NHSBA
NEW HAMPSHIRE SCHOOL BOARDS ASSOCIATION

Guidance on HB 1300

What is HB1300 and What Does it Do?

Under newly enacted HB 1300, now codified as RSA 32:5-i, voters at the November 2026 and November 2028 state general elections will be presented with a single ballot question concerning two separate limitations:**(1) a local property tax cap for the school district; and (2) a fixed cap on the SAU central office administrative budget.** The form of the ballot question is prescribed by law and will appear on the state general election ballot.

Although both limitations are included in a single ballot question, whether each limitation is adopted is determined separately.

If three-fifths (3/5) of the voters voting on the question in the municipalities and wards served by a **school district** vote in favor, the school district local tax cap is adopted. The cap limits the amount of local property taxes that may be raised for the school district.

Separately, if three-fifths (3/5) of the voters voting on the question in the municipalities and wards served by the **school administrative unit** vote in favor, the SAU fixed cap is adopted. The SAU cap limits the "central office administrative budget"[1] to 6% of the total school district appropriations of the districts comprising the SAU, excluding bonded capital costs as provided in the statute.

[1] The services and expenditures which comprise the "school administrative unit central office administrative budget" as defined in RSA 32:5-i, IX do not include all of the "superintendent services" listed in RSA 194-C:4, or Ed 302, nor does it include all of the services and expenditures required under 194-C:9 (as amended by HB564) to be included in a SAU budget. In the event the HB1300 ballot question passes in your SAU, and absent guidance from the DRA or NHED, districts and SAUs should consult with private counsel as to how to apply the 32:5-i limitation your SAU budget.

Because the school district and SAU votes are calculated separately, particularly in a multi-district SAU, it is possible for the school district tax cap to be adopted while the SAU cap is not, or vice versa.

How Is the School District Tax Cap Calculated?

The school district tax cap limits the amount of local property taxes that may be raised for the school district. The statute establishes the following formula for determining the maximum allowable levy:

Prior fiscal year property tax levy × (1 + inflation + net new taxable property growth)

The statute defines both "inflation" and "net new taxable property growth," provides for the exclusion of certain bonded capital costs, and directs the Department of Revenue Administration (DRA) to annually certify net new taxable property growth.

A cap approved at the November 2026 election first applies beginning with the **FY 2028** school district or SAU budget, as applicable. A cap approved at the November 2028 election first applies beginning with the **FY 2030** budget.

How Will HB 1300 Impact Different School Districts?

There is no single answer to this question. How HB 1300 will operate in a particular school district depends upon a variety of factors and, in some circumstances, provisions of the law are unclear.

Among the factors that may affect how the law applies are whether a school district is:

- a single-district SAU or part of a multi-district SAU;
- a cooperative school district or a single-municipality school district;
- a district operating under a charter;
- an SB2 district, and if so whether it is operating under a default budget;
- a district already subject to a tax or budget cap; and/or
- a city school district and, if so, the governmental and fiscal structure under which the district operates (for instance, is it “city dependent” or “independent”).

The statute expressly provides that it does not repeal, supersede, or diminish an existing property tax limitation that is more restrictive. It further provides that where more than one applicable property tax or budget limitation applies, each applicable limitation must be satisfied.

HB 1300 also contains different provisions for districts with an annual meeting and districts without an annual meeting. Application of those provisions, particularly to certain city school districts and districts governed by charters, raises questions that may depend upon the circumstances of the individual district.

For these and other issues on which the language of the statute is unclear, NHSBA recommends that school boards consult with their own legal counsel rather than rely upon generalized guidance concerning how the statute should be interpreted and applied within a specific district or SAU.

Electioneering and HB 1300

Because HB 1300 will appear as a question on the November general election ballot, school boards and employees should be mindful of New Hampshire's electioneering laws.

RSA 659:44-a prohibits a **public employee** from electioneering while performing official duties and from using government property or equipment for electioneering. "Electioneering" includes communications that a reasonable person would believe explicitly advocate for or against a measure being voted upon. RSA 659:44-a.

School district employees

- **DO** provide factual, neutral information concerning HB 1300 and relevant district financial information as part of official duties.
- **DON'T** advocate for a "Yes" or "No" vote while performing official duties or use district equipment, email accounts, or other government property for electioneering. RSA 659:44-a expressly prohibits both.

School board members

Elected and appointed school board members are expressly excluded from the definition of "public employee" incorporated into RSA 659:44-a.

- **DO** participate in public discussion of HB 1300 and provide relevant factual information concerning its potential impact on the district.
- **DON'T** assume that the exclusion from RSA 659:44-a resolves all questions concerning advocacy by a board or individual board members **acting in their official capacity**, particularly when district resources are involved. Boards should consult legal counsel regarding such questions.
- Board members **MAY,** however, advocate for a "Yes" or "No" when acting and speaking in their personal capacities and without using district resources.

