

HB 1411-FN - AS INTRODUCED

2026 SESSION

26-3090

12/09

HOUSE BILL ***1411-FN***

AN ACT directing the state treasurer to withhold payments owed by the state to the federal government where the state has been deprived of federal aid as a result of presidential executive order.

SPONSORS: Rep. Simpson, Rock. 33; Rep. Wade, Straf. 15; Rep. D. Paige, Carr. 1; Rep. Cloutier, Sull. 6; Rep. Bay, Straf. 21; Rep. N. Germana, Ches. 15; Rep. Muirhead, Graf. 12; Rep. Miller, Straf. 21; Rep. Hakken-Phillips, Graf. 12; Rep. Malloy, Rock. 24; Sen. Rosenwald, Dist 13; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Finance

ANALYSIS

This bill requires the state treasurer to withhold moneys owed to the federal government where the federal government has withheld existing or expected state aid to New Hampshire by means of an executive order or violation of a court order. The bill also authorizes the state treasurer to make payments owed to the federal government upon New Hampshire's receipt of existing or expected state aid.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 directing the state treasurer to withhold payments owed by the state to the federal government where the state has been deprived of federal aid as a result of presidential executive order.

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

1 1 Short Title. This section shall be known as the "Protecting Our Taxes from Unauthorized
2 Sequestration Act" or the "POTUS Act."

3 2 Statement of Purpose. This act ensures that New Hampshire safeguards state resources by
4 withholding payments to the federal government if federal aid legally authorized by Congress is
5 withheld under an executive order or in contravention of a court order.

6 3 New Section; Frozen Federal Aid; Requirement to Withhold Moneys Owed to the Federal
7 Government. Amend RSA 6 by inserting after section 10-d the following new section:

8 6:10-e Withholding Federal Payments Owed.

9 I. The state treasurer shall determine the approximate amount of federal aid that New
10 Hampshire is deprived of, or expected to be deprived of, due to an executive order of the President of
11 the United States or a violation of a court order.

12 II. For the purposes of this section, "violation of a court order" means a circumstance where
13 a court of law has issued an order for injunctive relief for the state against the federal government,
14 including orders where federal aid is required to be released to the state, and the presidential
15 administration fails to comply with such order.

16 III. Within 60 days of the executive order or violation of a court order, the state treasurer
17 shall submit a report to the governor and the general court. The report shall:

18 (a) Describe in detail the amount of federal aid withheld or expected to be withheld; and

19 (b) Identify all payments New Hampshire is required to make to the federal government
20 for any reason during the 12 months following submission of the report.

21 IV. Of the payments identified in the report, the state treasurer shall withhold payments to
22 the federal government in an amount not to exceed the approximate amount of federal aid the state
23 is being or is expected to be deprived of. The state treasurer shall maintain these withheld
24 payments in an escrow or other dedicated account until the state has received all federal aid
25 previously withheld under the executive order or in violation of the court order, at which time such
26 withheld payments shall be released by the state treasurer.

27 V. The state treasurer shall authorize payment of the withheld funds upon confirmation
28 that all withheld federal aid has been restored to New Hampshire.

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1 4 Severability. If any provision of this section or the application thereof to any person or
2 circumstance is held invalid, the invalidity does not affect other provisions or applications of this
3 section which can be given effect without the invalid provisions or applications, and to this end the
4 provisions of this section are severable.

5 5 Effective Date. This act shall take effect 60 days after its passage.

**HB 1411-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT directing the state treasurer to withhold payments owed by the state to the federal government where the state has been deprived of federal aid as a result of presidential executive order.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	Indeterminable Increase		
<i>Funding Source(s)</i>	General Fund and Various Agency Funds			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
County Revenue	\$0	Indeterminable		
County Expenditures	\$0	Indeterminable		
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill creates the Protecting Our Taxes from Unauthorized Sequestration Act which requires the State Treasurer to withhold payments owed to the federal government if the federal government suspends or withholds federal aid to the state through an executive order or in violation of a court order. The bill requires the Treasurer to determine the amount of aid being withheld and report it within 60 days. The Treasurer would then withhold an equivalent amount of money it owes to the federal government in an escrow or other dedicated account, and only release those funds once the previously withheld federal aid is received.

The Department of Administrative Services (DAS) states that this bill could lead to an indeterminable increase in state expenditures. The most likely source of funds the state might withhold from the federal government would be payroll taxes deducted from employee wages.

However, failing to remit these taxes could subject the state to significant IRS fines and penalties. Additionally, the federal Treasury Offset Program (TOPS) allows the federal government to reduce the state's access to federal funds in response. As a result, DAS indicates that the bill poses a risk to the state's cash flow, jeopardizes federal funding, and could expose the state to substantial financial penalties.

Additionally, the Treasury Department indicates that there would be an indeterminable impact at the county level if the state were to lose funding relative to the Medicaid program.

AGENCIES CONTACTED:

Department of Administrative Services and Treasury Department