HB 1230 - AS INTRODUCED

2026 SESSION

26-2723
07/08

HOUSE BILL ***1230***

AN ACT relative to increases in state tax rates and debts.

SPONSORS: Rep. Ulery, Hills. 13

COMMITTEE: Judiciary

ANALYSIS

This bill:

I. Requires that the state, political subdivisions of the state, or local districts cap total annual spending, changes to tax rates, or increases in debt at a rate tied to increases in inflation and population change.

II. Creates a right of action against the state, political subdivisions of the state, or local districts for persons whom reveal a state or local official to prevent such conduct.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

26-2723
07/08

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to increases in state tax rates and debts.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Section; The State and Its Government; Debt Management; Spending Limits and Excess Revenues. Amend RSA 6-C by inserting after section 2 the following new section:

6-C:3 Spending Limits and Excess Revenues.

I. The state's total fiscal year maximum annual percentage change in New Hampshire's fiscal year total spending shall be determined by the 4-year moving average rate of inflation, up to 2.5 percent, and the annual percentage change in New Hampshire's population during the prior calendar year.

II. Every local taxing district's maximum annual percentage change in fiscal year total spending shall be changed annually by the 4-year moving average rate of inflation, up to 2.5 percent, plus the percentage change in the political subdivision's population during the prior calendar year.

III. Excess revenues over the annual revenue limit, up to 10 percent, shall be deposited in an interest-bearing rainy day fund, and shall only be used to pay for expenses up to the spending limit. Excess revenues above the rainy day fund cap shall be refunded or, upon voter approval, used to repay debts.

IV. Neither New Hampshire, nor its political subdivisions, shall increase in excess of a 4-year moving average of inflation, up to 2.5 percent, and the percentage change in population, total annual spending, including obligations of the treasury, faster than the people's increase in after-tax income, any new or increased tax, or debt of the general treasury, without approval of the voters or those in relevant in-state regions or districts.

V. Any citizen who contests that the state, or any of its political subdivisions, is in violation of this article shall be entitled to a jury trial within 12 months. If a jury finds that the state, or its political subdivisions, have violated this section, the citizen shall be entitled to reasonable attorney's fees, court costs, and an award not to exceed 20 times the citizen's attorney's fees and court costs.

2 Effective Date. This act shall take effect April 1, 2027.