

HB 1300 - AS AMENDED BY THE HOUSE

11Mar2026... 0980h
11Mar2026... 1117h

2026 SESSION

26-2870
05/06

HOUSE BILL **1300**

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

SPONSORS: Rep. Ankarberg, Straf. 7; Sen. Innis, Dist 7

COMMITTEE: Election Law

AMENDED ANALYSIS

This bill:

- I. Establishes a biennial school district local tax cap question.
- II. Establishes limitations on central office administrative expenses in school districts.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

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

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

1 1 New Section; Municipal Budget Law; Preparation of Budgets; Biennial School District Local
2 Tax Cap and School Administrative Fixed Cap on Central Office Administrative Budgets. Amend
3 RSA 32 by inserting after section 5-h the following new section:

4 32:5-i Biennial School District Local Tax Cap and School Administrative Fixed Cap on Central
5 Office Administrative Budgets.

6 I. Every town and ward in a city shall conduct a vote on a local tax cap question for their
7 school district and fixed cap on the school administrative unit central office administrative budget in
8 even numbered years at the state general election held in November. The question shall appear on
9 the ballot by operation of law and shall not require a warrant article, citizen petition, or separate
10 local legislative approval.

11 II. In municipalities that have adopted an official ballot system, the town or city clerk shall
12 cause the question to appear on a separate official ballot.

13 III. In towns that have not adopted an official ballot system, the town clerk shall cause the
14 question to be printed on separate local ballots. Such ballots shall be distributed to voters at the
15 polling place during the state general election and shall be cast, collected, and counted under the
16 supervision of the moderator in a manner consistent with ballot voting procedures.

17 IV. Nothing in this section shall prohibit a municipality, school board, or school
18 administrative unit board from holding a public hearing on the question for the local tax cap and for
19 the school administrative fixed cap on central office administrative budgets. The question on the
20 separate official ballot or local ballot shall not be included on the official statewide ballot
21 administered by the secretary of state. Such ballots shall be distributed to voters at the polling place
22 during the state general election and shall be cast, collected, and counted under the supervision of
23 the moderator in a manner consistent with local ballot voting procedures.

24 V.(a) The school district local tax cap and school administrative unit fixed cap question on
25 the ballot for towns and wards with an annual school district meeting shall read:

26 "Shall the [name of municipality] adopt the provisions of RSA 32:5-i to establish, for the next 2
27 fiscal years, a local tax cap on the portion of property taxes raised for the [name(s) of school
28 district(s)] and a fixed cap on the central office administrative budget of the supporting school
29 administrative unit (SAU)? If adopted, the amount raised by local school district taxes shall not

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1 exceed the prior fiscal year's amount, adjusted for inflation using the CPI-U Northeast Region and
2 the percentage increase in the municipality's taxable property value attributable to new
3 construction. Costs for bonded capital projects shall be excluded. In addition, the SAU central office
4 administrative budget shall not exceed 6 percent of the combined appropriations of the school
5 districts comprising the SAU, excluding bonded capital costs. These caps may be overridden as
6 provided in RSA 32:5-i and adoption requires a three-fifths (3/5) majority vote."

7 (b) The school district local tax cap and school administrative unit fixed cap question on
8 the ballot for municipalities without an annual school district meeting shall read:

9 "Shall the [name of municipality] adopt the provisions of RSA 32:5-i to establish, for the next 2
10 fiscal years, a local tax cap on the portion of property taxes raised for the [name(s) of school
11 district(s)] and a fixed cap on the central office administrative budget of the supporting school
12 administrative unit (SAU)? If adopted, the amount raised by local school district taxes shall not
13 exceed the prior fiscal year's amount, adjusted for inflation using the CPI-U Northeast Region and
14 the percentage increase in the municipality's taxable property value attributable to new
15 construction. Costs for bonded capital projects shall be excluded. In addition, the SAU central office
16 administrative budget shall not exceed 6 percent of the combined appropriations of the school
17 districts comprising the SAU, excluding bonded capital costs. These caps may be overridden as
18 provided in RSA 32:5-i and adoption requires a three-fifths (3/5) majority vote."

19 (b) The school district local tax cap and school administrative unit fixed cap question on
20 the ballot for municipalities without an annual school district meeting shall read:

21 "Shall the [name of municipality] adopt the provisions of RSA 32:5-i to implement a local tax cap for
22 the next two fiscal years on the portion of property taxes raised for the [name(s) of school district(s)]
23 and a fixed cap on the central office administrative budget of the supporting school administrative
24 unit? If adopted, the school district governing body (or budget committee) of each school district
25 shall not submit a recommended budget that increases the amount to be raised by local taxes (this
26 year's base), that is higher than the prior fiscal year's actual amount of local taxes raised (last year's
27 base), adjusted for inflation using the CPI-U Northeast Region and the change in attendance, in
28 accordance with RSA 32:5-i, with costs for bonded capital projects are excluded from both year's
29 bases, and further that the central office administrative budget of the supporting school
30 administrative unit shall not exceed the school administrative unit fixed cap, which is 6 percent of
31 the sum of the total school district appropriation amounts, except costs of bonded capital projects, in
32 the school districts comprising the SAU in accordance with RSA 32:5-i? The local tax cap on a school
33 district, or school administrative unit fixed cap, or both may be overridden pursuant to RSA 32:5-i.
34 The fixed cap applies only to administrative operations of the SAU central office and does not affect
35 classroom instruction, school-based services, or other municipal expenditures. Adoption of these
36 caps requires an affirmative 3/5 majority vote."

