

HB 1610 - AS INTRODUCED

2026 SESSION

26-2523

07/08

HOUSE BILL **1610**

AN ACT allowing school districts to annually retain year-end unassigned general funds.

SPONSORS: Rep. Sellers, Graf. 10; Rep. DeRoy, Straf. 3; Rep. Pauer, Hills. 36; Rep. Panek,
Hills. 1; Rep. Franz, Graf. 6

COMMITTEE: Education Funding

ANALYSIS

This bill allows school districts to retain year-end unassigned general funds on an annual basis.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 allowing school districts to annually retain year-end unassigned general funds.

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

1 1 Education; District Taxes; Contingency Fund. Amend RSA 198:4-b to read as follows:
2 198:4-b Contingency Fund.

3 I. A school district annually by an article separate from the budget and all other articles in
4 the warrant, or the governing body of a city upon recommendation of the school board, when the
5 operation of the schools is by a department of the city, may establish a contingency fund to meet the
6 cost of unanticipated expenses that may arise during the year. A detailed report of all expenditures
7 from the contingency fund shall be made annually by the school board and published with their
8 report. ***The wording of the question shall be: "Pursuant to RSA 198:4-b, I, shall the school
9 district establish a contingency fund of \$____, raised through taxation, to be used by the
10 school board for any unanticipated purpose?"***

11 II. Notwithstanding any other provision of law, a school district by a vote of the legislative
12 body may ***annually*** authorize~~[, indefinitely until specific rescission,]~~ the school district to retain ***as
13 a contingency*** any unused portion of the ***current*** year-end unassigned general funds ***for use in
14 the next fiscal year***~~[, from the preceding fiscal year in subsequent fiscal years,]~~, provided that the
15 total amount of year-end unassigned general funds does not exceed~~[, in any fiscal year, 5]~~ ***2.5*** percent
16 of the current fiscal year's net assessment under RSA 198:5.

17 (a) Prior to expending retained general funds, the school board shall hold a prior public
18 hearing on the action to be taken with such funds. Notice of the time, place, and subject of such
19 hearing shall be published in a newspaper of general circulation in the relevant ~~[municipality]~~
20 ***municipalities*** at least 7 days before the meeting is held.

21 (b) An annual accounting and report of the activities of the retained general funds shall
22 be presented ~~[to]~~ ***by*** the school board of the district ***at a public meeting*** and published in the
23 annual report.

24 (c) ***The wording of the question shall be: "Pursuant to RSA 198:4-b, II, shall the
25 school district authorize the school board to retain, as a contingency, any unused portion
26 of the current year-end unassigned general funds for use in the next fiscal year by the
27 school board for any unanticipated purposes, instead of returning funds to taxpayers to
28 lower taxes, provided that the amount of year-end unassigned general funds does not
29 exceed ____percent of the current fiscal year's net assessment under RSA 198:5?"***

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1 III. The legislative body of the city of Manchester, upon recommendation of the school
2 committee, may **annually** authorize~~[, indefinitely until specific rescission,]~~ the school district to
3 retain year-end unassigned general funds.

4 2 Applicability. RSA 198:4-b, as amended by section 1 of this act, shall rescind all existing
5 indefinite authorizations to retain unassigned general funds as previously authorized under RSA
6 198:4-b, II.

7 3 Effective Date. This act shall take effect 60 days after its passage.