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**Bradley F. Kidder Law Conference
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**RECENT LEGISLATION IMPACTING
SCHOOL DISTRICT BUDGETS
AND FINANCES:
THE GOOD, THE BAD, AND THE UGLY**

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The material in this presentation is intended as reference material and to give general guidance only. The information is not intended as legal advice and given the rapidly changing nature of the law, you should be sure to consult with your own attorney regarding specific situations and for answers to specific legal questions.

I. FUND BALANCE RETENTION – THE GOOD!

A. INTRODUCTION

School Districts are the largest employers and largest “businesses” in most NH Towns. At annual meetings, it is common to hear citizens insisting that the School District be run more like a business. There is not a business anywhere that ends its fiscal year by paying all cash on hand to its owners or shareholders leaving nothing in reserve for the next fiscal year.

Recognizing this fact, the longstanding practice in NH has been to promote responsible long term financial planning by authorizing Towns to retain “an adequate level of general fund unassigned fund balance to mitigate future risks and to ensure stable tax rates.” As the Department of Revenue has stated for years, “the GFOA suggests Towns and cities retain between 8% and 17% of regular general fund operating expenditures. In NH, this is calculated by adding the municipality’s general fund operating appropriations, the education tax amount, the local school net tax commitment, and the county appropriation.” See Attachment A – DRA Forms from 2004, 2012, and 2024.

B. RSA 198:4-b, II

There is no statutory or regulatory basis for Towns to retain fund balance. It is just done in accordance with the longstanding “practice” encouraged by DRA.

RSA 32:7, which states in part that: “Annual meeting appropriations shall cover anticipated expenditures for one fiscal year. All appropriations shall lapse at the end of the fiscal year ...”. As a result, until very recently, even though School Districts are completely separate legal entities from Towns and their budgets are typically two to three times larger than the Town’s budget, they could not retain an unassigned fund balance. School Districts were only permitted to retain funds in non-lapsing capital reserve funds and trust funds. This meant that in School Districts, every year, all unexpended appropriations lapsed. The funds raised to cover those unexpended appropriations was combined with excess revenues received during the year and the total was automatically budgeted as revenue for the next fiscal year (i.e., “returned to taxpayers”). The result was Districts started each new fiscal year with \$0 on their general fund balance sheets.

1. In 2012, The legislature added the fund balance retention law for School Districts to RSA 198:4-b by enacting section “II” of the statute. The law added a new optional provision in section II, which allowed voters to adopt the optional authority the statute created. Once the statute is adopted by voters, a School District is permitted to retain unassigned general funds at year end. Specifically, the statute adopted in 2012 read:

“Notwithstanding any other provision of law, a school district by a vote of the legislative body may authorize, indefinitely until specific rescission, the school district to retain year-end unassigned general funds in an amount not to exceed, in any fiscal year, 2.5 percent of the current fiscal year’s net assessment pursuant to RSA 198:5, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and overexpenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate.”

2. In 2020, RSA 198:4-b, II was amended by HB 1558. The first time the revisions could be adopted was at District Meetings in 2021. The statute now reads:

“II. Notwithstanding any other provision of law, a school district by a vote of the legislative body may authorize, indefinitely until specific rescission, the school district to retain *any unused portion of the* year-end unassigned general funds, *from the preceding fiscal year in subsequent fiscal years, provided that the total amount of year-end unassigned general funds does not exceed, in any fiscal year, 5 percent of the current fiscal year's net assessment under RSA 198:5.*

(a) Prior to expending retained general funds, the school board shall hold a prior public hearing on the action to be taken with such funds. Notice of the time, place, and subject of such hearing shall be published in a newspaper of general circulation in the relevant municipality at least 7 days before the meeting is held.

(b) An annual accounting and report of the activities of the retained general funds shall be presented to the school board of the district and published in the annual report.”

3. The original law and the amended law differ in important ways.
 - a) The amount that can be retained jumped from 2.5% to 5.0%.
 - b) The statement of purpose for the use of retained funds changed from responding to emergencies or tax reduction, to a simple procedure to authorize expenditure of funds by vote of the School Board after a public hearing for which notice has been published at least 7 days before the hearing. What remained the same is that authorization is not needed to use retained funds as revenue in the next fiscal year, i.e., to reduce taxes.
4. The consequence of these differences is that it matters when the law was adopted in your community because when the law was adopted determines how much is retained and how retained funds can be used.
5. Arguably, because the retention of funds in School Districts is based on voter approval, the authority of your District is determined by which version of the law it has adopted. The wording and date the warrant article adopting RSA 198:4-b, II is approved arguably determines what authority the board has to retain funds.
6. Key Components of the Fund Balance Retention Law for School Districts.

- a) A Meeting Vote is Required.

A vote of the School District meeting is required in order to benefit from fund balance retention. This implies that a meeting vote is required to increase the authorization to retain from 2.5% to 5.0%.

- b) The Amount That Can be Retained is Based on the District's Net Assessment.

The amount of unassigned general funds that can be retained is determined by the current fiscal year's net assessment. Net assessment, under RSA 198:5, is the "town's assessment on the taxable property of the district of a sum sufficient to meet the obligations..." of the School District. In other words, this amount is the local School District's tax assessment. It is arrived at by taking the District's total budget and subtracting from it all revenue sources including the School District's education grant. The "net assessment" is, therefore, the amount raised locally for the support of Schools by local property taxation (local School property tax and any amount that is raised locally from the state-wide education property tax).

c) Limitations on Amount Retained. Retained Funds Cannot Accumulate from Year to Year.

The limit on the amount that can be retained in any year is either 2.5% or 5% of net assessment, depending on which version of the law your District has adopted. The exact amount that may be retained is determined annually. The amount is not cumulative. In any particular fiscal year, the amount retained may not exceed the amount approved by the voters up to the capped percent of the net assessment the District meeting/legislative body has adopted.

Since the amount retained may “not exceed, in any fiscal year [either 2.5 or 5.0 %] of the *current fiscal year’s* net assessment,” there are implications on the planning, management and use of fund balance.

