

HB 1788-FN - AS INTRODUCED

2026 SESSION

26-2401
07/09

HOUSE BILL

1788-FN

AN ACT

holding state contracts with DEI provisions to be void as a matter of law and establishing a right of action for taxpayers where public entities or state agencies engage with contracts with DEI provisions.

SPONSORS:

Rep. Nalevanko, Ches. 9; Rep. DeRoy, Straf. 3; Rep. Wherry, Hills. 13; Rep. Sweeney, Rock. 25; Rep. Cambrils, Merr. 4; Rep. Berry, Hills. 44; Sen. Ward, Dist 8

COMMITTEE:

Executive Departments and Administration

ANALYSIS

This bill:

I. Requires courts to find that contracts that include DEI-related provisions are void as a matter of law.

II. Allows taxpayers to sue public entities or state agencies for engaging in, or failing to investigate allegations of, contracts with DEI-related provisions.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT holding state contracts with DEI provisions to be void as a matter of law and establishing a right of action for taxpayers where public entities or state agencies engage with contracts with DEI provisions.

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

1 1 The State and Its Government; Prohibition on Diversity, Equity, and Inclusion; Definitions.
2 Amend RSA 21-I:112, II to read as follows:

3 II. "Diversity, equity, and inclusion" or "DEI" shall mean any program, policy, training, or
4 initiative that classifies individuals based on a characteristic identified under RSA 354-A:1 for the
5 purpose of achieving demographic outcomes, rather than treating individuals equally under the law.
6 ***DEI shall not include activities of registered student organizations, mental or physical***
7 ***health services by licensed professionals, bona fide qualifications based on sex, or any***
8 ***attempt to comply in good faith with the Americans with Disabilities Act.***

9 2 The State and Its Government; Department of Administrative Services; Prohibition on DEI-
10 Related Contract Provisions. Amend RSA 21-I:114 to read as follows:

11 21-I:114 Prohibition on DEI-Related Contract Provisions.

12 I. No agencies or political subdivisions shall enter into or renew any contract that includes
13 DEI-related provisions, including requirements for contractors to implement DEI programs, conduct
14 DEI training, or comply with DEI-related reporting obligations.

15 II. ***Any contract made in violation of this subdivision shall be void as a matter of***
16 ***law. A court of competent jurisdiction shall order the full rescission of a contract in***
17 ***violation of this subdivision.***

18 III. ***Any taxpayer shall be entitled to bring a cause of action against any public***
19 ***entity, state agency, or political subdivision that has violated any part of this subdivision.***
20 ***Any taxpayer that can demonstrate such public entity, state agency, or political***
21 ***subdivision has violated any provision of this subdivision shall be entitled to declaratory***
22 ***relief, injunctive relief, and reasonable attorney's fees in any action brought against such***
23 ***district or administrative unit.***

24 3 Education; Prohibition on Diversity, Equity, and Inclusion in Public Schools; Definitions.
25 Amend RSA 186:71, I to read as follows:

26 I. "Diversity, equity, and inclusion" or "DEI" shall mean any program, policy, training, or
27 initiative that classifies individuals based on a characteristic identified under RSA 354-A:1 for the
28 purpose of achieving demographic outcomes, rather than treating individuals equally under the law.
29 ***DEI shall not include activities of registered student organizations, mental or physical***

1 *health services by licensed professionals, bona fide qualifications based on sex, or any*
2 *attempt to comply in good faith with the Americans with Disabilities Act.*

3 4 New Paragraphs; Education; Prohibition on Diversity, Equity, and Inclusion in Public Schools;
4 Interpretation and Compliance. Amend RSA 186:77 by inserting after paragraph II the following
5 new paragraphs:

6 III. A violation of this subdivision shall also be considered a violation of the educator code of
7 conduct meriting disciplinary sanctions by the state board of education.

8 IV. Any contract made in violation of this subdivision shall be void as a matter of law. A
9 court of competent jurisdiction shall order the full rescission of a contract in violation of this
10 subdivision.

11 V. Taxpayers residing within a school district or school administrative unit shall be entitled
12 to bring causes of action against any public school, school district, or school administrative unit that
13 has violated any part of this subdivision. Any taxpayer that can demonstrate such school, school
14 district, or school administrative unit has violated any provision of this subdivision shall be entitled
15 to declaratory relief, injunctive relief, and reasonable attorney's fees in any action brought against
16 such district or administrative unit.

17 VI. The department of education shall be required to conduct good-faith investigations of a
18 facially credible report of violations of this subdivision by any citizen residing within the school
19 district or school administrative unit. Any taxpayer that can demonstrate that the department has
20 engaged in a sustained pattern of categorically declining to investigate credible reports of violations
21 of this subdivision shall be empowered to bring a cause of action against the department in superior
22 court, and shall be entitled to declaratory relief, injunctive relief, and reasonable attorney's fees,
23 regardless of whether the taxpayer has brought any action against the department under
24 paragraphs IV or V.

25 5 Effective Date. This act shall take effect 30 days after its passage.

HB 1788-FN- FISCAL NOTE
AS INTRODUCED

AN ACT holding state contracts with DEI provisions to be void as a matter of law and establishing a right of action for taxpayers where public entities or state agencies engage with contracts with DEI provisions.

FISCAL IMPACT: This bill does not provide funding.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	Indeterminable	Indeterminable	Indeterminable
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	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
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable	Indeterminable	Indeterminable

The Office of Legislative Budget Assistant is unable to provide a complete fiscal note for this bill, as introduced, as it is awaiting information from the Department of Education. The Department was originally contacted on 11/21/25 and again on 12/5/25 for a fiscal note worksheet. When completed, a revised fiscal note will be forwarded to the House Clerk's Office

METHODOLOGY:

This bill requires courts to find that contracts that include DEI-related provisions are void as a matter of law and allows taxpayers to sue public entities or state agencies for engaging in, or failing to investigate allegations of, contracts with DEI-related provisions.

The Department of Justice (DOJ) states this bill voids any existing contracts by an agency or political subdivisions that include DEI-related provisions as well as permits a taxpayer to bring a cause of action to enforce this law. The DOJ states they are unable to determine the amount of additional work this bill would require, but estimates the fiscal impact could be between \$10,000 to \$100,000.

The Judicial Branch states any additional work required by this bill could be absorbed into their existing budget.

The Department of Administrative Services states this bill does not provide new funding or authorize new positions and therefore will have no impact on State revenues or expenditures, as the affected provisions have already been eliminated from all statewide contracts.

The fiscal impact on county and local governments is indeterminable. To the extent an action is brought against a political subdivision expenditures at the county and local level would increase by an indeterminable amount.

AGENCIES CONTACTED:

Department of Justice, Judicial Branch, Department of Administrative Services, and Department of Education