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1 VI.(a) The moderator of each municipality or ward in the school district shall report the
2 results on the question to the secretary of the school administrative unit board for the school district.
3 If a 3/5 majority of the voters voting in the municipalities and wards served by the school district
4 approve the question, then the local tax cap for the school district under RSA 32:5-b, I-b, exempting
5 bonded capital costs pursuant to paragraph XVI, shall be binding and apply for the ensuing 2 fiscal
6 years. If the local tax cap question is rejected in a school district, the local tax cap limitation shall
7 not apply for the next 2 fiscal years, but the question shall appear again on the separate official
8 ballot or local ballot during the next even-numbered year's November general election.

9 (b) The moderator of each municipality or ward in the school administrative unit shall
10 report the results on the question to the secretary of the school administrative unit board served by
11 the municipality or ward. If a 3/5 majority of the voters voting in the municipalities and wards
12 served by the school administrative unit approve the question, then the SAU fixed cap question for
13 the SAU central office administrative budget shall be binding and apply for the ensuing 2 fiscal
14 years. If the fixed cap question is rejected in a school administrative unit, the limitation shall not
15 apply for the next 2 fiscal years, but the question shall appear again on the separate official ballot or
16 local ballot during the next even-numbered year's November general election.

17 (c) The secretary of the school administrative unit board shall certify the results of the
18 votes to the department of revenue administration. Preservation of ballots shall be pursuant to RSA
19 33-A:3-a, XXXVII.

20 VII.(a) Any 10 registered voters from any municipality served by a school district, before the
21 expiration of 7 days from the date of the general election, may apply in writing to the school district
22 clerk for a recount of the ballots for the question on a school district local tax cap under this section.
23 The secretary shall schedule a recount, to be conducted by the school board, not earlier than 5 days
24 nor later than 10 days after the date the secretary receives the petition. The applicants for such a
25 recount shall pay to the school clerk a fee of \$10 for conducting the recount.

26 (b) Any 10 registered voters from any municipality served by a school administrative
27 unit, before the expiration of 7 days from the date of the general election, may apply in writing to the
28 secretary of the school administrative unit for a recount of the ballots for the question on a school
29 administrative unit fixed cap under this section. The secretary shall schedule a recount, to be
30 conducted by the school administrative unit, not earlier than 5 days nor later than 10 days after the
31 date the secretary receives the petition. The applicants for such a recount shall pay to the secretary
32 of the school administrative unit board a fee of \$10 for conducting the recount.

33 VIII.(a) The maximum allowable levy shall equal:

34 $\text{Prior fiscal year property tax levy} \times (1 + \text{inflation} + \text{net new taxable property growth}).$

35 (b) "Inflation" means the Consumer Price Index for All Urban Consumers (CPI-U),
36 Northeast Region.

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1 (c)(1) "Net new taxable property growth" means the increase in assessed valuation
2 attributable to:

3 (A) New construction;

4 (B) Physical expansion or improvement of structures;

5 (C) Subdivision or redevelopment of land;

6 (D) Conversion from exempt to taxable status; or

7 (E) Any physical change that increases taxable market value.

8 (2) "Net new taxable property growth" shall not include:

9 (A) Market appreciation;

10 (B) Revaluation or reassessment; or

11 (C) Changes in assessment methodology.

12 (d) The department of revenue administration shall certify annually the net new taxable
13 property growth for each taxing jurisdiction.

14 IX. In the municipalities and wards served by a school administrative unit where the school
15 administrative unit fixed cap question under this section is approved by the voters for the biennium,
16 the fixed cap for school administrative unit central office administrative budgets shall be 6 percent of
17 the sum of the total school district appropriation amounts, except costs of bonded capital projects
18 pursuant to paragraph XVI, in the school districts comprising the SAU. "School administrative unit
19 central office administrative budgets" means expenditures for the general management and
20 administration of a school administrative unit. These expenditures include superintendent services;
21 assistant or deputy superintendent services; business administration; human resources; finance;
22 payroll; purchasing; district-level information technology administration; legal services; public
23 relations; and other non-school-based administrative functions, regardless of physical location or
24 building assignment. The term also includes district-level curriculum directors, directors of
25 instruction, or similarly titled positions who are not employed under a collective bargaining
26 agreement or who do not provide direct classroom instruction for more than 50 percent of their work
27 time, as well as any personnel reported to the department of education as employed by the central
28 office. The term does not include school-based administrative staff; classroom instruction;
29 instructional support services; special education services; transportation; food services; or facilities
30 operations and maintenance.

31 X. The provisions of this paragraph shall apply only to districts without an annual meeting
32 that have adopted the school administrative unit fixed cap under this section. The legislative body,
33 pursuant to RSA 194-C:9, shall adopt a school administrative unit budget that is not in excess of the
34 school administrative unit fixed cap pursuant to paragraph IX, except that the legislative body may
35 override the fixed cap on the school administrative unit budget by a supermajority vote defined in
36 their charter pursuant to RSA 49-C:33, I(d) or RSA 49-D:3, I(e).

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1 XI. No municipal tax rate shall be set that causes a taxing authority to exceed its certified
2 limits under this section. Any tax rate set in violation of this section shall be void.

3 (a) For a school district that has adopted the school district local tax cap or a school
4 administrative unit that has adopted the school administrative unit fixed cap under this section, the
5 governing body shall forward, at a time and in a form prescribed by the department of revenue
6 administration, documentation demonstrating compliance with the adopted caps. Such
7 documentation shall include:

8 (1) The computation of the school district local tax cap or school administrative unit
9 fixed cap for the applicable year;

10 (2) Proposed appropriations by the governing body and budget committee and
11 estimated revenues going into the annual meeting, showing the estimated amount of property taxes
12 to be raised for the school district budget or school administrative unit central office administrative
13 budgets, or both;

14 (3) Appropriations voted by the annual or special meeting of the legislative body; and

15 (4) The count of any ballot votes taken to override the school district local tax cap or
16 school administrative unit fixed cap.

17 (b) Upon review of documentation submitted under subparagraph (a), if the
18 commissioner of the department of revenue administration determines that the certified school
19 district budget results in estimated taxes exceeding the adopted school administrative unit fixed cap
20 and that no valid override vote was obtained as provided in this section, the commissioner shall
21 reduce the appropriation of the certified budget by the amount that the certified budget exceeds the
22 cap.

23 (c) Upon review of documentation submitted under subparagraph (a), if the
24 commissioner of the department of revenue administration determines that the certified school
25 administrative unit central office administrative budget results in estimated taxes exceeding the
26 adopted school administrative unit fixed cap and that no valid override vote was obtained as
27 provided in this section, the commissioner shall reduce the appropriation of the certified budget by
28 the amount that the certified budget exceeds the cap.

29 (d) The department of revenue administration shall not approve any tax rate that
30 exceeds the certified limit and shall withhold rate approval until the municipality demonstrates
31 compliance either by showing the certified budget is within the certified cap or by showing a valid
32 override vote in accordance with RSA 40:13 or applicable annual meeting procedures.

33 (e) Nothing in this section shall prohibit the department of revenue administration from
34 requiring additional information, documentation, or schedules reasonably necessary to determine
35 compliance with the adopted local tax cap or fixed cap under this section.

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1 XII. If approved by the voters, the school district local tax cap or the school administrative
2 unit fixed cap, or both, shall apply beginning with the fiscal 2028 school district total budget or
3 school administrative unit budget, as applicable, for the following 2 fiscal years.

4 XIII. Any taxpayer in a member school district or school district of the school administrative
5 unit, as applicable, shall have standing to enforce this section in superior court.

6 XIV. Nothing in this section may be construed to repeal, supersede, or diminish any
7 property tax limitation that is more restrictive under existing law, a municipal charter, or a local
8 ordinance. When more than one property tax limitation, tax cap, local tax cap, or budget cap applies,
9 each applicable limitation must be fully satisfied.

10 XV. This section shall operate solely as a local tax cap limitation on the estimated amount of
11 local taxes to be raised for the fiscal year attributable to the school district or a fixed cap on the
12 school administrative unit central office administrative budget, as applicable.

13 XVI.(a) Bonded capital costs shall include principal or interest on bonds or notes only if the
14 bonded indebtedness is issued solely for the acquisition, construction, or major structural renovation
15 of real property, reported pursuant to RSA 198:4-a. No exclusion shall apply to bonded indebtedness
16 issued for:

- 17 (1) Operating expenses;
18 (2) Salaries or benefits;
19 (3) Vehicles or rolling stock;
20 (4) Equipment with a useful life of less than 10 years;
21 (5) Technology, furnishings, or instructional materials; or
22 (6) Any purpose other than real property.

23 (b) The department of revenue administration shall certify annually the portion of debt
24 service that qualifies for exclusion.

25 (c) No exclusion shall apply unless certified by the department.

26 2 Effective Date. This act shall take effect November 1, 2026.