For example, assume that in June 2024, an emergency repair costing \$100,000 is needed to Anytown school building. Anytown district had retained \$55,000 in FY2024 from the unassigned general funds at the end of FY2023. The decision to retain that amount was made when the tax rate for FY2024 was set in October 2023. The authority to retain 5% of net assessment had been approved by voters in March 2021. The \$55,000 retained was the capped maximum amount the district could retain in FY2024. Also, assume that Anytown School District will be ending the 2024 fiscal year with \$50,000 in additional unassigned general funds which came from \$35,000 in unspent appropriations and \$15,000 in excess revenue received in FY2024. It needs to make the \$100,000 repairs as soon as possible. The District has no capital reserve or expendable trust funds. Finally, there has been no change to the district’s net assessment from FY2024 to 2025.

What are its options?

- (1) Can it roll over the \$55,000 retained funds it had in 2024 to the next fiscal FY(2025) and combine it with the \$50,000 in unassigned general funds on hand at the end of FY2024, then have a public hearing and vote to expend \$100,000 of the funds? No, because in FY2025, the limit of the funds Anytown can retain and use is still \$55,000. It cannot accumulate general fund balance in excess of its cap which is \$55,000.

- (2) It could hold a public hearing in mid-June 2024 and vote to expend the retained fund balance of \$55,000 for the project, and then transfer the \$35,000 in unspent appropriations from 2024 to an appropriate budget line and use that \$90,000 to fund a contract (purchase order) and thereby encumber the funds for the project. But it will be short \$10,000. That short fall could be made up after the start of the new fiscal year (2025) by voting to retain the \$15,000 remaining unassigned general funds in the Fall of 2024, and then holding a hearing and voting to expend \$10,000 of the \$15,000 retained funds to cover the remaining portion of the project. Another possibility to close the \$10,000 gap would be to seek authority from the Commissioner during FY2024 under RSA 32:11 to expend \$10,000 of the \$15,000 of the excess revenue received in 2024 before FY2024 ends on June 30.

The point is retained funds do not accumulate in any fiscal year and the amount that can be retained is determined annually.

d) Retaining Fund Balance Did Not Increase The District's Appropriations, Now It Does.

The retention of an unassigned fund balance did not originally increase the School District's ability to expend funds beyond the amount appropriated by district voters **unless** the board used the provisions of RSA 32:11 to request permission to expend funds (see Sec. I.C below).

That limitation is removed from the law, as revised in 2020 if your District has adopted it, and all that is now required to expend retained fund balance is a public hearing with 7 days' notice.

e) Annual Reporting of Fund Balance

RSA 198:4-b, II(b) requires the School Board to publish in its annual report an annual accounting and report of the activities of the retained general funds after that report has been presented to the School Board. Ideally, the report will come from the most recently completed audit.

7. Thoughtful Retention and Management of a Healthy Unassigned Fund Balance is Responsible Fiscal Planning.

A healthy balance:

- a) Can be used to stabilize the tax rate over time by smoothing out peaks and valleys of appropriations and fluctuations in revenue (state adequacy funds) and could help avoid a deficit for the District.
- b) Provides a source of revenue for expenditures either by board approval after a public hearing under the revised law or, under the old law, pursuant to RSA 32:11 “when an unusual circumstance arises during the year which makes it necessary to expend money in excess of appropriation which may result in an overexpenditure of total amount appropriated for all purposes... or when no appropriation has been made” Examples of when a fund balance would come in handy:
 - (1) Peterborough and Keene’s situations – hacking/theft of funds.
 - (2) Weather related events, snow, ice, floods.
 - (3) Sudden infrastructure failure.
 - (4) Tuition or Special Education overexpenditures.

8. Fund Balance Retention Policies and Practices.

Districts that have adopted RSA 198:4-b, II typically establish practices or policies about how much of unassigned fund balance will be retained, who in the district decides that question (board or administration) and when those decisions are made.

After the close of a fiscal year, once the district has a good idea of its balance sheet, it needs to begin preparing the DOE 25 and the MS 25, which are due on September 1. These are complete financial reports which have lines for the estimates of retained funds, authorized appropriations, and anticipated revenues. A preliminary decision about the amount of fund balance to retain needs to be made in time for the district to file the DOE 25 and MS 25 on September 1. After that date, however, there is time to revise the amount retained on the revised statement of revenues that is used by DRA to determine the School Districts tax rate, usually in early to mid-October.

9. Fund Balance Retention/Credit Rating

Fund balance impacts the district’s credit rating and could impact the interest it pays on borrowing/lease purchase agreements.

10. Capital Reserve and Trust Funds

Retained fund balance do not mean a district should stop using reserve funds like capital reserve funds or trust funds for specific purposes. All districts should have capital reserve funds for:

- (1) Special Education
- (2) Maintenance and improvement of buildings and grounds

Depending on a district's circumstances, they should also consider the following funds:

- (1) Tuition
- (2) Technology
- (3) Curriculum
- (4) Land Acquisition
- (5) Employee Benefits

C. RSA 32:11 Unusual/Emergency Expenditures.

Retained fund balance can be tapped into, even if your District has not adopted the revised version 2020 of RSA 198:4-b, II, by using RSA 32:11.

1. When an “unusual circumstance” arises (not necessarily an “emergency”) during the year which makes it necessary to expend money in excess of an appropriation which may result in an over-expenditure of the total amount appropriated for all purposes, or when no appropriation has been made for a purpose, the law permits the School Board to apply to the commissioner of education to allow the expenditure if, and only if, the School Board is able to identify the source and amount of the revenue to be used to cover the added expense. Fund balance can be that source of revenue.

2. RSA 32:11 sets out the statutory procedure to be followed by the district to access additional revenue. The process includes:

- a) An application and approval from the Commissioner before the expenditure (emergency exception; see paragraph “(d)” below);
- b) Approval in writing from the budget committee (if there is one) and, if there is no budget committee, a prior public hearing by the School Board.
- c) The Commissioner may not approve the request unless the School Board can identify the source of excess revenue to pay for it.
- d) A “sudden unexpected emergency” may excuse prior approval and the need for budget committee approval or a School Board public hearing.

