject to the constitutional prohibition on state referenda.

Senator Lang asked how the current warrant article process is insufficient.

Rep. Berry noted that deliberative sessions are subject to significant manipulation, citing an example in Epsom where a \$25,000 per pupil spending cap was amended to \$50,000 at the deliberative meeting and subsequently defeated. School district meetings can run 12 to 14 hours, effectively excluding anyone who cannot sit through the entire process.

Senator Long asked about the interaction between the proposed policy and existing local tax caps, such as Manchester's charter cap.

Rep. Berry stated that the law would defer to whichever cap is lower and that it cannot be used to increase property tax rates beyond what is already allowed. He noted that, given Manchester's growth rate, the local charter cap would likely remain the more restrictive of the two.

Representative Connie Lane, Merrimack - District 16

- Opposed to this bill and urged the committee to give it due deliberation, noting that it did not receive proper vetting in the House after being resurrected through amendments that transformed a redistricting bill into a property tax bill.
- Outlined four primary concerns:
 - HB 1300 risks violating Part 1, Article 28 of the New Hampshire Constitution by mandating local referendums from the state level.
 - It also creates a conflict for school districts that are legally required under RSA 193-e to provide an adequate education and to comply with federal special education mandates.

- Holding local cap votes during state and federal elections introduces local policy decisions into a form governed by state-level administrative rules, potentially complicating ballot counting and reporting procedures.
- RSA 32:5-b currently permits communities to voluntarily adopt tax caps. This legislation replaces that local option with a uniform mandate, stripping voters of the ability to amend the formula during deliberative sessions and requiring budget decisions months before the municipal budget process. The automatic 6% administrative spending cap is a simplistic measure that fails to account for fixed costs such as IT security, legal compliance, and human resources, and it has not undergone a thorough review through the standard legislative process.
- Requested the committee either ITL the bill or refer it to an Interim Study.

Representative Alvin See, Merrimack - District 26

- Supports this bill.
- Would like to see more voters have the ability to decide whether to implement a tax or spending cap.
- School board elections tend to have lower turnout, a problem this bill would address.

Alan Raff, AFL-CIO

- Opposed to this bill.
- Spending can be estimated, but without precise revenue forecasts, a tax cap could lead to position cuts that affect public employees.
- Questioned whether this bill would require a separate ballot, which would constitute an unfunded mandate costing thousands of dollars statewide, noting that the legislature had already rejected a similar unfunded mandate in HB 675 earlier this session.
- Expressed concern that this sets a precedent for governing by referendum, which the legislature and the governor have previously considered inappropriate.

Senator Gray noted that past rulings on unfunded mandates have generally held that actions within a municipality's normal purview, such as ballot printing, are not unfunded mandates.

Daniel Healy, NH City and Town Clerks Association

- Opposed to this bill.
- Believes this is an unfunded mandate.
- The estimated cost for Nashua is approximately \$20,000 for a separate ballot, which includes printing, programming, tabulation, and extra election workers.

- Flagged a contradiction with RSA 671:26, IV, which requires town clerks to report results to the school clerk, whereas this bill directs the moderator to report to a school secretary.
- Raised concerns regarding the November 1, 2026, effective date. According to law, ballots must be printed 45 days before the election, but this change would only take effect 2 days prior to the election.
- Noted that municipalities like Manchester, which already have a lower tax cap, would have little practical use for this question on the ballot, as the existing lower cap would still apply regardless of the outcome.

Scott Gross, Goffstown

- Opposed to this bill.
- Administrative costs are driven largely by state and federal compliance requirements, grant writing, special education mandates, and student information systems, none of which are the teacher's responsibility.
- Special education costs in Goffstown have risen significantly over the past 20 years, while the share of the budget allocated to regular education has declined.
- Questioned the derivation of the 6% SAU cap and the 10% EFA cap for administrative expenses.
- Disputed the characterization of deliberative sessions as gamesmanship, noting that in Goffstown, deliberative sessions typically run 2 to 3 hours, not 10 to 14. This is the process, not gamesmanship.
- Argued that holding this type of vote during presidential elections does not guarantee more representative participation on local issues.

Aubrey Freedman, Bridgewater

- In favor of this bill.
- More people voting in November means broader participation in decisions about tax caps, which is consistent with democratic principles.
- Noted that the Department of Revenue Administration (DRA) would have oversight authority under this bill, which would provide a mechanism to verify calculations and resolve disputes when a school district may have exceeded its tax cap.
- The 60% adoption threshold remains high, ensuring a strong majority is required to adopt a cap.

Senator Rochefort asked how to encourage greater public participation in the local budget process without forcing people.

Mr. Freedman stated that elections in November tend to have higher turnout. Local issues often fail to excite voters, even though they should. Moving the election to November is expected to encourage more people to vote on this issue.

Senator Rochefort followed up and said that he understands Mr. Freedman's point, but elected officials are hearing that property taxes are too high and that officials need to do something about it. Yet we have a procedure to do that, but people don't show up.

