HB 1787-FN - AS INTRODUCED

2026 SESSION

26-3072
07/08

HOUSE BILL ***1787-FN***

AN ACT modifying the statewide education property tax.

SPONSORS: Rep. Ames, Ches. 13; Rep. Luneau, Merr. 9; Rep. Damon, Sull. 8; Rep. Preece, Hills. 17; Rep. Cornell, Hills. 22; Rep. Oppel, Graf. 9; Rep. Almy, Graf. 17; Rep. Hakken-Phillips, Graf. 12; Rep. E. Kelly, Merr. 8; Sen. Fenton, Dist 10; Sen. Rosenwald, Dist 13

COMMITTEE: Ways and Means

ANALYSIS

This bill:

I. Requires that statewide education property tax revenues be collected and remitted to the state treasurer for deposit into the education trust fund.

II. Makes changes to the low- and moderate-income homeowners property tax relief program.

III. Creates a committee to study the low- and moderate-income homeowners property tax relief program.

- -

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 1787-FN - AS INTRODUCED

26-3072
07/08

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT modifying the statewide education property tax.

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

1 Taxation; Apportionment, Assessment and Abatement of Taxes; Education Tax. Amend RSA 76:3 to read as follows:

76:3 [~~Education Tax~~] ***Uniform Statewide Education Property Tax***.

I. Beginning July 1, [~~2005~~] ***2027***, and every fiscal year thereafter, ***with adjustments as may be required by this section,*** the commissioner of the department of revenue administration shall set the ***state*** education tax rate at a level sufficient to generate revenue of [~~$363,000,000~~] ***$378,000,000*** when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section. ***This amount shall be increased annually by 2 percent and rounded up to the nearest $100 by the commissioner of the department of revenue administration.***

II. Notwithstanding any provision of law to the contrary, uniform statewide education property tax revenues paid shall be levied pursuant to a uniform statewide rate and shall be collected and remitted to the state treasurer for deposit into the education trust fund established in RSA 198:39.

III. Deposits into the education trust fund made under paragraph II shall exclusively fund, in whole or in part, education grants as determined by the department of education pursuant to RSA 198:41, costs associated with providing tax bills pursuant to RSA 76:11-a, and homeowners property tax relief pursuant to RSA 198:57.

2 Taxation; Apportionment, Assessment and Abatement of Taxes; Commissioner's Warrant. Amend RSA 76:8, II to read as follows:

II. The commissioner shall issue a warrant under the commissioner's hand and official seal for the amount computed in paragraph I to the selectmen or assessors of each municipality by December 15 directing them to assess such sum and [~~pay it to the municipality for the use of the school district or districts~~] p***ay all revenue received to the department of revenue administration, for deposit in the education trust fund established in RSA 198:39, for education grants as determined in RSA 198:41 and property tax homeowner relief payments as determined in RSA 198:57. Such payments shall be made in 4 quarterly installments in accordance with schedules, standards, and procedures established by rules adopted by the department of revenue administration, in accordance with RSA 541-A, after***

consultation with the commissioner of education. Such sums shall be assessed at such times as may be prescribed for other taxes assessed by such selectmen or assessors of the municipality.

3 Taxation; Apportionment, Assessment and Abatement of Taxes; Information. Amend RSA 76:11-a, II to read as follows:

II. The tax bill shall also contain a statement informing the taxpayer of the types of tax relief for which the taxpayer has the right to apply. ***The statement shall explicitly list the low- and moderate-income homeowners property tax relief program established in RSA 198:57 and include information on how to apply for the program.*** The following statement shall be considered adequate:

"If you are elderly, disabled, blind, a veteran, or veteran's spouse, or are unable to pay taxes due to poverty or other good cause, you may be eligible for a tax exemption, credit, abatement, or deferral***, which may reduce your current property tax bill***. For details***,*** [~~and~~] application information***, and application deadlines***, contact (insert title of local assessing officials or office to which application should be made). ***Depending on your income, you may also be eligible for a tax refund under the low- and moderate-income homeowners property tax relief program. To find out how to get a refund, call the New Hampshire Department of Revenue Administration at (insert current telephone number here) or visit the department's website at (insert current website address here). Applications for refunds are due by June 30***."

This statement shall be prominent***,*** [~~and~~] legible, and [~~may either be~~] printed ***in at least 12-point, boldface font*** on the tax bill itself, or on a separate sheet of paper enclosed with the tax bill. A municipality may in its discretion choose to include more detailed information about the eligibility criteria for different forms of tax relief, provided, however, that the information in the above statement shall be considered a minimum.