3. The contents of the board's application to the Commissioner should, at a minimum, contain:

- a) A statement of the unusual circumstance and the amount and source of the funds that will be used to cover the cost of the unusual circumstance,
- b) An accurate itemization of the additional expenditures to be made,
- c) A resolution approved by the board requesting the Commissioner approve the expenditure that identifies the source of the additional funds to cover the cost and a resolution and minutes from the budget committee if the District is an official budget committee District under RSA 32,
- d) A letter signed by the School Board and superintendent requesting Commissioner's approval. It should enclose supporting documents, including the minutes of the board meeting approving the resolution to make the application.
- e) The letter should be copied to the Department of Revenue Administration.

4. One source of revenue for an RSA 32:11 application is unassigned fund balance. Tip: those districts that have not adopted the fund balance retention law may still be able to access unassigned fund balance as revenue after the start of the fiscal year in July until the tax rate is set in October/November, although it is unlikely for a budget emergency to arise during that time period.

D. MORE INFORMATION

Mark Manganiello and NH Ed. sent out a very helpful listing of the department's information about the adoption of RSA 198:4-b, II in New Hampshire Districts. The email was sent to all School Administrators on April 28, 2022. On June 26, 2024, he also sent out a link to a training video on fund balance retention to all Business Administrators and Superintendents. Retained Fund Balance Training June 2024

<https://www.youtube.com/watch?v=q63st-qx52w>

Both are excellent resources for your district and can help explain fund balance retention to voters.

II. THE STUDENTS FIRST ACT – THE BAD?

A. Financial Reports and Mandatory Reports of School Expenses (Chapter 332; RSA 198:41, I-a; RSA 189:75-78) – The Bad (Attachment C)

Effective July 1, 2025, a new statute, the “Students First Act” (RSA 189:75-78), will require a mandatory report to voters of School expenses. Specifically, before any meeting at which any School District adopts a School budget, whether or not the district has adopted the provisions of RSA 194-C:9-b, a mandatory report to voters must be posted in at least three appropriate places, two of which must be places of business or other public locations, and one of which shall be the local newspaper or, if a local newspaper is not available, the district’s website. The report must be posted at least seven days, excluding Sundays and legal holidays, prior to the meeting.

The report shall display the name of the School District, be prominently titled “Mandatory Report to Voters on School Expenses,” and shall contain three line graphs and one table. When posted in public locations, the report shall be displayed on two pages which are each 18 inches wide and 24 inches tall.

The first line graph shall be titled “Average Cost Per Pupil” and shall display the district’s annual cost-per-pupil over the previous ten years. The “cost-per-pupil” refers to the cost-per-pupil within a School District and shall mean the lowest of:

- (a) The current expenditures associated with the daily operation of the School District divided by the daily membership in attendance with expenditures associated with tuition, transportation, and food operations not supported with public funds being excluded.
- (b) Any reasonable and good faith estimate of (a) above; or
- (c) An amount determined in good faith by the department of education to correspond.

The second line graph shall be titled “Average Teacher Salary” and shall display the district’s yearly average teacher salary over the previous ten years.

The third line graph shall be titled “Administrator Salaries” and shall display annual totals of all salaries paid to administrators employed or contracted by the district and corresponding School Administrative Unit over the previous ten years.

“Administrator” includes: superintendents, assistant superintendents, directors or coordinators of diversity, equity, and inclusion, or functionally equivalent officials whether or not their salaries are listed by the department of education; and business managers or

administrators. Administrators serving multiple districts may have an annotation showing how their salary is apportioned among the multiple districts.

The table shall be titled “Top Administrator Salaries” and shall list the titles and current salaries of the four highest-paid administrators employed or contracted by the district or corresponding SAU. If less than four administrators are employed, all administrators shall be listed.

A good faith effort shall be made to adjust each annual statistic for inflation using the U.S. Bureau of Labor Statistics Inflation Calculator or an equivalent resource. Each yearly statistic shall be clearly labeled. In each graph, the upper and lower boundaries of the y-axis must be capped at the nearest thousand dollars.

Other than the name and logo of the district and corresponding SAU, the mandatory report to voters shall not contain additional commentary or other text not described in the statute. Additional information may be posted on separate pages together with or alongside the mandatory report to voters.

The statute also provides a civil remedy for taxpayers who can petition the superior court for declaratory and equitable relief. Any taxpayer who prevails on any claim under the statute is entitled to an award of reasonable attorneys fees.

III. TAX CAPS – THE UGLY

A. Tax Caps (Chapter 353; RSA 32:5-b; RSA 32:5-d-e) (Attachment D)

Effective October 1, 2024, the existing tax cap option for Towns and School Districts in RSA 32:5-b and c is amended. Also, a new option, available only in School Districts, is added in RSA 32:5-d and e that once adopted requires a 3/5 majority vote to override.

The New Option

RSA 32:5-e sets out the procedure to adopt the new School District budget cap which includes a 3/5 majority by ballot with polls open for one hour.

RSA 32:5-d defines the optional School tax cap.

The total amount raised and appropriated for the fiscal year, including the operating budget and all other warrant articles with a tax impact, as shown on the budget certified by the School Board or the budget committee and posted with the warrant for the annual meeting pursuant to RSA 32:5, shall not exceed the current per pupil cost times the average daily membership in residence (ADMR) of the School District as of October 1 of the year

immediately preceding the proposed budget year as reported to the Department of Education times $(1 + IF)$, where IF is an amount for an annual increase for inflation. The first year after the budget cap is adopted, the current per pupil cost shall be the adopted per pupil cost. In subsequent years, the current per pupil cost shall be the previous year's current per pupil cost times $(1 + IFP)$, where IFP is the previous year's IF.

The annual increase for inflation (IF) shall be either an inflation index published by the U.S. Bureau of Labor Statistics as of January 1 or the annual Municipal Cost Index (MCI) published by American City and County as of January 1.

The legislative body may override the budget cap by the usual procedures applicable to annual school meetings of the legislative body, provided that when a proposed appropriation will cause the total amount raised and appropriated to exceed the budget cap or the total amount already raised and appropriated has exceeded the budget cap, voting on the appropriation question shall be by ballot, but the question shall not be placed on the official ballot used to elect officers, except in the case of a legislative body that uses an official ballot form of meeting under RSA 40:13 or under a charter adopted pursuant to RSA 49-D. If a $\frac{3}{5}$ majority, or the supermajority as determined under a charter pursuant to RSA 49-D, of those voting on the question vote "yes," the appropriation is approved. Only votes in the affirmative or negative shall be included in the calculation of the $\frac{3}{5}$ majority or the supermajority as determined under a charter pursuant to RSA 49-D.

