

HB 1610 - AS AMENDED BY THE SENATE

5Mar2026... 0809h
05/07/2026 1635s

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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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, **only** by an article separate from the budget and all other
4 articles in the warrant, or the governing body of a city upon recommendation of the school board,
5 when the operation of the schools is by a department of the city, may establish a contingency fund to
6 meet the cost of unanticipated expenses that may arise during the year. A detailed report of all
7 expenditures from the contingency fund shall be made annually by the school board and published
8 with their report. ***The wording of the question may be: "Pursuant to RSA 198:4-b, I, shall the***
9 ***school district establish a contingency fund of \$____, raised through taxation, to be used by***
10 ***the 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 any
13 unused portion of the year-end unassigned general funds~~[, from the preceding fiscal year in~~
14 ~~subsequent fiscal years]~~, provided that the total amount of year-end unassigned general funds does
15 not exceed~~[, in any fiscal year, 5]~~ 3 percent of the current fiscal year's ~~[net assessment under RSA~~
16 ~~198:5]~~ ***budget appropriation total. These funds may only be spent due to an unusual***
17 ***circumstance following the procedure specified in RSA 32:11.***

18 ~~[(a) Prior to expending retained general funds, the school board shall hold a prior public~~
19 ~~hearing on the action to be taken with such funds. Notice of the time, place, and subject of such~~
20 ~~hearing shall be published in a newspaper of general circulation in the relevant municipality at least~~
21 ~~7 days before the meeting is held.~~

22 ~~(b) An annual accounting and report of the activities of the retained general funds shall~~
23 ~~be presented to the school board of the district and published in the annual report.]~~

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

27 2 Applicability. RSA 198:4-b, as amended by section 1 of this act, shall rescind all existing
28 indefinite authorizations to retain unassigned general funds as previously authorized under RSA
29 198:4-b, II and shall apply to the setting of tax rates for the fiscal year ending in June 30, 2027.

30 3 Effective Date. This act shall take effect upon its passage.