

1 Committee of Conference Report on HB 1300, establishing a biennial school district local tax cap
2 question and related limitations on central office administrative expenses in school districts.

3
4 Recommendation:

5 That the House recede from its position of nonconcurrency with the Senate amendment, and
6 concur with the Senate amendment, and

7 That the Senate and House adopt the following new amendment to the bill as amended by the
8 Senate, and pass the bill as so amended:

9
10 Amend the bill by replacing all after the enacting clause with the following:

11
12 1 New Section; Municipal Budget Law; Preparation of Budgets; School District Local Tax Cap
13 and School Administrative Fixed Cap on Central Office Administrative Budgets. Amend RSA 32 by
14 inserting after section 5-h the following new section:

15 32:5-i School District Local Tax Cap and School Administrative Fixed Cap on Central Office
16 Administrative Budgets.

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

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

Committee of Conference Report on HB 1300
- Page 2 -

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

36 IV. Whenever the question required under paragraph I is printed on the state general
37 election ballot or on a separate official ballot pursuant to paragraph II, the secretary of state shall
38 ensure that said question is also included on all applicable absentee ballots consistent with RSA
39 656:36.

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

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

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

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

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

62 (c) The secretary of the school administrative unit board shall certify the results of the
63 votes to the department of revenue administration. Preservation of ballots shall be pursuant to RSA
64 33-A:3-a, XXXVII.

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

Committee of Conference Report on HB 1300
- Page 3 -

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

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

78 VIII.(a) The maximum allowable levy shall equal:
79 Prior fiscal year property tax levy (excluding bonded capital costs as defined in paragraph XVI) × (1
80 + inflation + net new taxable property growth).
81 Bonded capital costs, as defined in paragraph XVI, shall be excluded from both the prior fiscal year
82 property tax levy and the maximum allowable levy calculated under this paragraph. No amount
83 attributable to bonded capital costs shall be included in the prior fiscal year levy for purposes of
84 calculating the maximum allowable levy in any subsequent year.

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

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

- 91 (A) New construction;
92 (B) Physical expansion or improvement of structures;
93 (C) Subdivision or redevelopment of land;
94 (D) Conversion from exempt to taxable status; or
95 (E) Any physical change that increases taxable market value.

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

- 97 (A) Market appreciation;
98 (B) Revaluation or reassessment; or
99 (C) Changes in assessment methodology.

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

102 IX. In the municipalities and wards served by a school administrative unit where the school
103 administrative unit fixed cap question under this section is approved by the voters, the fixed cap for
104 school administrative unit central office administrative budgets shall be 6 percent of the sum of the
105 total school district appropriation amounts, except costs of bonded capital projects pursuant to

Committee of Conference Report on HB 1300
- Page 4 -

106 paragraph XVI, in the school districts comprising the SAU. "School administrative unit central
107 office administrative budgets" means expenditures for the general management and administration
108 of a school administrative unit. These expenditures include superintendent services; assistant or
109 deputy superintendent services; business administration; human resources; finance; payroll;
110 purchasing; district-level information technology administration; legal services; public relations; and
111 other non-school-based administrative functions, regardless of physical location or building
112 assignment. The term also includes district-level curriculum directors, directors of instruction, or
113 similarly titled positions who are not employed under a collective bargaining agreement or who do
114 not provide direct classroom instruction for more than 50 percent of their work time, as well as any
115 personnel reported to the department of education as employed by the central office. The term does
116 not include school-based administrative staff; classroom instruction; instructional support services;
117 special education services; transportation; food services; or facilities operations and maintenance.

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

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

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

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

141 (a) For a school district that has adopted the school district local tax cap or a school
142 administrative unit that has adopted the school administrative unit fixed cap under this section, the

Committee of Conference Report on HB 1300
- Page 5 -

143 governing body shall forward, at a time and in a form prescribed by the department of revenue
144 administration, documentation demonstrating compliance with the adopted caps. Such
145 documentation shall include:

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

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

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

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

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

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

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

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

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

Committee of Conference Report on HB 1300
- Page 6 -

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

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

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

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

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

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

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

199 2 New Paragraph; Department of Revenue Administration; Rulemaking Authority. Amend RSA
200 21-J:13 by inserting after paragraph XIV the following new paragraph:

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

203 3 Prospective Repeal. RSA 32:5-i, relative to the School District Local Tax Cap and School
204 Administrative Fixed Cap on Central Office Administrative Budgets, is repealed.

205 4 Effective Date.

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

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

Committee of Conference Report on HB 1300
- Page 7 -

The signatures below attest to the authenticity of this Report on HB 1300, establishing a biennial school district local tax cap question and related limitations on central office administrative expenses in school districts.

Conferees on the Part of the Senate

Conferees on the Part of the House

Sen. Lang, Dist. 2

Rep. Berry, Hills. 44

Sen. Gray, Dist. 6

Rep. Qualey, Ches. 18

Sen. Perkins Kwoka, Dist. 21

Rep. See, Merr. 26

Rep. Burnham, Straf. 2