For warrant articles proposing bonds, notes, or other multi-year expenditures, only the first year estimated costs shall be used in counting appropriations for the budget cap.

When using the official ballot form of meeting under RSA 40:13, if the warrant article for the operating budget results in appropriations exceeding the budget cap and receives less than $\frac{3}{5}$ majority "yes" vote, the adopted operating budget shall be reduced by appropriations already raised to remain compliant with the budget cap.

School Districts that have adopted the SAU alternative budget procedure under RSA 194-C:9-b shall place the warrant article for the SAU budget at the beginning of School District warrant, immediately after any warrant articles proposing bonds or notes.

For School Districts using a traditional meeting and when the outcome of the SAU budget vote is pending on balloting from the other School Districts, the higher of the School District's assigned portion of the proposed SAU budget or the School District's assigned portion of the adjusted SAU budget shall be assumed as raised and appropriated for the purpose of determining when the override provisions apply.

Districts That Have Already Adopted a Tax Cap

RSA 32:5-b is amended to provide that in a Town or District which has adopted RSA 32:5-c, the estimated amount of local taxes to be raised for the fiscal year, shall include the operating budget and all other warrant articles with a tax impact certified by the governing body or the budget committee and posted on the warrant for the annual meeting pursuant to RSA 32:5. The estimated amount of taxes to be raised for the fiscal year shall not exceed the local taxes raised for the prior year, as shown on the same budget and adjusted as provided in RSA 32:5-b, I-a or I-b, by more than the tax cap authorized when the statute was adopted.

Under I-a, if the local taxes raised for the prior year were reduced by any fund balance brought forward from previous years, the amount of such reduction shall be added back and included in the amount to which the tax cap is applied.

Under I-b(a), a tax cap limiting the base amount to be raised by property taxes to last year's base may be adjusted to account for inflation and change in population for Towns or village districts, or attendance for School Districts, according to the following formula:

$$\text{this year's base} = (\text{last year's base}) \times (1 + \text{CPI}) \times (\text{this year's population or attendance} / \text{last year's population or attendance})$$

“Attendance” shall mean the average daily membership in residence (ADMR) of the School District as of October 1 for each year as reported to the Department of Education.

“Base amount”, or “base”, shall mean the local taxes raised for the prior year. The increase for inflation, or CPI (consumer price index) in the formula above, shall be an annual inflation index published by the U.S. Bureau of Labor Statistics as of January 1 or the annual Municipal Cost Index (MCI) published by American City and County as of January 1. Population shall mean the population figures calculated by the Department of Business and Economic Affairs, Office of Planning and Development pursuant to RSA 78-A:25, III.

The tax cap shall be either a fixed dollar amount, a fixed percentage, or a multiplication factor applied to the amount of local taxes raised by the Town or District for the prior fiscal year as reported to the Department of Revenue Administration, subject to adjustment as provided in RSA 32:5-b, I-a or I-b.

The legislative body may override the cap by the usual procedures applicable to annual meetings and deliberative sessions of the legislative body by a simple majority vote. The provisions of this section shall not limit the legislative body's authority to increase or decrease the amount of any appropriation or the total amount of all appropriations.

IV. Miscellaneous

A. Disclosure of State Funding Received (Chapter 262; RSA 32:5-d)

Effective September 24, 2024, a new statute, RSA 32:5-d, requires the governing bodies of all municipalities and School Districts to post the amount of funds received from the state, either by allocation or grant, on their official Town or School website within thirty days of receipt. In the absence of a website, the information must be posted in two appropriate places.

B. SAU Apportionment Methods (Chapter 329; RSA 194-C:9, IV)

Effective October 1, 2024, RSA 194-C:9, IV is added to permit an SAU to consider other methods of apportionment than those specified in RSA 194-C:9, I.

Any method of apportionment to be used shall have been approved by the constituent School Districts pursuant to RSA 194-C:9 or RSA 194-C:9-a, except that the proposed method of apportionment shall be adopted only if there is a majority affirmative vote in each School District within the School Administrative Unit.

C. Ending on a Good note – the Governor vetoed the adoption of HB 1187 prohibiting lease agreements of equipment for building or facility improvements. (See Attachment E).

ATTACHMENT A

NH Department of Revenue Administration
Community Services Division
Municipal Finance Bureau
P.O. Box 487
Concord, NH 03302-0487
(603) 271-3397

COPY

TOWN/CITY: _____ Auditor's Initials: _____ Date: _____

OVERLAY – Amount Raised for Abatements

RSA 76:6 limits overlay to an amount not to exceed 5% of the net tax commitment for the municipality, its statewide enhanced education amount and local school tax, its share of the county budget, and village district(s), if any. For your municipality, we anticipate that limit will be:

5% Limit \$ _____ Requested Amount \$ _____

BUDGETARY FUND BALANCE RETENTION

General guidelines have been established by the financial community regarding the amount of modified accrual budgetary unreserved fund balance to retain. The former recommendations were to retain between 5% and 10% of the municipality's appropriations, plus the statewide enhanced education amount and the local school net tax commitment, plus the county appropriation. The Government Finance Officers Assoc. suggests you retain between 8% and 17%. Based on our best available information, the suggested levels would be:

5% _____ 8% _____ 10% _____ 17% _____

Your budgetary unreserved fund balance from the MS-5 is: \$ _____

The amount voted from "surplus" is: \$ _____

The amount used for RSA 32:11 emergency appropriation is: \$ _____

The amount you wish to use to set tax rate: \$ _____

The amount you wish to retain is: \$ _____

Signature of town/city official: _____

Title of town/city official: _____

Surplus Retention
Rev. 04/04

NH Department of Revenue Administration
Municipal Services Division
P.O. Box 487
Concord, NH 03302-0487
(603) 230-5090

TOWN/CITY: 0 Advisor's Initials: 0 Date: 4/11/2012

OVERLAY – Amount Raised for Abatements

RSA 76:6 limits overlay to an amount not to exceed 5% of the net tax commitment for the municipality, its state education tax amount and local school tax, its share of the county budget, and village district(s), if any. For your municipality, we anticipate the following:

5% Limit	\$0	Requested Amount	\$0
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* Your actual overlay will be slightly different due to rounding.