Mr. Freedman said that despite extensive outreach efforts at prior deliberative sessions, the same small group of participants typically showed up. He argued that convenience drives modern participation and that voting in November would increase engagement in local tax issues.

Senator Rochefort said he is worried that participation will remain low even if they change the rules again.

Mr. Freedman said he doesn't think that will be the case because people show up for the November elections.

Ann Marie Banfield, Granite State Taxpayers Association

- Supports this bill.
- This bill strengthens local control and would limit school spending.
- Any constraint will reflect a clear and broad consensus within the community.
- Often, people say schools need more funding, but when she reviews the budget, she finds many opportunities for cost savings and cited examples from her district and across NH.
 - In North Hampton, a political organization was brought in during teacher training to speak to the teachers, and the school paid for it.
 - Her district provides free school lunches for every child, despite there being \$20,000,000 homes in her town.
 - Many superintendents' salaries are much higher than what the Governor makes.
 - Paid lobbyists are paid from the budget.
 - Winnacunnet proposed increasing the budget by \$100,000 to avoid suspending or expelling students who should have faced such actions, because the school wanted to send those students to an alternative school.

Heather Robitaille, Merrimack

- Opposed to this bill, arguing that it sidesteps local decision-making and fails to address the root cause of rising property taxes, which is the state's funding of public education.
- Supports increased voter turnout but notes that this bill does not directly address the issue. Ms. Robitaille suggested that a study committee on local election turnout might be more appropriate.
- Noted that her district has already eliminated 10 staff positions and discontinued all middle school after-school programs.
- Health insurance costs alone increased by 14% this year.

- This bill circumvents the existing democratic process by placing a local question on the state ballot.

Senator Lang asked what the solution to the property tax concern in the state would be.

Ms. Robitaille stated that she would like to see the state examine revenue sources to address funding education adequacy, noting that recent proposals to redefine adequate education would shift costs, such as transportation and school nurses, back to towns. She noted there is no simple answer, but prior studies and committees have made suggestions that have gone unaddressed.

Representative Clayton Wood, Merrimack-District 13

- Recently, only 80-100 people showed up to a town meeting in his town, Pittsfield, which means that the will of the town was based on the views of 80-100 people.
- Adopting SB 2 increased turnout to over 350, but deliberative sessions are now an ambush. Moving the election to November could double or even triple voter turnout, leading to better representation.

Jennifer Ramsey and Bruce Kneuer, Department of Revenue Administration (DRA)

- DRA would be required to annually certify net new taxable property growth and excludable bonded capital costs for each jurisdiction. DRA does not currently collect this information and would need to modify the current portal to acquire it, at an estimated cost of \$100,000.
- DRA would also need to adopt rules for which the bill lacks rulemaking authority and to obtain additional information from appraisers and municipalities.
- Noted that the language in the bill directing DRA on what to do when a cap is exceeded is contradictory in places and should be made consistent.
- Suggested an alternative in which municipalities certify the information directly to DRA rather than DRA certifying back to municipalities.

Senator Rochefort asked for clarification on the absence of rulemaking authority and whether that was included in the documents they sent to the committee.

Ms. Ramsey confirmed that the information is in the documents.

Senator Long asked what revenue DRA would be able to use to enforce the tax cap.

Mr. Kneuer clarified that if DRA determines that a cap has been exceeded without a supermajority vote, it would remove the appropriations that caused the exceedance rather than directly reduce revenues.

Nick Hobart, Portsmouth

- Supports this bill.
- This bill poses a simple question to voters every two years about whether to cap school district tax increases at inflation plus new growth, with a supermajority override.
- New Hampshire property taxes are among the highest in the country, driven by school spending that rises faster than inflation and wages, and with limited accountability to taxpayers.
- The 6% administrative spending cap directly targets central office and non-classroom overhead, which has expanded dramatically without a corresponding improvement in classroom outcomes.
- Argued that true local control means giving taxpayers a meaningful say, not merely allowing school boards and unions to set budgets at low-turnout town meetings.
- Moving this vote to November would increase voter participation.

Ray Ealy, Litchfield

- Opposed to this bill.
- This bill does not address the real issue of property taxes being too high and will only yield results in the long term.
- When voters say that taxes are too high, they are really asking the legislature to lower property taxes.
- When the federal government cuts funding coming to NH, that burden falls on the local taxpayer.
- A spending cap will not reduce the costs of health care, fuel, or other services and will only result in program cuts.
- Noted that caps used in other states, like California, have resulted in reduced services without lowering costs.
- Argued that the real solution is to address state and federal revenue cuts rather than restrict local spending authority.
- Urged the committee to find ways to directly lower property taxes rather than punishing schools and municipalities.

Senator Lang noted that the state has increased its share of rooms and meals tax revenue to municipalities by more than double in the last five years.

Mr. Ealy acknowledged the increase but noted that health care, fuel, and other costs have risen at a comparable or greater rate, making the increase insufficient.