

**HB 1227 - AS INTRODUCED**

2026 SESSION

26-2722  
09/05

HOUSE BILL            **1227**

AN ACT                relative to the calculation of the local tax cap.

SPONSORS:            Rep. Gruber, Ches. 16; Rep. Turer, Rock. 6; Sen. Fenton, Dist 10

COMMITTEE:          Municipal and County Government

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ANALYSIS

This bill changes the calculation of the local tax cap to require that the amount of any new annual debt service approved by the legislative body as part of a bond vote at an annual or special meeting shall be included in the tax base once repayment begins.

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Explanation:          Matter added to current law appears in ***bold italics***.  
                         Matter removed from current law appears ~~[in brackets and struckthrough.]~~  
                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty-Six*

AN ACT relative to the calculation of the local tax cap.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Preparation of Budgets; Local Tax Cap. Amend RSA 32:5-b, I-a through I-b(a) to read as  
2 follows:

3 I-a. If the local taxes raised for the prior year were reduced by any fund balance brought  
4 forward from previous years, the amount of such reduction shall be added back and included in the  
5 amount to which the tax cap is applied under paragraph I. ***The amount of any new annual debt***  
6 ***service approved by the legislative body as part of a bond vote at an annual or special***  
7 ***meeting shall be included in the tax base once repayment begins.***

8 I-b.(a) In a town or district that has adopted this paragraph, a tax cap limiting the base  
9 amount to be raised by property taxes to last year's base shall be adjusted to account for inflation  
10 and change in population for towns or village districts, or attendance for school districts, ***and the***  
11 ***amount of any new annual debt service approved by the legislative body as part of a bond***  
12 ***vote at an annual or special meeting shall be included in the tax base once repayment***  
13 ***begins***, according to the following formula: This year's base = (Last year's base ***plus newly***  
14 ***approved annual debt service at the previous annual meeting and special meeting***) x (1 +  
15 CPI) x (This year's population or attendance / Last year's population or attendance).

16 2 Applicability. RSA 32:5-b as amended by section 1 of this act shall apply to the local tax caps  
17 adopted prior to the effective date of this act and shall not require local amendment or re-adoption  
18 by the town or district.

19 3 Effective Date. This act shall take effect 60 days after its passage.