BUDGETARY FUND BALANCE RETENTION

Responsible long term financial planning requires an adequate level of general fund unassigned fund balance to mitigate future risks and to ensure stable tax rates. The GFOA suggests municipalities retain between 8% and 17% of regular general fund operating expenditures. In NH, this is calculated by adding the municipality's general fund operating appropriations, the education tax amount, the local school net tax commitment, and the county appropriation. Based on our best available information, the suggested levels for your municipality would be:

5%	\$0	8%	\$0	10%	\$0	17%	\$0
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Your **budgetary unassigned fund balance** from the MS-5 is: \$0

The amount **voted** from "surplus" is: \$0

The amount used for RSA 32:11 **emergency** appropriation is: \$0

The amount you wish to use to **set tax rate**: \$0

The amount you wish to **retain** is: \$0

I hereby acknowledge that I have been advised by the DRA on the recommended retainage ranges as described above.

Signature of town/city official: _____

Title of town/city official: _____

Surplus Retention
Rev. 08/11

Fund Balance Retention

Enterprise Funds and Current Year Bonds	\$0
General Fund Operating Expenses	\$360,974
Final Overlay	\$3,231

DRA has provided a reference range of fund balance retention amounts below. Please utilize these ranges in the determination of the adequacy of your municipality's unrestricted fund balance, as currently defined in GASB Statement 54. Retention amounts, as part of the municipality's stabilization fund policy [1], should be assessed dependent upon your governments own long-term forecasts and special circumstances. Please note that current best practices published by GFOA recommend, at a minimum, that "...general purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." [2],[3]

[1] The National Advisory Council on State and Local Budgeting (NACSLB), (1998), *Framework for Improved State and Local Government Budgeting: Recommended Budget Practices (4.1)*, pg. 17.

[2] Government Finance Officers Association (GFOA), (2009), *Best Practice: Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund*.

[3] Government Finance Officers Association (GFOA), (2011), *Best Practice: Replenishing General Fund Balance*.

2023 Fund Balance Retention Guidelines: Ellsworth	
Description	Amount
Current Amount Retained (16.88%)	\$60,935
17% Retained <i>(Maximum Recommended)</i>	\$61,366
10% Retained	\$36,097
8% Retained	\$28,878
5% Retained <i>(Minimum Recommended)</i>	\$18,049

ATTACHMENT B

DRAFT DRAFT DRAFT

Purpose: This is meant to be a tool for districts to easily calculate their maximum retain fund balance. **This is not an official calculation of your authority to retain funds.**

Step 1:	Select Your District Using the Drop Down Below
	<p>Disclaimer: If you don't see your district, DRA's perm file does not have a record of your authority to retain funds.</p>

Step 2:	Confirm you have valid warrant authority to retain fund. Do this by checking your own files.
	DRA's records indicate you have this level of authority to Retain Fund:
	DRA's records indicate this authority exists in your warrant article passed:
	Disclaimer: Double Check Your Records

Step 3:	Determine the max amount you can legally retain for fund balance pursuant to RSA 198:4-b
	For FY 24, Our records indicate you can retain a maximum of:
	<p>Disclaimer: Double Check This Calculation</p> <p>Disclaimer: This assumes you have a surplus in equity equal to the max amount. For example, districts with a deficit or no equity cannot retain any funds.</p>

Step 4:	Have the Business Administrator, Superintendent, and School Board Develop a Tax Management Strategy. Your District's Goal might be to have stability in taxes or it could be to maximum tax payer refund for each year. Your Governing Body (School Board) sets this policy through SAU assistance. Managing taxes involves understanding and anticipating multiple variables (Revenue, Appropriations, Assessments, Lapse (Unassigned Fund Balance), & Property Values). Retained Fund Balance is just one variable.
	This is last year's information about your fund balance (for context)
	FY 23 Fund Balance Retained:
	FY 23 Lapse to the Tax Payers (unassigned fund balance)

Note: For more training videos and tools relative to School Finance, visit the Bureau of School Finance's webpage

[Bureau of School Finance Training Webpage](#)

Dist ID

The Calculation of Max Retain Authority	
Percent Authorized To Retain (e.g., 2.5% or 5.0%)	X
Local Tax Effort (Fall Assessment)	+
SWEPT Tax Effort (Fall Assessment)	

Retained Fund Balance Process - High Level
1. District books are closed as of June 30th. Naturally, the closing of book can occur some time after June 30th depending on how much accounting work still needs to be done to close. However, the retained fund balance is measured as of June 30th.
2. With accurately closed books, you can start to understand your current equity. Furthermore, you can start completing the DOE25 which is where your official Retained Fund Balance will be documented with the State.
3. Present your district finances to your school board and have them vote on the retained fund balance amount. Complete your DOE25/MS25, NHED or NHDRA may find an error in your retained fund balance calculation. If this happens, the latest approved DOE25/MS25 as signed by your board may change your retained fund balance amount.
4. Thinking of the retain fund balance as liquidating as of July 1st each year and needing to be reauthorized by your Board is a good mindset to ensure: 1) you have the equity as of June 30th; 2) you don't exceed your newly calculated maximum.
Disclaimer: If you are unsure about your ability to expend retain funds, contact your legal counsel.

ATTACHMENT C

CHAPTER 332
HB 1265 - FINAL VERSION

05/23/2024 2105s
13Jun2024... 2274CofC

2024 SESSION

24-2011
02/10

HOUSE BILL **1265**

AN ACT relative to the penalty for failure to file school expenditure reports, relative to certain adequacy grants, and requiring mandatory reporting by school districts of school expenses.

SPONSORS: Rep. Fellows, Graf. 8

COMMITTEE: Education

AMENDED ANALYSIS

This bill:

- I. Removes the requirement that public academies file financial reports with the department of education.
- II. Inserts a provision for adequacy grants for school districts that tuition their students.
- III. Requires school districts to post mandatory reports of school expenses, including average cost per pupil, average teacher salaries, and top administrator salaries. It also creates a civil remedy for the enforcement of this requirement.

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.

05/23/2024 2105s
13Jun2024... 2274CofC 24-2011
02/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to the penalty for failure to file school expenditure reports, relative to certain adequacy grants, and requiring mandatory reporting by school districts of school expenses.

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

332:1 School District Taxes; Failure to File Report. Amend RSA 198:4-f, II-III to read as follows:

II. For just cause, the commissioner of the department of education may grant a school district, city, ***or*** chartered public school ~~[*or public academy*]~~ up to a 30-day extension to such reporting deadline. The commissioner may further extend the deadline when unusual or unforeseen circumstances prevent a school district, city, ***or*** chartered public school ~~[*or public academy*]~~ from submitting the required reports under paragraph I before the expiration of such extension.

III. The commissioner shall notify the governing body of the school district, city, ***or*** chartered public school ~~[*or public academy*]~~ that all state aid to education shall be withheld until complete and accurate information is submitted. In the case of a chartered public school which fails to comply with the reporting requirements by the established deadlines for 2 consecutive years, the commissioner may request the state board of education to revoke the enabling charter.

332:2 New Paragraph; Determination of Education Grants. Amend RSA 198:41 by inserting after paragraph I the following new paragraph:

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 minus the amount of the education tax warrant to be issued by the commissioner of revenue administration for such municipality reported pursuant to RSA 76:8 for the next tax year.

332:3 New Subdivision; Students First Act. Amend RSA 189 by inserting after section 74 the following new subdivision:
Students First Act

189:75 Definitions. In this subdivision:

I. "Cost-per-pupil" refers to the cost-per-pupil within a school district and shall mean the lowest of:

(a) The current expenditures associated with the daily operation of the school district divided by the daily membership in attendance with expenditures associated with tuition, transportation, and food operations not supported with public funds being excluded.

(b) Any reasonable and good faith estimate of I(a); or

(c) An amount determined in good faith by the department of education to correspond to I(a).

II. "Administrator" shall include superintendents, assistant superintendents, directors or coordinators of diversity, equity, and inclusion, or functionally equivalent officials whether or not their salaries are listed by the department of education, and business managers or administrators.

III. "Corresponding school administrative unit" shall mean the school administrative unit which includes a given school district.

189:76 Mandatory Report to Voters.

I. Before any meeting at which any school district adopts a school budget, whether or not the district has adopted the provisions of RSA 194-C:9-b, a mandatory report to voters must be posted in at least 3 appropriate places, 2 of which must be places of business or other public locations, and one of which shall be the local newspaper or, if a local newspaper is not available, the district's website. The report must be posted at least 7 days, excluding Sundays and legal holidays, prior to the meeting.

II. The report shall display the name of the school district, be prominently titled "Mandatory Report to Voters on School Expenses," and shall contain 3 line graphs and one table. When posted in public locations, the report shall be displayed on 2 pages which are each 18 inches wide and 24 inches tall.

III. The first line graph shall be titled "Average Cost Per Pupil" and shall display the district's annual cost-per-pupil over the previous 10 years. The second line graph shall be titled "Average Teacher Salary" and shall display the district's yearly average teacher salary over the previous 10 years. A good faith effort shall be made to adjust each annual statistic for inflation using the U.S. Bureau of Labor Statistics Inflation Calculator or an equivalent resource. Each yearly statistic shall be clearly labeled. In each graph, the upper and lower boundaries of the y-axis must be capped at the nearest thousand dollars.

IV. The third line graph shall be titled "Administrator Salaries" and shall display annual totals of all salaries paid to administrators employed or contracted by the district and corresponding school administrative unit over the previous 10 years. Administrators serving multiple districts may have annotation showing how their salary is apportioned among the multiple districts. A good faith effort shall be made to adjust each annual statistic for inflation using the U.S. Bureau of Labor Statistics Inflation Calculator or an equivalent resource. Each yearly total shall be clearly labeled. The upper and lower boundaries of the y-axis must be capped at the nearest hundred thousand dollars.

V. The table shall be titled "Top Administrator Salaries" and shall list the titles and current salaries of the 4 highest-paid administrators employed or contracted by the district or corresponding school administrative unit. If less than 4 administrators are so employed, all administrators shall be so listed.

VI. Other than the name and logo of the district and corresponding school administrative unit, the mandatory report to voters shall not contain additional commentary or other text not described in this subdivision. Additional information may be posted on separate pages together with or alongside the mandatory report to voters.

189:77 Civil Remedies.

I. Any taxpayer in the taxing district who is aggrieved by a violation of this chapter may petition the superior court for declaratory and equitable relief.

II. The superior court may order declaratory, injunctive, or other equitable relief.

III. Any taxpayer who prevails on any claim brought pursuant to this subsection shall be entitled to an award of reasonable attorney's fees.

189:78 Severability.

If any provision of this subdivision or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the subdivision which can be given effect without the invalid provision or application, and to this end the provisions of this subdivision are declared to be severable.

332:4 Effective Date.

I. Section 3 of this act shall take effect July 1, 2025.

II. The remainder of this act shall take effect 60 days after its passage.

Approved: August 02, 2024

Effective Date:

I. Section 3 effective July 1, 2025

II. Remainder effective October 1, 2024

ATTACHMENT D

CHAPTER 353
SB 383-FN - FINAL VERSION

03/21/2024 1089s
9May2024... 1520h
06/13/2024 2354EBA

2024 SESSION

24-2997
05/10

SENATE BILL **383-FN**

AN ACT relative to local tax caps.

SPONSORS: Sen. Murphy, Dist 16; Sen. Avar, Dist 12; Sen. Innis, Dist 7; Rep. Osborne, Rock. 2; Rep. C. McGuire, Merr. 27; Rep. D. McGuire, Merr. 14; Rep. Edwards, Rock. 31; Rep. L. Turcotte, Straf. 4

COMMITTEE: Election Law and Municipal Affairs

ANALYSIS

This bill creates an additional adjustment to local tax caps based on inflation and population changes. The bill also establishes procedures for adoption of a budget cap by school districts.

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.

03/21/2024 1089s
9May2024... 1520h
06/13/2024 2354EBA 24-2997
05/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to local tax caps.

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

353:1 New Paragraph; Local Tax Cap. Amend RSA 32:5-b to read as follows:

32:5-b Local Tax Cap. Upon adoption under RSA 32:5-c, the following shall apply:

I. In a town or district that has adopted this section, the estimated amount of local taxes to be raised for the fiscal year, ~~[as shown on the budget]~~ ***shall include the operating budget and all other warrant articles with a tax impact*** certified by the governing body or the budget committee and posted ~~[with]~~ ***on*** the warrant for the annual meeting pursuant to RSA 32:5[;]. ***The estimated amount of taxes to be raised for the fiscal year*** shall not exceed the local taxes raised for the prior year, as shown on the same budget and adjusted as provided in paragraph I-a ***or I-b***, by more than the tax cap authorized when this section was adopted.

I-a. If the local taxes raised for the prior year were reduced by any fund balance brought forward from previous years, the amount of such reduction shall be added back and included in the amount to which the tax cap is applied under paragraph I.

I-b.(a) In a town or district that has adopted this paragraph, a tax cap limiting the base amount to be raised by property taxes to last year's base may be adjusted to account for inflation and change in population for towns or village districts, or attendance for school districts, according to the following formula: this year's base = (last year's base) x (1 + CPI) x (this year's population or attendance / last year's population or attendance).

(b) In this paragraph:

(1) "Attendance" shall mean the average daily membership in residence (ADMR) of the school district as of October 1 for each year as reported to the department of education.

(2) "Base amount" or "base" shall mean the local taxes raised for the prior year.

(3) The increase for inflation, or CPI (consumer price index) in the formula above, shall be an annual inflation index published by the U.S. Bureau of Labor Statistics as of January 1 or the annual Municipal Cost Index (MCI) published by American City and County as of

January 1.

(4) *Population shall mean the population figures calculated by the department of business and economic affairs, office of planning and development pursuant to RSA 78-A:25, III.*

II. The tax cap shall be either a fixed dollar amount, ~~or~~ a fixed percentage, *or a multiplication factor* applied to the amount of local taxes raised by the town or district for the prior fiscal year as reported to the department of revenue administration, subject to adjustment as provided in paragraph I-a *or paragraph I-b*.

III. The legislative body may override the cap by the usual procedures applicable to annual meetings and deliberative sessions of the legislative body. The provisions of this section shall not limit the legislative body's authority to increase or decrease the amount of any appropriation or the total amount of all appropriations.

353:2 New Sections; Municipal Budget Law; School District Budget Caps. Amend RSA 32 by inserting after section 5-c the following new sections:

32:5-d School District Budget Cap. Upon adoption under RSA 32:5-e, the following shall apply:

I. In a school district that has adopted this section, the total amount raised and appropriated for the fiscal year, including the operating budget and all other warrant articles with a tax impact, as shown on the budget certified by the school board or the budget committee and posted with the warrant for the annual meeting pursuant to RSA 32:5, shall not exceed the current per pupil cost times the average daily membership in residence (ADMR) of the school district as of October 1 of the year immediately preceding the proposed budget year as reported to the department of education times (1+ IF), where IF is an amount for an annual increase for inflation. The first year after the budget cap is adopted, the current per pupil cost shall be the adopted per pupil cost. In subsequent years, the current per pupil cost shall be the previous year's current per pupil cost times (1+IFP), where IFP is the previous year's IF.

II. The annual increase for inflation (IF) shall be either an inflation index published by the U.S. Bureau of Labor Statistics as of January 1 or the annual Municipal Cost Index (MCI) published by American City and County as of January 1.

III. The legislative body may override the budget cap by the usual procedures applicable to annual school meetings of the legislative body, provided that when a proposed appropriation will cause the total amount raised and appropriated to exceed the budget cap or the total amount already raised and appropriated has exceeded the budget cap, voting on the appropriation question shall be by ballot, but the question shall not be placed on the official-ballot-used-to elect officers, except in the case of a legislative body that uses an official ballot form of meeting under RSA 40:13 or under a charter adopted pursuant to RSA 49-D. If a 3/5 majority, or the supermajority as determined under a charter pursuant to RSA 49-D, of those voting on the question vote "yes," the appropriation is approved. Only votes in the affirmative or negative shall be included in the calculation of the 3/5 majority or the supermajority as determined under a charter pursuant to RSA 49-D.

IV.(a) For warrant articles proposing bonds, notes, or other multi-year expenditures, only the first-year estimated costs shall be used in counting appropriations for the budget cap.

(b) When using the official ballot form of meeting under RSA 40:13, if the warrant article for the operating budget results in appropriations exceeding the budget cap and receives less than 3/5 majority "yes" vote, the adopted operating budget shall be reduced by appropriations already raised to remain compliant with the budget cap.

(c)(1) School districts that have adopted the school administrative unit (SAU) alternative budget procedure under RSA 194-C:9-b shall place the warrant article for the SAU budget at the beginning of school district warrant, immediately after any warrant articles proposing bonds or notes.

(2) For school districts using a traditional meeting and when the outcome of the SAU budget vote is pending on balloting from the other school districts, the higher of the school district's assigned portion of the proposed SAU budget or the school district's assigned portion of the adjusted SAU budget shall be assumed as raised and appropriated for the purpose of determining when the override provisions under paragraph III apply.

32:5-e Adoption of School District Budget Cap.

I. The provisions of RSA 32:5-d may be adopted by any school district in the state whose legislative body raises and appropriates funds through an annual meeting. A 3/5 majority of those voting on the question shall be required to adopt the provisions of RSA 32:5-d. Only votes in the affirmative or negative shall be included in the calculation of the 3/5 majority.

II. The question shall be placed on the warrant of the annual or special meeting by the school board or by petition under the procedures set out in RSA 197:2 or 197:6.

III. A public hearing shall be held by the school board on the question at least 15 days, but not more than 30 days, before the question is to be voted on. In multi-town school districts, a public hearing shall be held in each town embraced by the district, none of which shall be held on the same day. Notice of the hearing shall be posted in at least 2 public places in the district and at least 2 public places in each town of multi-town districts, and published in a newspaper of general circulation at least 7 days prior to the date of the hearing.

IV. The wording of the question shall be: "Shall we adopt the provisions of RSA 32:5-d, and implement a budget cap whereby the school board (or budget committee) shall not submit a recommended budget that is higher than _____ dollars per pupil cost times the average daily membership in residence of the school district as of October 1 of the year immediately preceding the proposed budget year plus a

_____ percent annual increase for inflation. Requires a 3/5ths majority of the school district." Alternatively, if an annual inflation index is used, the wording of the question shall be: "Shall we adopt the provisions of RSA 32:5-d, and implement a budget cap whereby the school board (or budget committee) shall not submit a recommended budget that is higher than _____ dollars per pupil cost times the average daily membership in residence of the school district as of October 1 of the year immediately preceding the proposed budget year plus an annual increase for inflation using (the index) published by (the U.S. Bureau of Labor Statistics or American City and County) as of January 1. Requires a 3/5ths majority of the school district."

V. Voting on the question shall be by ballot, but the question shall not be placed on the official ballot used to elect officers, except in the case of a legislative body that uses an official ballot form of meeting under RSA 40:13 or under a charter adopted pursuant to RSA 49-D. Polls shall remain open and ballots shall be accepted by the moderator for a period of not less than one hour following the completion of discussion on the question. If a 3/5 majority of those voting on the question vote "yes," RSA 32:5-d shall apply within the school district beginning with the following fiscal year and for all subsequent years until it is rescinded as provided in paragraph VI.

VI. Any school district which has adopted RSA 32:5-d may consider rescinding its action in the manner described in paragraphs I through V. The wording of the question shall be: "Shall we rescind the provisions of RSA 32:5-d, known as the school district budget cap, as adopted by the (school district) on (date of adoption), so that there will no longer be a school district budget cap limit on the amount raised and appropriated?" A 3/5 majority of those voting on the question shall be required to rescind the provisions of this section, except in the case of repeal by charter enactment under RSA 49-D. Only votes in the affirmative or negative shall be included in the calculation of the 3/5 majority.

353:3 Applicability. RSA 32:5-b, as amended by section 1 of this act, shall apply to local tax caps adopted prior to the effective date of this act and shall not require local amendment or re-adoption by the town or district.

353:4 Contingency. If HB 185 of the 2024 legislative session becomes law, then RSA 32:5-d as inserted by section 2 of this act shall be renumbered to read as RSA 32:5-e.

353:5 Effective Date. This act shall take effect 60 days after its passage.

Approved: August 02, 2024

Effective Date: October 01, 2024

ATTACHMENT E

HB 1187 - FINAL VERSION

28Mar2024... 1229h

05/23/2024 2155s

2024 SESSION

24-2076

02/10

HOUSE BILL **1187**

AN ACT relative to prohibiting lease agreements of equipment for building or facility improvements.

SPONSORS: Rep. Pauer, Hills. 36; Rep. Piemonte, Rock. 9; Rep. Notter, Hills. 12; Rep. R. Brown, Carr. 3; Rep. Lewicke, Hills. 36; Rep. Erf, Hills. 28; Sen. Avard, Dist 12

COMMITTEE: Municipal and County Government

AMENDED ANALYSIS

This bill specifies that building or facility improvements that become fixtures related to the installation, purpose, or operation of leased equipment shall not be financed through lease agreements.

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.

28Mar2024... 1229h

05/23/2024 2155s 24-2076

02/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to prohibiting lease agreements of equipment for building or facility improvements.

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

1 Lease Agreements of Equipment. Amend RSA 33:7-e to read as follows:

33:7-e Lease Agreements of Equipment. The governing body may enter into leases of equipment as required by the municipality.

Appropriations to fund lease agreements with nonappropriation clauses may be approved by a simple majority vote of the legislative body. Lease agreements with nonappropriation clauses shall not be treated as debt under RSA 33:4-a. For the purposes of this section, "lease" shall include lease-purchase, sale and lease back, installment sale, or other similar agreement to acquire use or ownership of such equipment as is from time to time required by the municipality. ~~[For purposes of this section and RSA 382-A,]~~ Building or facility improvements *that become fixtures* related to the installation, purpose, or operation of such equipment, *except for energy performance contracts as authorized by RSA 21-I:19-d*, shall *not* ~~[be deemed to constitute equipment and the costs of such improvements may]~~ be financed through lease agreements under this section.

2 Lease Agreements of Equipment; Effective 2027. RSA 33:7-e is repealed and reenacted to read as follows:

33:7-e Lease Agreements of Equipment. The governing body may enter into leases of equipment as required by the municipality.

Appropriations to fund lease agreements with nonappropriation clauses may be approved by a simple majority vote of the legislative body. Lease agreements with nonappropriation clauses shall not be treated as debt under RSA 33:4-a. For the purposes of this section, "lease" shall include lease-purchase, sale and lease back, installment sale, or other similar agreement to acquire use or ownership of such equipment as is from time to time required by the municipality. Building or facility improvements that become fixtures related to the installation, purpose, or operation of such equipment shall not be financed through lease agreements under this section.

3 Effective Date.

I. Section 1 of this act shall take effect 60 days after its passage.

II. Section 2 of this act shall take effect July 1, 2027.

VETOED July 26, 2024



STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR

CHRISTOPHER T. SUNUNU
Governor

July 26, 2024

Governor's Veto Message Regarding House Bill 1187

By the authority vested in me, pursuant to part II, Article 44 of the New Hampshire Constitution, on July 26, 2024, I have vetoed House Bill 1187 relative to prohibiting lease agreements of equipment for building or facility improvements.

This bill would effectively prohibit the use of municipal leases to acquire fixtures, a practice that is both common and beneficial to municipalities and businesses alike. While the proponents of this bill have raised examples of certain scenarios in which such agreements have been purportedly misused, the offered legislation would, without exception, undercut municipalities' opportunity to explore such agreements in the search of advantageous timing and financing terms.

Municipalities have ever evolving needs, from school boilers to energy efficiency projects, that must be secured more frequently than bonding opportunities permit. These decisions must still go through multiple layers of approval offering the opportunity for public input and as such, this bill would unnecessarily tie the hands of our local communities.

For the reasons stated above, I have vetoed House Bill 1187.

A handwritten signature in dark ink that reads "Christopher T. Sununu".

Respectfully submitted,
Christopher T. Sununu
Governor