4 Education; School Money; Adequate Education; Education Trust Fund. Amend RSA 198:39, II(k) to read as follows:

(k) ***The full amount of uniform statewide education property tax payments from the department of revenue administration pursuant to RSA 76:8, II.***

(l) Any other moneys appropriated from the general fund.

5 Education; School Money; Determination of Education Grants. RSA 198:41, I-I-a is repealed and reenacted to read as follows:

I. Except for municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the total education grant for the municipality as follows:

(a) Add the municipality's adequacy grant, which shall equal the total amount of per pupil cost of providing the opportunity for an adequate education, for which each pupil in the municipality's ADMR is eligible pursuant to RSA 198:40-a, I-III;

(b) Add the municipality's extraordinary need grant pursuant to RSA 198:40-f; and

(c) Add the municipality's fiscal capacity disparity aid grant pursuant to RSA 198:40-g.

I-a. For municipalities where all school districts therein provide education to all of their pupils by paying tuition to other institutions, the department of education shall determine the total education grant for each municipality as the lesser of the 2 following calculations:

(a) The amount calculated in accordance with paragraph I of this section; or

(b) The total amount paid for items of current education expense as determined by the department of education.

6 Education; School Money; Low and Moderate Income Homeowners Property Tax Relief. RSA 198:57, III-IV is repealed and reenacted to read as follows:

III. An eligible tax relief claimant is a person who:

(a) Owns a homestead or interest in a homestead subject to the uniform statewide education property tax;

(b) Resides in such homestead on the date of the final tax bill, as defined in RSA 76:1-a, for the year for which the claim is made, except such persons who are on active duty in the United States armed forces or are temporarily away from such homestead but maintain the homestead as a primary domicile; and

(c) Realizes total household income of:

(1) $85,000 or less if a single person;

(2) $100,000 or less if a married person or head of a New Hampshire household.

IV. All, or a portion of the sum, of an eligible tax relief claimant's education property taxes, including both local and state education property taxes, shall be rebated as follows:

(a) Multiply the total local assessed value of the claimant's property by the percentage of such property that qualifies as the claimant's homestead;

(b) Multiply $165,000 by the most current local equalization ratio as determined by the department of revenue administration;

(c) Multiply the lesser of the amount determined in subparagraph (a) or (b) by the sum of the following:

(1) The local education tax rate as shown on the tax bill under RSA 76:11-a; and

(2) The uniform statewide education property tax rate as shown on the tax bill under RSA 76:11-a.

(d) Multiply the product of the calculation in subparagraph (c) by the following percentage as applicable to determine the amount of tax relief available to the claimant, provided that the maximum amount of tax relief available to any claimant in any fiscal year shall not exceed $1,100:

(1) If a single person and total household income is:

(A) Less than $27,000, 100 percent;

(B) More than $27,000 but less than or equal to $65,000, a percentage that is reduced from 95 percent by 5 percent for each $2,000 of household income above $27,000;

(C) More than $65,000, zero percent.

(2) If the head of a New Hampshire household or a married person and total household income is:

(A) less than $39,500, 100 percent;

(B) More than $39,500 but less than or equal to $77,500, a percentage that is reduced from 95 percent by 5 percent for each $2,000 of household income above $39,500;

(C) More than $77,500, zero percent.

(e) The amount determined by subparagraph (c) shall be the allowable tax relief in any year, provided, however, that the aggregate of tax relief checks issued by the commissioner to all taxpayers claiming eligibility for tax relief shall not exceed $30,000,000 for the fiscal year to which the claim applies, exclusive of late filed claims that are accepted by the commissioner, which shall be counted against the $30,000,000 limit for the fiscal year in which the claims are received, and that the commissioner shall reduce proportionally the amount of each taxpayer's tax relief check for that fiscal year when a reduction is necessary to conform to the $30,000,000 limit for that fiscal year.

7 New Paragraphs; Education; School Money; Low and Moderate Income Homeowners Property Tax Relief. Amend RSA 198:57 by inserting after paragraph VIII the following new paragraphs:

IX. The amounts specified in subparagraph III and IV shall be adjusted annually for inflation and rounded to the nearest $100 by the commissioner of the department of revenue administration based on the average change in the Consumer Price Index for All Urban Consumers, Northeast Region, as published by the Bureau of Labor Statistics. The average change shall be calculated using the calendar year ending 12-months prior to the beginning of the program year.

X. The department of revenue administration shall mail the current year's tax forms by the first of each May to help enable property tax relief for each homeowner who received property tax relief under the provisions of paragraph IV in the prior year.

8 Committee Established. There is established a committee to study the low- and moderate-income homeowners property tax relief program established in RSA 198:57 and RSA 198:58.

9 Membership and Compensation.

I. The members of the committee shall be as follows:

(a) Three members of the senate, appointed by the president of the senate.

