CHAPTER 324
HB 1300 - FINAL VERSION

11Mar2026... 0980h
11Mar2026... 1117h
05/14/2026 1851s
05/14/2026 1876s
4Jun2026... 2109CofC
4Jun2026... 2173EBA

2026 SESSION

26-2870
05/06

HOUSE BILL ***1300***

AN ACT establishing a school district local tax cap question for the state general elections of 2026 and 2028 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 elections of 2026 and 2028.

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.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 school district local tax cap question for the state general elections of 2026 and 2028 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:

324:1 New Section; Municipal Budget Law; Preparation of Budgets; School District Local Tax Cap and School Administrative Fixed Cap on Central Office Administrative Budgets. Amend RSA 32 by inserting after section 5-h the following new section:

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

I. During the November 2026 and November 2028 state general elections, every town and ward in a city shall conduct a vote on a local tax cap question for their school district and a fixed cap on the school administrative unit central office administrative budget. The question shall appear on the ballot by operation of law and shall not require a warrant article, citizen petition, or separate local legislative approval.

II. The question required under paragraph I shall be printed on the state general election ballot administered pursuant to RSA 656:13, following the offices columns. If the secretary of state determines that sufficient space on the front of the state general election ballot does not permit inclusion of the question, the secretary of state shall cause the question to be printed on the reverse side of the state general election ballot and shall cause a notice to be printed on the front of the ballot directing voters to turn the ballot over to vote on the question. If the secretary of state determines that printing on the reverse side is also impracticable, the question shall be printed on a separate official ballot to be distributed, cast, collected, and counted at the same polling place and during the same hours as the state general election ballot. The secretary of state shall adopt any procedures necessary to ensure that ballot counting devices used pursuant to RSA 656:40 are programmed to read and count votes cast on both sides of the ballot where the reverse side is used.

III. Nothing in this section shall prohibit a municipality, school board, or school administrative unit board from holding a public hearing on the question for the local tax cap and for the school administrative fixed cap on central office administrative budgets.

IV. Whenever the question required under paragraph I is printed on the state general election ballot or on a separate official ballot pursuant to paragraph II, the secretary of state shall ensure that said question is also included on all applicable absentee ballots consistent with RSA 656:36.

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

"Shall the [name of municipality] limit property tax growth for [name(s) of school district(s)] under RSA 32:5-i? If adopted for a two-year period: (1) the local property tax levy may not grow beyond the prior year's amount, adjusted for inflation and new construction; (2) SAU central office spending may not exceed 6 percent of total school district appropriations; and (3) bonded capital costs are excluded from both limits. These caps apply only to administrative operations of the SAU central office and do not affect classroom instruction, school-based services, or other municipal expenditures. These limits may be overridden as provided in RSA 32:5-i. Adoption requires a three-fifths (3/5) majority vote."

Towns and wards serving more than one school district shall include the names of all such school districts in the question.

VI.(a) The moderator of each municipality or ward in the school district shall report the results on the question to the secretary of the school administrative unit board for the school district. If a 3/5 majority of the voters voting in the municipalities and wards served by the school district approve the question, then the maximum allowable levy per the local tax cap for the district under paragraph VIII shall be binding.

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

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

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

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

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

Prior fiscal year property tax levy (excluding bonded capital costs as defined in paragraph XVI) × (1 + inflation + net new taxable property growth).

Bonded capital costs, as defined in paragraph XVI, shall be excluded from both the prior fiscal year property tax levy and the maximum allowable levy calculated under this paragraph. No amount attributable to bonded capital costs shall be included in the prior fiscal year levy for purposes of calculating the maximum allowable levy in any subsequent year.

(b) "Inflation" means the one year (12 month) percentage change in the Consumer Price Index for All Urban Consumers, Northeast Region, as published by the Bureau of Labor Statistics, United States Department of Labor, using the amount published for the month of March in the prior fiscal year.

(c)(1) "Net new taxable property growth" means the percentage increase in assessed valuation from the prior year attributable to:

(A) New construction;

(B) Physical expansion or improvement of structures;

(C) Subdivision or redevelopment of land;

(D) Conversion from exempt to taxable status; or

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

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

(A) Market appreciation;

(B) Revaluation or reassessment; or

(C) Changes in assessment methodology.

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

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

X. The legislative body may vote to exceed the school district local tax cap or the school administrative unit fixed cap using the override procedures provided in these subparagraphs.

(a) The provisions of this subparagraph shall apply only to districts with an annual meeting. The legislative body may override the school district local tax cap under paragraph VIII, or the school administrative unit fixed cap under paragraph IX, by the usual procedures applicable to annual meetings of the legislative body, provided that: when a proposed appropriation will cause the cap to be exceeded or the cap has already been exceeded, exclusive of bonded costs defined in paragraph XVI, voting on the appropriation question shall be by ballot, but the question shall not be placed on the official ballot used to elect officers, except in the case of a legislative body that uses an official ballot form of meeting under RSA 40:13 or under a charter adopted pursuant to RSA 49-D. If a 3/5 majority or the super majority as determined under a charter pursuant to RSA 49-D of those voting on the question vote "yes," the appropriation is approved. Only votes in the affirmative or negative shall be included in the calculation of the 3/5 majority or the super majority as determined under a charter pursuant to RSA 49-D.

(b) The provisions of this subparagraph shall apply only to districts without an annual meeting. If the school district local tax cap has been adopted, the legislative body shall adopt a school district budget, exclusive of bonded costs defined in paragraph XVI, that does not exceed the local tax cap established under paragraph VIII, unless the legislative body overrides the cap by the supermajority defined in its charter pursuant to RSA 49-C:33, I(d) or RSA 49-D:3, I(e). If the school administrative unit fixed cap has been adopted, the legislative body overrides that cap by the supermajority defined in its charter pursuant to RSA 49-C:33, I(d) or RSA 49-D:3, I(e).

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

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

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

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

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

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

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

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

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

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

XII. If approved at the November 2026 state general election, the school district local tax cap or the school administrative unit fixed cap, or both, shall apply beginning with the fiscal year 2028 school district total budget or school administrative unit budget, as applicable. If approved at the November 2028 state general election, the school district local tax cap or the school administrative unit fixed cap, or both, shall apply beginning with the fiscal year 2030 school district total budget or school administrative unit budget, as applicable.

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

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

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

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

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

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

XVII. The provisions of this section shall expire on January 1, 2032. Any school district local tax cap or school administrative unit fixed cap adopted pursuant to this section shall cease to have legal effect as of that date. The expiration of this section shall not affect the validity of any appropriation, budget, or tax rate lawfully established prior to January 1, 2032.

324:2 New Paragraph; Department of Revenue Administration; Rulemaking Authority. Amend RSA 21-J:13 by inserting after paragraph XIV the following new paragraph:

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

324:3 Prospective Repeal. RSA 32:5-i, relative to the school district local tax cap and school administrative fixed cap on central office administrative budgets, is repealed.

324:4 Effective Date.

I. Section 3 of this act shall take effect January 1, 2032.

II. The remainder of this act shall take effect September 1, 2026.

Approved: July 15, 2026
Effective Date:
I. Section 3 effective January 1, 2032
II. Remainder effective September 1, 2026