District resources[2]

- **DO** use district resources to provide factual and educational information about HB 1300 and its potential impact.
- **DON'T** use district resources to produce or distribute materials expressly advocating for or against the ballot question, or direct district employees to use district resources for prohibited electioneering.

Questions concerning the permissible scope of advocacy by a school board or individual board members, particularly when district funds or resources are involved, should be referred to local legal counsel.

Public Hearings and Informational Forums

HB 1300 expressly permits school boards and SAU boards to one or more public hearing on the local tax cap and the SAU fixed cap on central office administrative budgets.

Because this school district related issue is removed from the ordinary annual meeting process, such hearings may be the only opportunity for the Board and the public to explore and discuss the new law and what it could mean to your districts. If your school board is considering holding a public hearing or informational forum, NHSBA offers the following suggestions:

- **Provide sufficient advance notice to the public.** Unlike many statutory hearings, there are no specific notice requirements beyond those of RSA 91-A. Given that the ballot vote is on November 3 (absentee ballots go out earlier), you would want to schedule your hearing at least a week prior.
- **Establish clear rules for the meeting.** Consider whether the board's regular public comment policy is appropriate for the hearing or forum, or whether additional or revised rules of order should be established. *NHSBA has attached a sample rules template at pages 7-8 of this guidance document.*
- **Consider asking the school district moderator to moderate the hearing or forum.**
- **Provide relevant financial information.** This might include the current budget, projected budget, fixed costs, estimated revenues, the current local property tax

[2] The restriction against board members using district resources does not apply to such things as advocating by using microphones at board meetings or public hearings, nor for preparation and delivery of informational flyers or videos, although it would apply to printing advocacy flyers or using district resources to prepare advocacy videos.

levy, and other information that may assist voters in understanding the possible impact of the caps.

- **Consider providing illustrative scenarios or hypotheticals.** These may help explain how adoption of either or both caps could affect future school district and SAU budgets. Any assumptions used in such examples should be clearly identified.

- **Keep the purpose of the hearing or forum educational.** The objective should be to provide voters with factual information about HB 1300 and its potential impact on the school district and SAU if either or both limitations are adopted.

- **Be mindful of electioneering restrictions.** The fact that RSA 32:5-i expressly permits a public hearing does not eliminate otherwise applicable election laws as described above. While board members and superintendents are not considered employees under the electioneering statutes, other employees participating as part of their official duties (e.g., business office employees, principals, etc.) remain subject to RSA 659:44-a's prohibition against electioneering while performing those duties.

New Responsibilities for the SAU "Secretary"

One of the more confounding aspects of HB 1300 is the role it assigns to the **"secretary of the school administrative unit board."**

Among other things, RSA 32:5-i provides that:

- the moderator of each municipality or ward in the school district shall report the results of the ballot question to the secretary of the SAU board for the school district;

- the moderator of each municipality or ward in the SAU shall report the results to the secretary of the SAU board; and

- the secretary of the SAU board shall certify the results to DRA.

The statute also assigns the secretary responsibilities in connection with recounts. For a school district local tax cap recount, the statute provides that 10 registered voters from any municipality served by the school district may apply in writing to the school district clerk within seven days of the general election. It then provides that "the secretary" shall schedule the recount, which is to be conducted by the school board. For an SAU fixed-cap recount, the request is made to the secretary of the SAU, and the secretary schedules a recount to be conducted by the "SAU."

Single-District SAUs Present an Additional Issue

RSA 194-C:5 provides that the school board of each SAU shall meet annually and organize by choosing a chairperson, secretary, and treasurer.

However, RSA 194-C:3 expressly provides that **single-district SAUs are considered the same as a single school district and are exempt from the requirements of RSA chapter 194-C, except for the requirement to provide superintendent services under RSA 194-C:4.** Thus, unlike a multi-district SAU, a single-district SAU is not required by RSA chapter 194-C to appoint an SAU secretary. RSA 194-C:3 Single District School Administrative Units; Exemption

This creates an apparent issue under HB 1300, which assigns responsibilities to the "secretary of the school administrative unit board" without separately addressing how those responsibilities are to be performed in a single-district SAU that does not have such an officer.

If a multi-district SAU does not presently have an appointed secretary, NHSBA recommends that the SAU board ensure that a secretary is appointed.

For single-district SAUs, NHSBA recommends consulting with legal counsel concerning how the duties assigned by RSA 32:5-i to the "secretary of the school administrative unit board" should be performed.

Limitation on NHSBA's Guidance

HB 1300 contains numerous ambiguities and raises significant questions concerning its interpretation and implementation. In addition, how the law applies to an individual school district may depend upon factors particular to that district, including its form of government, SAU structure, charter provisions, existing tax or budget limitations, and other local circumstances. As of October 1, 2026, neither the Secretary of State's Office nor the Attorney General's Office have provided guidance relative to some of the issues/questions concerning the functions of the SAU secretaries, or district clerks relative to what is otherwise a state election conducted by municipal election officers. If and when such guidance is released, NHSBA will forward it to NHSBA members.

For these reasons, **NHSBA's guidance concerning HB 1300 is intentionally limited to the statute's plain and unambiguous provisions. Where the statute is unclear, NHSBA believes it is more appropriate to identify the issue than to attempt to resolve it for its members.**

NHSBA is aware that school districts and SAUs are consulting with their own legal counsel regarding implementation of the new law. School boards and SAU boards should likewise

consult with their legal counsel regarding questions about how RSA 32:5-i applies to their particular circumstances.

Consistent with NHSBA's longstanding practice, NHSBA does not intend for this guidance to contradict or supplant advice provided by local counsel. This document is intended to provide general information to assist school boards as they navigate the requirements and uncertainties presented by HB 1300.

[_____] SCHOOL BOARD

NOTICE OF PUBLIC HEARING
NOVEMBER BALLOT QUESTION ON SCHOOL DISTRICT TAX CAP / SAU BUDGET LIMITATION (HB1300)

Location: _____
[_____] Road/Street
[_____], New Hampshire 03[____]
Date: _____

Time: ____ until ____.

SUBJECT, PURPOSE AND SCOPE

The purpose and **"Subject" of the public hearing is to provide voters and members of the public with information regarding the ballot question and how a yes or no vote may impact [the process for adopting] the school district and SAU central office administrative budgets, and to provide an opportunity for members of the public to discuss, ask questions and offer comments concerning the ballot question.**

No official statements or actions will be taken by the Board at the hearing. The decision whether to adopt the limitations provided by RSA 32:5-i will be made by the voters at the November 3 general election. Adoption requires a three-fifths majority vote.

The [chair/moderator/other] will act as the presiding officer of the hearing.

The hearing will concern only the subject matter in the notice heading above, and those matters which may directly relate to that subject.

In order to protect the due process and privacy rights of individuals, comments or information concerning specific individuals – whether positive or negative, other than Board members, will not be permitted, and will be deemed out of order. Persons with complaints regarding individual employees, personnel or students are directed to School Board policies AC, KE and KEB, copies of which will be available at the hearing, and may be accessed currently on the District website.

Only input and comments relating to the Subject will be accepted. The presiding officer may rule a commenter out of order should the comments veer off the Subject.

HEARING STRUCTURE AND PARTICIPATION RULES:

a. The hearing is scheduled for [90] minutes, which period will include any presentation by the School Board or the Administration. The hearing may end earlier than 90 minutes if comments have ended. The Board also reserves the right to extend the hearing beyond 90 minutes.

b. A sign-up sheet will be available [online? at the door? Other?], for persons wishing to speak. Speakers will be recognized by the presiding officer in order of appearance on the sign-up sheet. If there are additional speakers after those indicated on the sign-up sheet have spoken, the presiding officer will recognize additional speakers up through the end of the allotted 90 minutes. Such additional speakers will be recognized in order of a line formed in the place designated by the presiding officer..

c. Each person will be permitted [5? 3? other?] minutes to speak, including any time used by the Board or administrators responding to questions by that speaker.

d. Once everyone on the sign-up sheet has had the opportunity to speak, previous speakers will have additional opportunity to speak until the expiration of the 90 minutes or any additional time if approved by the Board. Repeat speakers should join the line for speakers who have not pre-registered as discussed in paragraph b above.

e. No one will speak until he/she is recognized by the presiding officer. Once recognized to speak, the speaker should clearly state his/her name and address.

f. All comments should be directed generally to the presiding officer. For questions, the presiding officer will determine who from the Board or administration is best equipped to respond. Additionally, in order to clarify a speaker's comments/questions members of the Board may respond or ask questions.

g. Comments and questions on matters other than the Subject will be called out of order.

h. Speakers are encouraged not to repeat comments made by other speakers. A simple statement of agreement with past speakers will provide for a more efficient use of time.

i. Statements that threaten violence or are defamatory, and any conduct disruptive of the hearing will be considered out of order and will not be tolerated. The presiding officer may terminate the speaker's privilege of address if the speaker does not follow this rule of order. Refusal to comply with rulings of the presiding officer, or other continued disruption could result in removal from the hearing.