

Amendment to HB 1300

1 Amend the title of the bill by replacing it with the following:

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3 AN ACT establishing a school district local tax cap question for the state general election of
4 2026 and related limitations on central office administrative expenses in school
5 districts.
6

7 Amend the bill by replacing all after the enacting clause with the following:

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9 1 New Section; Municipal Budget Law; Preparation of Budgets; School District Local Tax Cap
10 and School Administrative Fixed Cap on Central Office Administrative Budgets. Amend RSA 32 by
11 inserting after section 5-h the following new section:

12 32:5-i School District Local Tax Cap and School Administrative Fixed Cap on Central Office
13 Administrative Budgets.

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

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

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

25 IV. Nothing in this section shall prohibit a municipality, school board, or school
26 administrative unit board from holding a public hearing on the question for the local tax cap and for
27 the school administrative fixed cap on central office administrative budgets. The question on the
28 separate official ballot or local ballot shall not be included on the official statewide ballot
29 administered by the secretary of state. Such ballots shall be distributed to voters at the polling place
30 during the 2026 state general election and shall be cast, collected, and counted under the supervision
31 of the moderator in a manner consistent with local ballot voting procedures.

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

Amendment to HB 1300
- Page 2 -

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

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

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

23 VI.(a) The moderator of each municipality or ward in the school district shall report the
24 results on the question to the secretary of the school administrative unit board for the school district.
25 If a 3/5 majority of the voters voting in the municipalities and wards served by the school district
26 approve the question, then the local tax cap for the school district under RSA 32:5-b, I-b, exempting
27 bonded capital costs pursuant to paragraph XVI, shall be binding and apply for the ensuing 2 fiscal
28 years.

29 (b) The moderator of each municipality or ward in the school administrative unit shall
30 report the results on the question to the secretary of the school administrative unit board served by
31 the municipality or ward. If a 3/5 majority of the voters voting in the municipalities and wards
32 served by the school administrative unit approve the question, then the SAU fixed cap question for
33 the SAU central office administrative budget shall be binding and apply for the ensuing 2 fiscal
34 years.

35 (c) The secretary of the school administrative unit board shall certify the results of the
36 votes to the department of revenue administration. Preservation of ballots shall be pursuant to RSA
37 33-A:3-a, XXXVII.

Amendment to HB 1300
- Page 3 -

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

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

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

15 $\text{Prior fiscal year property tax levy} \times (1 + \text{inflation} + \text{net new taxable property growth}).$

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

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

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

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

- 26 (A) Market appreciation;
- 27 (B) Revaluation or reassessment; or
- 28 (C) Changes in assessment methodology.

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

31 IX. In the municipalities and wards served by a school administrative unit where the school
32 administrative unit fixed cap question under this section is approved by the voters for the biennium,
33 the fixed cap for school administrative unit central office administrative budgets shall be 6 percent of
34 the sum of the total school district appropriation amounts, except costs of bonded capital projects
35 pursuant to paragraph XVI, in the school districts comprising the SAU. "School administrative unit
36 central office administrative budgets" means expenditures for the general management and
37 administration of a school administrative unit. These expenditures include superintendent services;

Amendment to HB 1300

- Page 4 -

1 assistant or deputy superintendent services; business administration; human resources; finance;
2 payroll; purchasing; district-level information technology administration; legal services; public
3 relations; and other non-school-based administrative functions, regardless of physical location or
4 building assignment. The term also includes district-level curriculum directors, directors of
5 instruction, or similarly titled positions who are not employed under a collective bargaining
6 agreement or who do not provide direct classroom instruction for more than 50 percent of their work
7 time, as well as any personnel reported to the department of education as employed by the central
8 office. The term does not include school-based administrative staff; classroom instruction;
9 instructional support services; special education services; transportation; food services; or facilities
10 operations and maintenance.

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

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

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

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

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

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

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

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

Amendment to HB 1300

- Page 5 -

1 reduce the appropriation of the certified budget by the amount that the certified budget exceeds the
2 cap.

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

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

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

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

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

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

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

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

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

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

34 2 New Paragraph; Department of Revenue Administration; Rulemaking Authority. Amend RSA
35 21-J:13 by inserting after paragraph XIV the following new paragraph:

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

Amendment to HB 1300

- Page 6 -

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

2026-1851s

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.