

CHAPTER 88
SB 52 - FINAL VERSION

03/18/2021 0710s

2021 SESSION

21-0860
06/10

SENATE BILL **52**

AN ACT relative to municipal charter provisions for tax caps.

SPONSORS: Sen. Avard, Dist 12; Sen. Giuda, Dist 2; Rep. Pauer, Hills. 26; Rep. Homola, Hills.
27

COMMITTEE: Election Law and Municipal Affairs

ANALYSIS

This bill requires city charter exclusions and ordinances that have the effect of an override of a tax cap, to require a supermajority vote.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to municipal charter provisions for tax caps.

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

1 88:1 Municipal Charters; Separability, Preservation. Amend RSA 49-B:13, II-a to read as
2 follows:

3 II-a. ***Notwithstanding RSA 49-B:1***, all town or city charters which have been adopted,
4 revised, or amended ***before July 5, 2011*** to include a tax or spending cap of any kind and all charter
5 commissions which have been properly established and elected; all elections properly held; and all
6 actions properly taken related to the tax or spending cap in such charters are hereby endorsed,
7 ratified, validated, and legalized and are fully enforceable~~[without regard to whether such entities~~
8 ~~or actions were authorized by law at the time they were established or taken]~~.

9 88:2 City Charters; Limitations. Amend RSA 49-C:33, I(d) to read as follows:

10 (d) A limit on the annual spending increases that increase the amount raised by taxes
11 under the city budget adopted pursuant to RSA 49-C:23. Such a tax cap shall provide for an override
12 threshold on a vote to exceed the limit on annual increases which shall be by a supermajority as
13 determined in the charter. A tax cap provision in the city charter may provide for specific exclusions
14 for dedicated, enterprise, or self-supporting funds or accounts, capital reserve funds, grants, or
15 revenue from sources other than local taxes, ***or interest and principal payments on municipal***
16 ***bonded debt, or capital expenditures which shall be by a supermajority vote as determined***
17 ***in the charter. An ordinance or accounting practice that redistributes excludable budget***
18 ***items from within the limits of the capped budget to outside the limits of the capped budget***
19 ***shall be by a supermajority vote as determined in the charter.***

20 88:3 Optional Forms of Legislative Body. Amend RSA 49-D:3, I(e) to read as follows:

21 (e) Other matters of local concern may be included in a charter including, but not limited
22 to, conflict of interest provisions which shall be at least as strict as those established in the general
23 laws, citizen powers of initiative, referendum and recall as described in RSA 49-C, the adoption and
24 periodic review of an administrative code, a merit personnel system, a purchasing system, and a
25 town investment policy, and the adoption of a tax cap limiting the annual increases in amounts
26 raised by taxes under the town budget. Such tax cap shall include an override threshold on a vote to
27 exceed the limit on annual increases which shall be by a supermajority as determined in the charter.
28 Such tax cap may specifically exclude certain dedicated, enterprise, or self-supporting funds or
29 accounts, capital reserve funds, grants, or revenue from sources other than local taxes, ***or interest***
30 ***and principal payments on municipal bonded debt, or capital expenditures which shall be***

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1 *by a supermajority vote as determined in the charter. An ordinance or accounting practice*
2 *that redistributes excludable budget items from within the limits of the capped budget to*
3 *outside the limits of the capped budget shall be by a supermajority vote as determined in*
4 *the charter.*

88:4 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 21, 2021

Effective Date: August 20, 2021