(b) Four members of the house of representatives, appointed by the speaker of the house of representatives.

II. Legislative members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

10 Duties. The committee shall study, with the assistance of the department of revenue administration, the following:

(a) Issues relating to the extension of the low- and moderate-income homeowners property tax relief program to tenants who indirectly pay education property taxes as part of the rent that they pay for the right to live in their principal place of residence and domicile and shall make recommendations regarding said extension.

(b) The relationship between household income, property values, and property taxation, as well as the sufficiency of data relating to that relationship that is currently available to the department of revenue administration, including data needed to determine the impact of property tax changes by property classification, value, and ownership status, including owner-occupied, out-of-state, commercial, residential, or other relevant ownership categories, and shall report on its findings and recommendations on said relationship, data sufficiency, and changes in assessment data collected, eligibility, and funding levels that would improve the low- and moderate-income homeowners property tax relief program.

(c) The components of a uniform statewide education property tax deferral program designed to provide relief to homeowner property taxpayers where taxpayer-specific circumstances temporarily impair such taxpayers ability to timely pay their property tax bills, and shall make recommendations regarding the development of such a program.

11 Chairperson; Quorum. The members of the study committee shall elect a chairperson from among the members. The first meeting of the committee shall be called by the first-named house member. The first meeting of the committee shall be held within 45 days of the effective date of this section. Four members of the committee shall constitute a quorum.

12 Report. The committee shall report its findings and any recommendations for proposed legislation to the president of the senate, the speaker of the house of representatives, the senate clerk, the house clerk, the governor, and the state library on or before November 1, 2026.

13 Applicability. Sections 1-7 of this act shall apply to statewide education property taxes levied in or after the 2028 fiscal year.

14 Effective Date. This act shall take effect upon its passage.

LBA
26-3072
Revised 1/12/26

HB 1787-FN- FISCAL NOTE
AS INTRODUCED

AN ACT modifying the statewide education property tax.

FISCAL IMPACT:

Estimated State Impact				
	FY 2026	**FY 2027**	**FY 2028**	**FY 2029**
Revenue	$0	$0	$15,000,000	$22,560,000
Revenue Fund(s)	Education Trust Fund			
Expenditures*	$0	$300,000	Indeterminable	
Funding Source(s)	General Fund and Education Trust Fund			
Appropriations*	$0	$0	$0	$0
Funding Source(s)	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	Indeterminable	
Local Expenditures	$0	$0	$0	$0

METHODOLOGY:

This bill changes the name of the Statewide Education Property Tax (SWEPT) to the Uniform Statewide Education Property Tax (USWEPT). The Department of Revenue Administration (DRA) has provided the following information relating to this bill:

- **Section 1** - Raises the USWEPT target for FY 2028 to $378m (up from $363m) and would require the DRA Commissioner to annually adjust the amount upward thereafter by two (2) percent each year, rounded up to the nearest $100. It would also require USWEPT to be collected and remitted to the treasurer for deposit into the education trust fund (ETF), and would require the funds so deposited to be exclusively used for education grants, for municipal costs associated with providing tax bills, and for Low and Moderate Income Homeowners Property Tax Relief (L&M Relief).
- **Section 2** - Requires municipalities to quarterly transmit all USWEPT collected to the DRA for deposit in the ETF as directed in the warrant issued by the DRA Commissioner, applicable to taxes "levied in or after the 2028 fiscal year," and permits DRA to adopt

schedules, standards, and procedures in rule in consultation with the commissioner of education.

  - DRA interprets this provision to be applicable to property tax year 2027, which begins April 1, 2027 and continues through March 31, 2028. SWEPT warrants for this tax year will be issued in the fall of 2026 and final bills for this tax year will go out in most municipalities in December 2027. DRA would need to implement this procedural change prior to the issuance of the warrants.

  This section also requires the funds deposited to be used for education grants and L&M Relief. DRA notes that both the "pay to" and the limitations on use of USWEPT are different in Sections 1 and 2.

- **Section 3** - Modifies the language required to be included on each property owner's tax bill to explicitly include the L&M Relief program.

- **Section 4** – Permits the deposits required by Sections 1 and 2.

- **Section 5** - Eliminates SWEPT (formerly retained by municipalities) from the calculation of education grants.

- **Section 6** - Expands the L&M program to permit rebate of local as well as statewide education tax; to raise household income limits on eligibility; to lower the property value factor used for the rebate calculation; to adjust the income brackets used for the rebate calculation; and to set annual per-claimant and aggregate caps on payments. This section also changes the residency date for eligibility purposes to the date of the final tax bill as defined in RSA 76:1-a.

- **Section 7 -** Requires the DRA Commissioner to annually inflation-adjust the dollar amounts changed in Section 6.

- **Section 8** - Establishes a committee to study specific aspects of the L&M Relief program with support from the DRA Commissioner, to report its findings by November 1, 2026.

The DRA states the fiscal impact of the proposed legislation would be an increase in funds deposited to the ETF beginning in FY 2028. Under current law, each municipality collects SWEPT on behalf of the state totaling approximately $363 million and retains the SWEPT locally to fund the State's portion of education funding. Although the SWEPT is locally retained, the total amount of SWEPT collected by the municipalities is still recognized by the State as revenue to the Education Trust Fund (ETF). The proposed legislation would change this methodology, so that all SWEPT revenue is deposited to the ETF as state revenue beginning in FY 2028. However, the accounting for SWEPT revenue would not change with respect to the $363 million in revenue to the ETF. However, the bill would also increase the $363 million amount annually beginning in FY 2028 with an amount of $378 million for that year, and amounts increasing by 2% per year thereafter: FY 2029 - $385,560,000, FY 2030 - $393,271,200, …). This incremental increase would be reflected as increased revenue to the ETF.

The DRA is unable to determine the fiscal impact of Sections 6 and 7 of the proposed legislation because it does not have all the data needed for this calculation. The proposed legislation would increase the maximum qualifying household income, decrease the maximum qualifying homestead value, and adjust the income brackets for award determination, all with respect to the amount of tax relief available to the claimant. Additionally, the proposed legislation would impose a cap on payments of $30 million in aggregate and $1,100 per claimant and would change the residence date for eligibility to the date of the final tax bill. These changes are to be effective for taxes "levied in or after the 2028 fiscal year." The DRA interprets this proposed effective date as first impacting property taxes assessed on April 1, 2027. The application period for this taxable period will begin on May 1, 2028 with rebates being made starting in FY 2029. The changed eligibility date will permit taxpayers who purchase property during the tax year to apply for L&M relief during their first partial year of home ownership.

The DRA believes that it could administer sections 1 and 2 of the proposed legislation (if reconciled) without any new positions. However, there would be an indeterminable cost associated with developing forms and modifying systems as described including implementing the electronic filing and payment mechanism that would be required to facilitate payment of the SWEPT over to DRA. Therefore, the DRA estimates a cost of $300,000 to be incurred in FY 2026.

The DRA is not sure how these changes will impact the number of claimants or the relief amounts which on average and in the aggregate have not yet come near to the capped amounts. However, DRA believes that the expansion of the L&M program to include the rebate of local as well as statewide education property tax would result in an indeterminable increase in state expenditures. By way of estimation, DRA believes such expenditure might at least double, when analyzed as follows. Looking at data available from the Department of Education for tax year 2021, SWEPT revenue was $363 million and local education tax revenue was $2,189 million. In the 2022 claim year (during which rebates were awarded for SWEPT payments in tax year 2022), L&M rebates of $0.9 million were awarded to 5,943 claimants, for an average of $151 per claimant. Since the eligibility criteria in the proposed legislation is the same for both state and local education property taxes, and since local education property taxes were several times greater than SWEPT, it is reasonable to assume that the same claimants who received SWEPT rebates would have received an identical local education property tax rebate had the proposed legislation's expansion to local taxes been in place during tax year 2021. While it is not possible to know exactly how much additional local tax revenue might be eligible for rebate, it is reasonable to assume that the expansion of the L&M program to include local education property tax would at least double the amount of rebates paid.

The Department of Education states that starting in FY 2028, this bill removes the SWEPT as a variable in the adequacy education grant formula by requiring the SWEPT revenue to be directly deposited into the education trust fund, which would be utilized by the Department for the purpose of making adequate education grants. Under current law, the State formula allows districts to raise and retain 100 percent of the approximately $363 million in SWEPT revenue and the State records all $363 million as a SWEPT grant expenditure to school districts. Of the $363 million in SWEPT grants issued by the State and received by districts via local and State accounting practices, approximately $335 million is a credit against the State obligation to pay for an adequate education while $28 million in SWEPT grants are considered in excess of the State adequate education obligation as defined in State law. This bill would end all excess SWEPT grants and reduce State expenditures and local district revenue by the amount equal to the excess SWEPT grant total. This bill also raises the SWEPT amount to $378 million, thereby increasing in the amount of excess SWEPT above the current law amount of $28 million. The Department of Education estimates excess SWEPT under the proposed bill would be $31 million. Therefore, the fiscal impact would be a decrease in state expenditures and decrease in local revenue of $31 million in FY 2028. The $31 million would likely grow by 2 percent each year after FY 2028 under the proposed bill due to the yearly 2 percent increase to the total SWEPT amount raised.

AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration