

HB 669-FN-A - AS INTRODUCED

2025 SESSION

25-0341

02/06

HOUSE BILL ***669-FN-A***

AN ACT relative to requiring all revenue raised under the statewide education property tax to be deposited in the education trust fund, and setting an equalized statewide tax rate.

SPONSORS: Rep. M. Smith, Straf. 10; Rep. Cloutier, Sull. 6; Rep. Girard, Sull. 6; Rep. Wheeler, Hills. 33

COMMITTEE: Ways and Means

ANALYSIS

This bill requires all revenue raised from the statewide education property tax to be deposited in the education trust fund and sets an equalized statewide tax rate.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to requiring all revenue raised under the statewide education property tax to be deposited in the education trust fund, and setting an equalized statewide tax rate.

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

1 1 Assessment of Education Tax; Commissioner's Warrant. Amend RSA 76:8, II to read as
2 follows:

3 II. The commissioner shall issue a warrant under the commissioner's hand and official seal
4 for the amount computed in paragraph I to the selectmen or assessors of each municipality by
5 December 15 directing them to assess such sum and [~~pay it to the municipality for the use of the~~
6 ~~school district or districts~~] **transmit the amount collected to the state treasurer for deposit in**
7 **the education trust fund created pursuant to RSA 198:39.** Such sums shall be assessed at such
8 times as may be prescribed for other taxes assessed by such selectmen or assessors of the
9 municipality.

10 2 Education Tax. Amend RSA 76:3 to read as follows:

11 76:3 Education Tax. Beginning July 1, [~~2005,~~] **2025**, and every fiscal year thereafter, the
12 commissioner of the department of revenue administration shall set the education tax rate at [~~a level~~
13 ~~sufficient to generate revenue of \$363,000,000~~] a **rate of \$5.00 per \$1,000 of property valuation**
14 when imposed on all persons and property taxable pursuant to RSA 76:8, except property subject to
15 tax under RSA 82 and RSA 83-F. The education property tax rate shall be effective for the following
16 fiscal year. [~~The rate shall be set to the nearest 1/2 cent necessary to generate the revenue required~~
17 ~~in this section.~~]

18 3 Repeal. RSA 198:41, I(b), relative to determination of education grants, is repealed.

19 4 Effective Date. This act shall take effect July 1, 2025.

HB 669-FN-A- FISCAL NOTE
AS INTRODUCED

AN ACT relative to requiring all revenue raised under the statewide education property tax to be deposited in the education trust fund, and setting an equalized statewide tax rate.

FISCAL IMPACT: This bill does not provide funding.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$1.26 Billion Increase	Indeterminable Increase - Similar Magnitude to FY 2026	
<i>Revenue Fund(s)</i>	Education Trust Fund			
Expenditures*	\$0	\$28.6 Million Decrease	Indeterminable Decrease - Similar Magnitude to FY 2026	
<i>Funding Source(s)</i>	Education Trust 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 2025	FY 2026	FY 2027	FY 2028
Local Revenue	\$0	\$28.6 Million Decrease	Indeterminable Decrease - Similar Magnitude to FY 2026	
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill, effective July 1, 2025 (FY 2026):

- Requires all Statewide Education Property Tax (SWEPT) revenue be remitted to the state for deposit in the Education Trust Fund (ETF). Under current law, SWEPT revenue is raised and retained locally as part of the state education funding formula.
- Sets the SWEPT rate at \$5.00 per \$1,000 of property valuation (assumed to be *equalized* property valuation for the purpose of this fiscal note).
- Repeals RSA 198:41,I(b), relative to the SWEPT component of the determination of state adequacy grants.
- Effectively eliminates the ability for municipalities to retain “excess SWEPT”. The term “excess SWEPT” is assumed to be the amount of a municipality’s SWEPT collection that exceeds the amount of its calculated cost of an opportunity for an adequate education.

Based on FY 2026 preliminary data (published November 15, 2024), this bill would have the following impact on state revenue and expenditures, and local school district revenue:

- State ETF expenditures and local school district revenue, relative to adequate education grants, would decrease by approximately \$28.6 million per year. This is entirely due to municipalities no longer retaining “excess SWEPT”.
- State revenue, relative to SWEPT, would increase by approximately \$1.26 billion dollars per year. Under current law, approximately \$363 million is raised per year and this bill would generate approximately \$1.623 billion per year.

The Treasury Department has indicated this bill will have no impact on its budget.

AGENCIES CONTACTED:

Department of Education, Department of Revenue Administration, and Treasury Department