

HB 1800-FN - AS INTRODUCED

2026 SESSION

26-3222

07/08

HOUSE BILL ***1800-FN***

AN ACT relative to statewide education property taxes.

SPONSORS: Rep. Spilsbury, Sull. 3; Rep. D. McGuire, Merr. 14; Rep. Peeples, Hills. 14; Rep. M. Smith, Straf. 10

COMMITTEE: Ways and Means

ANALYSIS

This bill:

I. Raises the statewide education property tax.

II. Creates tax credit against the statewide education property tax.

III. Has the department of revenue administration distribute education property taxes to municipalities.

IV. Changes the meaning of the cost of an adequate education.

V. Repeals statutes pertaining to extraordinary need grants.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 statewide education property taxes.

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

1 1 Taxation; Apportionment, Assessment and Abatement of Taxes; Education Tax. Amend RSA
2 76:3 to read as follows:

3 76:3 Education Tax. Beginning July 1, [2005] **2027**, and every fiscal year thereafter, the
4 commissioner of the department of revenue administration shall set the education tax rate at a level
5 sufficient to generate revenue, ***based on the local real property tax assessment***, of
6 [\$363,000,000] ***\$5 per \$1,000 of valuation*** when imposed on all persons and property taxable
7 pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education
8 property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest
9 1/2 cent necessary to generate the revenue required in this section.

10 2 Taxation; Apportionment, Assessment and Abatement of Taxes; Commissioner's Warrant.
11 Amend RSA 76:8, II-III to read as follows:

12 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
13 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
14 December 15 directing them to assess such sum and pay it to the [municipality for the use of the]
15 ***department of revenue administration, to be remitted for distribution to municipalities for***
16 ***use in their local school district or districts***. Such sums shall be assessed at such times as may
17 be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

18 II-a. At the time the warrant is issued pursuant to paragraph II, the commissioner shall
19 report to the governor, the speaker of the house of representatives, the president of the senate, and
20 the commissioner of education, a statement of the education tax warrants to be issued for the tax
21 year commencing April 1 of the succeeding year.

22 III. Municipalities are authorized to assess ***additional*** local property taxes necessary to
23 fund school district [appropriations] ***budgets*** not ***sufficiently*** funded by the education tax, by
24 distributions from the education trust fund under RSA 198:39, or by other revenue sources.

25 ***IV. Notwithstanding any other provision of law to the contrary, the following***
26 ***credits shall be available against the tax imposed under this section:***

27 (a) ***Twenty percent of the assessed value of a person's primary residence.***

28 (b) ***Ten percent for persons having no children enrolled in their local public***
29 ***school system.***

30 (c) ***Ten percent for persons over the age of 65.***

3 Education; Adequate Public Education; Cost of an Adequate Education. Amend RSA 193-E:2-b to read as follows:

193-E:2-b ~~[Cost of an Adequate Education]~~ ***Excellence in Education Grant.***

I. The ~~[general court shall use the definition of the opportunity for an adequate education in RSA 193-E:2-a to determine the resources necessary to provide essential programs, considering educational needs. The general court shall make an initial determination of the necessary specific resource elements to be included in the opportunity for an adequate education.]~~ ***following amounts shall constitute the cost of an excellence in education grant and determine the resources necessary to provide the essential programs, considering educational needs, of an excellence in education grant:***

(a) ***\$10,000 per enrolled student; and***

(b) ***\$4,000 per enrolled student qualifying for a free or reduced-price meal.***

II. ***The required revenue amount under this section shall be increased annually at a rate of 2 percent.***

~~III.~~ III. The general court shall create a process for the periodic determination of the specific resource elements essential to providing the substantive educational content of an ~~[adequate education]~~ ***excellence in education grant.*** This review should occur no less frequently than every 10 years.

4 Repeals. The following are repealed:

I. RSA 198:40-f, relative to extraordinary need grants.

II. RSA 198:41, I(c), relative to calculations used to determine education grants.

5 Effective Date. This act shall take effect July 1, 2027.

HB 1800-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to statewide education property taxes.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	Indeterminable Increase	
Revenue Fund(s)	Education Trust Fund			
Expenditures*	\$0	\$350,000	Indeterminable Increase	
Funding Source(s)	General Fund and Education Trust Fund			
Appropriations*	\$0	\$0	\$0	\$0
Funding Source(s)	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
Local Revenue	\$0	\$0	Indeterminable Increase	
Local Expenditures	\$0	\$0	\$0	\$0

The Office of Legislative Budget Assistant is unable to provide a complete fiscal note for this bill as it is awaiting information from the Department of Education. The Department was initially contacted on 11/03/25 for a fiscal note worksheet, with follow-up contact made on 12/05/25 and 05/19/26. When completed, the fiscal note will be forwarded to the Clerk's Office.

METHODOLOGY:

This bill:

- Eliminates the statewide education property tax (SWEPT) revenue target and set SWEPT at \$5 per \$1,000 of “local real property tax assessed value when imposed on all persons and property taxable pursuant to RSA 76:8...”
 - The Department of Revenue Administration (DRA) states it is uncertain how it would implement this language, since it contains both local assessed value and equalized assessed value in its description. The DRA assumes that equalized value is intended, since the purpose of equalization is to ensure that rates are proportionate as constitutionally required for a state-imposed tax.

- Requires SWEPT to be paid to DRA for distribution to municipalities for use in their local school district or districts.
 - The DRA states it is unsure how it would comply with this obligation as there is no distribution formula contained in the proposed legislation. Additionally, distributions are usually managed by the treasurer. DRA assumes that no change in distribution is intended and that it (or the treasurer) would simply distribute to each municipality the amount of SWEPT it collected and remitted. DRA also assumes that the ETF would be used for purposes of depositing and then redistributing SWEPT funds.
- Creates three “credits” against SWEPT that DRA states it does not understand how to implement. From their description, DRA states these “credits” would be more properly considered exemptions. Additionally, percentage credits create a recursive calculation loop when tax rates are set, so they cannot be used. The DRA states there are also many questions that surround these exemptions, such as how primary residence status or having no enrolled children would be determined. These exemptions need to be administered at the local level and reported to DRA annually. The DRA would also need authority to create forms and rules to implement these provisions and would need to modify its municipal tax rate setting portal to accommodate the additional information and calculations needed.
- Amends provisions related to state education grants.

The Department of Revenue Administration states the fiscal impact of the proposed legislation using DRA’s assumptions would be an indeterminable increase in funds deposited to the ETF and a corresponding increase in ETF expenditures beginning in FY 2028. Under current law, each municipality collects SWEPT on behalf of the state totaling approximately \$363 million and retains the SWEPT locally to fund the State’s portion of education funding. Although the SWEPT is locally retained, the total amount of SWEPT collected by the municipalities is still recognized by the State as revenue to the Education Trust Fund (ETF). The proposed legislation would change this methodology, so that all SWEPT revenue is paid to DRA (and deposited to the ETF) as state revenue beginning in FY 2028, then paid back to the municipalities from the ETF. The accounting for SWEPT revenue would not change but the amount would. The bill would increase the \$363 million to an amount that is indeterminable because DRA is unable to predict what equalized property values will be in future years. However, DRA is able to estimate an amount based upon its most current equalized value study and SWEPT warrant amounts. For tax year 2026, total equalized value not including utilities (as of 4/1/2024) was \$353.5 billion. At

\$5 per \$1,000 of value, SWEPT would generate approximately \$1.77 billion. This incremental increase between that estimated amount and \$363 million would be reflected as increased revenue to the ETF and increased ETF expenditures had the proposed legislation been in effect and applicable to property tax year 2026.

The DRA believes that it could administer the proposed legislation without any new positions. However, there would be an indeterminable cost associated with developing forms and modifying systems as described including a) implementing the electronic filing and payment mechanism that would be required to facilitate payment of the SWEPT over to DRA and b) modifying DRA's municipal tax rate setting portal to accommodate the new exemptions. The DRA estimates a cost of \$350,000 for these two projects to be incurred in FY 2027.

AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration