

HB 1300 - AS AMENDED BY THE SENATE

11Mar2026... 0980h
11Mar2026... 1117h
05/14/2026 1851s
05/14/2026 1876s

2026 SESSION

26-2870
05/06

HOUSE BILL **1300**

AN ACT establishing a school district local tax cap question for the state general election of 2026 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 school district local tax cap question for the state general election of 2026.

II. Establishes limitations on central office administrative expenses in school districts.

III. Requires that the commissioner of the department of revenue administration adopt rules relative to the school district local tax cap question and 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 struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 school district local tax cap question for the state general election of 2026 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; School District Local Tax Cap
2 and School Administrative Fixed Cap on Central Office Administrative Budgets. Amend RSA 32 by
3 inserting after section 5-h the following new section:

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

6 I. During the November 2026 state general election, every town and ward in a city shall
7 conduct a vote on a local tax cap question for their school district and fixed cap on the school
8 administrative unit central office administrative budget. The question shall appear on the ballot by
9 operation of law and shall not require a warrant article, citizen petition, or separate local legislative
10 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 2026 state general election and shall be cast, collected, and counted under the supervision
23 of 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 a local tax cap
27 on the portion of property taxes raised for the [name(s) of school district(s)] and a fixed cap on the

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

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

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

21 VI.(a) The moderator of each municipality or ward in the school district shall report the
22 results on the question to the secretary of the school administrative unit board for the school district.
23 If a 3/5 majority of the voters voting in the municipalities and wards served by the school district
24 approve the question, then the local tax cap for the school district under RSA 32:5-b, I-b, exempting
25 bonded capital costs pursuant to paragraph XVI, shall be binding.

26 (b) The moderator of each municipality or ward in the school administrative unit shall
27 report the results on the question to the secretary of the school administrative unit board served by
28 the municipality or ward. If a 3/5 majority of the voters voting in the municipalities and wards
29 served by the school administrative unit approve the question, then the SAU fixed cap question for
30 the SAU central office administrative budget shall be binding.

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

34 VII.(a) Any 10 registered voters from any municipality served by a school district, before the
35 expiration of 7 days from the date of the general election, may apply in writing to the school district
36 clerk for a recount of the ballots for the question on a school district local tax cap under this section.
37 The secretary shall schedule a recount, to be conducted by the school board, not earlier than 5 days

1 nor later than 10 days after the date the secretary receives the petition. The applicants for such a
2 recount shall pay to the school clerk a fee of \$10 for conducting the recount.

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

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

11 $\text{Prior fiscal year property tax levy} \times (1 + \text{inflation} + \text{net new taxable property growth})$.

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

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

- 16 (A) New construction;
- 17 (B) Physical expansion or improvement of structures;
- 18 (C) Subdivision or redevelopment of land;
- 19 (D) Conversion from exempt to taxable status; or
- 20 (E) Any physical change that increases taxable market value.

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

- 22 (A) Market appreciation;
- 23 (B) Revaluation or reassessment; or
- 24 (C) Changes in assessment methodology.

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

27 IX. In the municipalities and wards served by a school administrative unit where the school
28 administrative unit fixed cap question under this section is approved by the voters for the biennium,
29 the fixed cap for school administrative unit central office administrative budgets shall be 6 percent of
30 the sum of the total school district appropriation amounts, except costs of bonded capital projects
31 pursuant to paragraph XVI, in the school districts comprising the SAU. "School administrative unit
32 central office administrative budgets" means expenditures for the general management and
33 administration of a school administrative unit. These expenditures include superintendent services;
34 assistant or deputy superintendent services; business administration; human resources; finance;
35 payroll; purchasing; district-level information technology administration; legal services; public
36 relations; and other non-school-based administrative functions, regardless of physical location or
37 building assignment. The term also includes district-level curriculum directors, directors of

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1 instruction, or similarly titled positions who are not employed under a collective bargaining
2 agreement or who do not provide direct classroom instruction for more than 50 percent of their work
3 time, as well as any personnel reported to the department of education as employed by the central
4 office. The term does not include school-based administrative staff; classroom instruction;
5 instructional support services; special education services; transportation; food services; or facilities
6 operations and maintenance.

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

13 XI. No municipal tax rate shall be set that causes a taxing authority to exceed its certified
14 limits under this section.

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

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

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

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

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

29 (b) Upon review of documentation submitted under subparagraph (a), if the
30 commissioner of the department of revenue administration determines that the certified school
31 district budget results in estimated taxes exceeding the adopted school administrative unit fixed cap
32 and that no valid override vote was obtained as provided in this section, the governing body shall
33 reduce the appropriation of the certified budget by the amount that the certified budget exceeds the
34 cap.

35 (c) Upon review of documentation submitted under subparagraph (a), if the
36 commissioner of the department of revenue administration determines that the certified school
37 administrative unit central office administrative budget results in estimated taxes exceeding the

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1 adopted school administrative unit fixed cap and that no valid override vote was obtained as
2 provided in this section, the governing body shall reduce the appropriation of the certified budget by
3 the amount that the certified budget exceeds the cap.

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

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

11 XII. If approved by the voters, the school district local tax cap or the school administrative
12 unit fixed cap, or both, shall apply beginning with the fiscal 2028 school district total budget or
13 school administrative unit budget, as applicable.

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

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

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

23 XVI.(a) Bonded capital costs shall include principal or interest on bonds or notes only if the
24 bonded indebtedness is issued solely for the acquisition, construction, or major structural renovation
25 of real property, reported pursuant to RSA 198:4-a.

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

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

29 2 New Paragraph; Department of Revenue Administration; Rulemaking Authority. Amend RSA
30 21-J:13 by inserting after paragraph XIV the following new paragraph:

31 XV. The forms, promulgation of forms, and any other information necessary to implement
32 the provisions of RSA 32:5-i.

33 3 Effective Date. This act shall take effect November 1, 2026.

HB 1300- FISCAL NOTE

AS AMENDED BY THE SENATE (AMENDMENTS #2026-1851s and #2026-1876s)

AN ACT establishing a school district local tax cap question for the state general election of 2026 and related limitations on central office administrative expenses in school districts.

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	\$100,000	\$0	\$0
<i>Funding Source(s)</i>	General Fund			
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
Local Revenue	\$0	\$0	Possible Indeterminable Decrease	
Local Expenditures	\$0	\$0	Possible Indeterminable Decrease	

METHODOLOGY:

This bill requires municipalities to vote on local tax cap questions for their school district and on the school administrative unit (SAU) central office administrative budget in the November 2026 general election. In order for the caps to be adopted there must be a 3/5 majority vote in favor. If a municipality were to adopt the school district tax cap it would be limited to annual local school tax increases to the prior year's amount, adjusted for inflation and growth in taxable property attributable to new construction, excluding bonded capital costs. The SAU central office administrative tax cap would be limited to 6 percent of the combined school district appropriations, excluding bonded capital costs, with certain override provisions.

The Department of Revenue Administration (DRA) would be required to certify taxable property growth and bonded capital costs, receive and review detailed compliance documentation from districts and SAUs that adopt caps, ensure no tax rate is set above certified limits, and update

reporting systems and rate setting software to administer the caps beginning with the fiscal year 2028 budget cycle. DRA anticipates approximately \$100,000 in system update costs.

The Department of Education and DRA indicate that to the extent school districts adopt a tax cap, local school district revenue and school district expenditures could decrease.

AGENCIES CONTACTED:

Department of Revenue Administration and Department of Education