

Woodsville Petitioned Articles 27 & 28 Legal Compilation, Summary, and Relative Facts

“The Division submits this Reply to reassert that the request for a hearing by the Petitioner is not within the jurisdiction of the Department [DRA] because Haverhill’s rate has not been set, that RSA 21-J:35, VI [and] does not authorize the Petitioner to seek a hearing on the tax rate of another municipality.” [DRA’s Memorandum 220718, Page 2]

RSA 21-J:35, VI. Any town, city, or unincorporated place which is dissatisfied with the tax rate set under this section may, within 10 days of notification, request an oral hearing on this matter before the commissioner of revenue administration. If such a request is made, the commissioner shall promptly schedule and conduct a hearing pursuant to rules he shall adopt under RSA 541-A. After hearing, the decision of the commissioner shall be final.

“The entire purpose of forming a precinct or village district is to allow a smaller group of residents to manage their own needs by removing some power from the existing municipality (i.e. the Town). Woodsville has a separate legislative body and a separate governing body, through which it exercises this power.” [DRA’s Memorandum 220718, Page 7]

“The Senator’s reasoning is entirely consistent with applicable law. See, e.g., Kelley v. Hopkinton, 107 N.H. 279, 280 (1966) (village districts are distinct entities with their own taxpayers and ability to tax them); Opinion of Justices, 94 N.H. 499, 500-501 (1947) (general rule is that one municipal entity cannot appropriate its taxpayers’ money to another entity); Granite State Land Co. v. Hampton, 76 N.H. 1, 5 (1911) village districts are created to provide “special facilities for certain portion of the town specifically interested therein, which the whole town might be unwilling, or could not properly be called upon, to support by general taxation.”); RSA Ch. 52 (no provision authorizing a village district to seek appropriations from another municipality). In fact, the Petitioner’s interpretation runs contrary to law. See RSA 52:3-a (towns cannot be required to maintain village district roads); 1899 N.H. Laws, c. 196, 3&4 (district to have highway taxes levied by the town). Senator Giuda’s letter makes very clear that the Petitioner’s interpretation of what the legislature intended is not correct.” [DRA’s Memorandum 220718, Page 7]

*RSA 52:3-a. Commissioners Duties; Acceptance by Municipalities of Roads.
I. In addition to the general powers provided in RSA 52:3, the commissioners of a village district formed for the purposes of RSA 52:1, I(m), shall have the same powers, duties, and responsibilities of selectmen of towns which are granted or required pursuant to RSA Title XX; and, where appropriate, selectmen of towns shall be construed to mean commissioners of village districts.*

I-a. The commissioners shall publish in the next annual report, or post at the annual meeting, the general fund balance sheet from the most recently completed audited financial statements or from the financial report filed pursuant to RSA 21-J:34, V.

I-b. In the case of an accumulated general fund deficit, the commissioners shall insert an article in the warrant recommending such action as they deem appropriate, which may include, but is not limited to, raising a sum of money for the purpose of reducing that deficit.

II. No town or city shall be required to accept, lay out, or maintain any road solely because the road was established, or maintained by a village district. Dissolution of a village district under RSA 52:21 shall not affect the powers, duties, and responsibilities of a city or town to accept, lay out, maintain, or otherwise assume responsibility for any road established by that village district.

“Senator Giuda points out that the Petitioner’s ambulance service was one operation for which Town appropriations might makes sense. In any case, if the “any appropriations” language in SB26 [HB2] is contrary to law, leads to an absurd result, and “does violence to the apparent policy of the legislation,” it should be nullity. See *New England Brickmaster, Inc. v. Town of Salem*, 133 N.H. 655, 663 (1990); *Newell v. Moreau*, 94 N.H. 439, 446 (1947).” [DRA’s Memorandum 220718, Page 8]

“Moreover, another look at the legislative history of SB26 [HB2], including Senator Giuda’s letter, suggests that the sponsor of SB26 did not intend for the legislation to allow appropriations for any of the Petitioner’s operations, including the fire department. As argued above and in the Division’s Hearing Memorandum with respect to article 27, it appears contrary to law, for Haverhill voters to appropriate for the Petitioner’s highway or fire departments. Those operations should rightfully be paid for by Woodsville taxpayers.” [DRA’s Memorandum 220718, Page 8 & 9]

Legal Summary

1. The Woodsville District “is not the Town of Haverhill” but rather an independent municipality given the authority to manage the special purposes of which it has been permitted to do by the legislature, and the district has the responsibility to pay for their operations, through taxation of its residents.
2. The Woodsville District has no legal standing to contest the Town of Haverhill’s tax rate.
3. The Town of Haverhill’s tax rate cannot be contested until the Town’s tax rate has been set by the DRA.
4. Any appeal should only be pursued when it is in the best interest of the Town as a whole.
5. Neither the Mitchel Municipal Group nor Drummond & Woodsum would represent the Town with an appeal related to Article 27 and/or 28.

Representative Democracy:

A representative democracy is a type of democracy where people vote to elect individuals to represent their interests and concerns. In a representative democracy, power is placed in the hands of representatives and that power is usually curtailed by a constitution, or other measure to balance representative power, such as is outlined within the Haverhill Select Board's Standard Operating Procedures.

“Recognize that all Select Board members are elected by the community and therefore have an obligation to make decisions that they believe will best support the entire community.”

Some believe that part of the duty of a representative is not simply to communicate the wishes of the electorate [50% plus 1 of whom show up at Town Meeting], but also to use their own judgment in the exercise of their powers, even if their views are not reflective of those of a majority of voters.

“Certainly, Gentlemen, it ought to be the happiness and glory of a Representative, to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion, high respect; their business, unremitting attention. It is his duty to sacrifice his repose, his pleasures, his satisfactions, to theirs; and above all, ever, and in all cases, to prefer their interest to his own. But his unbiassed opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the Law and the Constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.”
~ The works of the Right Honorable Edmund Burke Volume I. London: Henry G. Bohn. 1854 pp 446-8.

Elected Official's Fiduciary Responsibility:

A fiduciary is entrusted with the responsibility of managing assets for the benefit of others. When fiduciaries make decisions about anything that falls within their statutory responsibility, they are required to hang up any other hat they may wear, and act solely in the best interests of the people they were elected to serve, not on behalf of anyone else who might have an interest in the outcome of the decision. Fiduciaries are held to the highest standard of conduct known to law.

2022 Town Meeting Day Facts:

1. Articles 27 & 28 were not supported by the Haverhill Select Board (0/4/1).
2. There was freezing rain and snow on March 12, 2022 - Town Meeting Day.
3. There was a widespread COVID outbreak occurring on Town Meeting Day.
4. Town Manager had COVID and was unable to attend Town Meeting.
5. Election volunteers and Town employees were unable to attend Town Meeting due to COVID infections and exposures.

“The second fierce snowstorm of March was raging during the hours of our town meeting, so for those of us who have earned the wisdom of the years, it was most advisable for us to remain isolated in order not to spread or to contract COVID, and to remain indoors as the weather forecasters had recommended in their reports of the storm. We don’t imagine that we were the only couple whose prudence kept us from the Haverhill Town Meeting.” D&K Vaillancourt

6. The Moderator asked for a motion to pass over other articles to move Articles 27 & 28 to the beginning of Town Meeting. This was contrary to the published Town Meeting warrant and what residents expected for timing of discussions. Kevin Vanorden made the motion and Mike Johnson seconded.
7. Paul Kidder, Article 27 & 28 petitioner was allowed by the Moderator to speak at length on behalf of both Article 27 & 28.
8. The Town’s attorney was not allowed to speak on Article 27 & 28 at Town Meeting.
9. The Assistant Town Manager was not allowed to speak on Article 27 & 28 at Town Meeting.

SB Chair Fred Garofalo asked to make a motion for Jennifer Boucher and Town Lawyer to speak to the articles, audience voted against the motion. [Details related to this vote not captured in the minutes]

10. The Town’s attorneys had submitted a written legal opinion regarding Article 27 & 28, which was submitted to the sitting Select Board as well as the two newly elected Selectmen the night before Town Meeting (*see attached*).
11. There were 208 residents able to attend Town Meeting on March 12, 2022, which represented 4.52% of Haverhill’s population and 6.44% of all registered voters in Haverhill.
12. Articles 27 & 28 passed by a very small margins (6 votes and 8 votes respectively)

Tax Rate Impact Considerations:

From: Brigitte Codling
Sent: Tuesday, March 22, 2022 5:43 PM
To: Haverhill Selectboard
Cc: Jennifer Boucher
Subject: Tax Impact if DRA does not Disallow

Hello SB (ebc),

I am writing to provide you with the estimated tax impacts if DRA legal chooses not to disallow the two Woodsville funding articles.

If the DRA does not disallow and you vote in the majority to approve them.

The portion of Haverhill taxpayers' taxes attributed to the Woodsville articles will amount to an estimated increase of approximately \$1.0784/\$1,000 (\$0.7227 for Highway and \$0.3557 for Fire). In actual dollars that approximately amounts to an increase in taxes in the amount of \$216.00 on a \$200,000 house & \$161.00 on a \$150,000 house.

On the flipside Woodsville taxpayer's taxes will see an estimated decrease of approximately \$4.7816/\$1,000 (\$3.2045 for Highway and \$1.5771 for Fire). In actual dollars that amounts to an estimated decrease in taxes in the amount of \$956.00 on a \$200,000 house & \$717.00 for a \$150,000 house.

The NET decrease for Woodsville taxpayers would be \$741.00 on a \$200,000 house & \$556.00 on a \$150,000 house.

This is for your information only, no action needed, we will let you know as soon as we hear from the DRA.

Please reach out with any questions.

Brigitte Codling
Haverhill Town Manager

From: Jennifer Boucher
Sent: Monday, August 29, 2022 11:08 AM
To: Dow, Jamie
Subject: FW: Agenda item for Selectboard meeting 8/29/22
Attachments: scan1126.pdf; Town of Haverhill R22-133.pdf

Hello Jamie,

Attached is a letter our Selectmen received from the Woodsville commissioners. They are asking our Selectboard to ask the DRA to reconsider the denial of Articles 27 & 28 in light of the recent decision issued by the hearing officer.

Previously, our Selectboard stated at a public meeting that they were not going to appeal the DRA's decision regarding these warrant articles. However, if they were to reverse their decision, I would like to know what to expect. What would the process be once the tax rate is set and how would it affect the mailing of our 2nd issue tax bills. If an appeal would delay the processing of the 2nd issue tax bill, I would appreciate it if you could provide me with an estimated timeframe of the appeals process, so we could determine how late we would be in getting out the final tax bill. The Woodsville appeal process took a few months and if we were to delay sending out tax bills for that length of time, it would be a huge problem for not only us, but our precincts as well.

I know this is short notice, but if you would be able to provide some information by the end of the day today I would appreciate it. Our board will be discussing this letter at tonight's meeting. As I said I am hoping that this email is moot, because of the previous decision made by our board, but would like to be prepared with some answers if they come up.

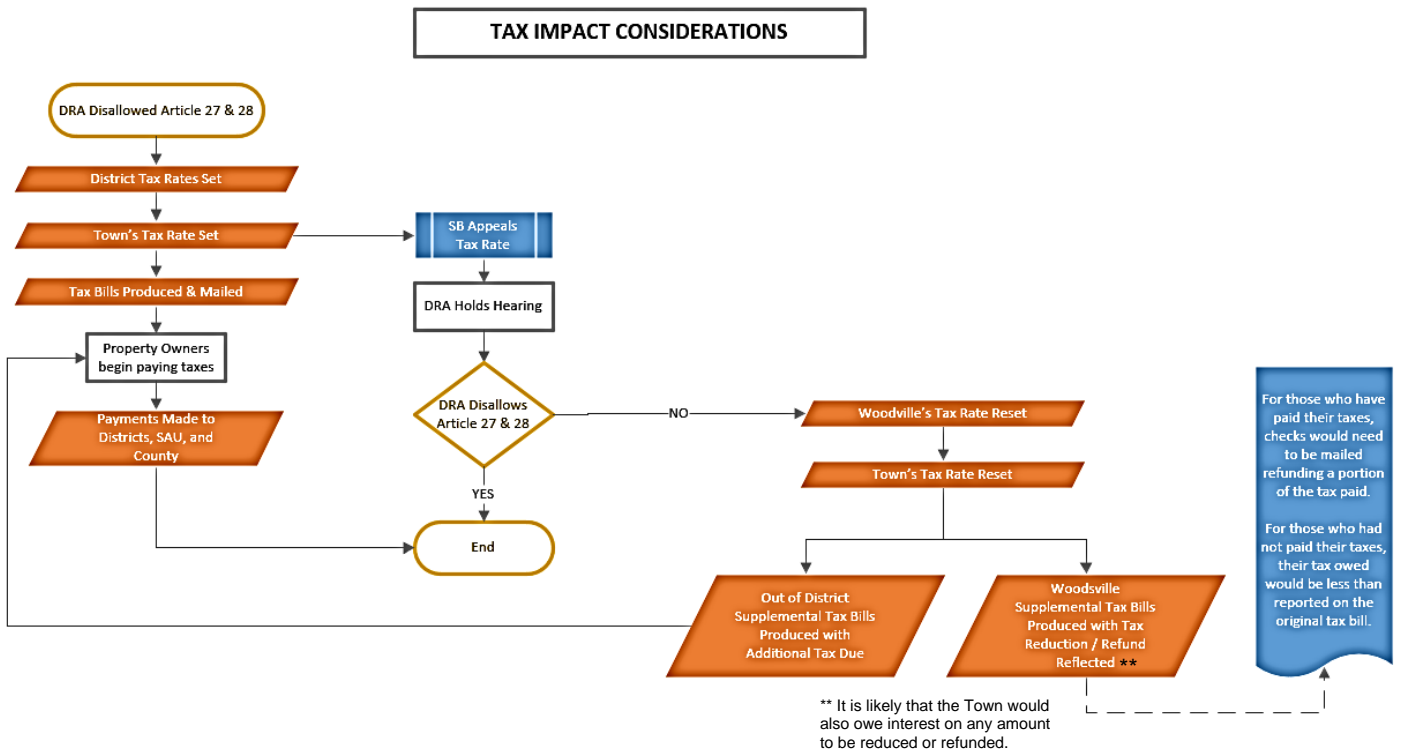
Thanks,
Jennifer

Town Administration has been in communication with the DRA to assess impacts to the Town’s tax rate, but also to assess the entire process related to the setting of the tax rate and sending out tax bills. The DRA has opted not to take a position on how or when the Town sends out tax bills, which means that the Town may produce and send out tax bills as soon as the DRA sets our tax rate this fall, early winter. This would offer some benefit and cause some complications. The most significant benefit would be that the Town would be able to make payments to Districts, SAU, and County without needing to take out a Tax Anticipation Note (TAN).

However, if the Haverhill Select Board decided to appeal the Town’s tax rate, and the DRA decided to reverse its decision to disallow, the Town would then need to issue Supplemental tax bills to every resident of Haverhill to account for the difference in the Town’s budgeted expenditures as well as the difference in the Woodsville District’s revenues.

The result would likely be:

1. Supplemental tax bills for every property owner outside the Woodsville District; would reflect an amount of tax due, equal to their representative portion of monies to be sent to the Woodsville District for Articles 27 & 28.
2. Supplemental tax bills for every property owner within the Woodsville District, would reflect a negative amount, i.e., tax reduction or refund, equal to their representative portion of monies to be sent to the Woodsville District for Articles 27 & 28.



TO: Brigitte Codling, Haverhill Town Manager

FROM: C. Christine Fillmore

DATE: March 12, 2022

RE: Petitioned Warrant Articles

As requested, this memo addresses legal aspects of Articles 27-32 on the 2022 Haverhill Town Meeting Warrant. Please note: I express no opinion on the underlying policy issues of any article because that is not my role.

Articles 27 and 28:

- These propose that the Town appropriate money to fully fund the 2022 budget of the Woodsville Highway Department and Fire Department.
- If the articles are approved, these amounts would be raised through general taxation assessed on all property in Haverhill, whether it is located within the boundaries of the Woodsville District or outside of the District.
- You have asked for an explanation of the legal structure of village districts in relation to towns and cities and how that ordinarily works in New Hampshire.
- All of the land in the state of New Hampshire is divided into various towns, cities, and a few small special unincorporated areas. All property is within the boundaries of one of those areas. Village districts are each a separate layer of government overlaid on top of whatever town or city already exists. (Some village districts are located partially in one town and partially in another, but are still a separate and distinct political entity from either town.) All property in New Hampshire is located in a town or city, but not all property is located in a village district.
- All New Hampshire towns and village districts are separate and independent municipal entities. A village district is created (whether under RSA 52 or by special legislation) to perform one or more specific municipal purposes for the benefit of the properties located within its boundaries, such as running a municipal water or sewer system, maintaining public roads, or operating a fire or ambulance service. In effect, a village district peels off one or more of the functions that a town could perform and decides to perform that function itself, for the benefit of the property located within its borders.
- To pay for those functions, each village district in New Hampshire, at its annual meeting, has authority to vote to create its own budget to be raised by taxation of the property located within its borders. Village districts do not ordinarily have the authority to tax any property outside their borders, just as no town has the authority to tax any property located in a different town.
- As a result, any property located in a village district is automatically subject to two separate layers of government (town and village district) and automatically subject to taxation to support two separate sets of municipal operations (town and village district).
- It is extremely unusual for a town to raise money at its annual meeting to completely fund the functions of a village district located within the town. A town has no legal authority to direct how the money of a village district is used, because the essential idea of a village district is that its voters have decided they want to govern and pay for those functions themselves, independently of the town.

Article 29:

This would direct the Selectmen to petition the Legislature to remove the District's authority to operate a highway and fire department. If passed, it would require the Selectmen to do that. The Legislature does have the authority to change the special legislation that created the District to remove the authority for the District to carry out any particular municipal function, because a village district is a special purpose entity that only exists to perform specific functions that would otherwise be performed by the town in which the district is located. The Selectmen would not have any ability to force the Legislature to pass such legislation, only the ability to ask.

Articles 30 and 31:

These articles would direct the Selectmen to petition the Legislature to change the District's special governing legislation to provide that funding for the District's fire operations (Article 30) and highway operations (Article 31) would be raised by taxation of the property located within its borders, and that funding for the Town's fire and highway operations would be raised by taxation of the property located outside of the District borders. If either article passed, it would require the Selectmen to make that request of the Legislature.

However, while the Legislature can change the District's special governing legislation, a change of this nature would almost certainly violate the New Hampshire Constitution and be unenforceable. Part 2, Article 5 of the NH Constitution requires that all taxes must be assessed in a way that is "proportional" among all of the taxpayers within the political entity that is assessing the tax.

The NH Supreme Court has consistently interpreted this to mean that any taxing district (the State, or a school district, or a town or city, or a village district) is required to tax all of the property within its borders proportionally in relation to the value of that property.¹ In other words, if a town is raising money by taxing the property within its borders, it must assess that tax in an equal way on all of the property within the town. It cannot tax some property for a particular municipal function and not tax other property for that function, because that would not be "proportional".

This makes sense given the legal structure of towns v. village districts. All property is located in a town or city in New Hampshire. Some property is also located in a village district that sits on top of that town. The property in the village district is automatically subject to taxation for both the town budget and the village district budget. The Legislature does not have the constitutional authority to change this.

Article 32:

This article would require the Selectmen to petition the Legislature to dissolve the District. If this article passes, the Selectmen would be required to do that. The Legislature has authority to dissolve the District, but the Selectmen have no ability to force the Legislature to do so.

¹ Opinion of the Justices, 144 NH 374 (1999).

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

Chapter 52 VILLAGE DISTRICTS

Section 52:1

52:1 Establishment. –

I. Upon the petition of 10 or more voters, persons domiciled in any village situated in one or more towns, the selectmen of the town or towns shall fix, by suitable boundaries, a district including such parts of the town or towns as may seem convenient, for any of the following purposes:

- (a) The extinguishment of fires;
- (b) The lighting or sprinkling of streets;
- (c) The planting and care for shade and ornamental trees;
- (d) The supply of water for domestic and fire purposes, which may include the protection of sources of supply;
- (e) The construction and maintenance of sidewalks and main drains or common sewers;
- (f) The construction, operation, and maintenance of sewage and waste treatment plants;
- (g) The construction, maintenance, and care of parks or commons;
- (h) The maintenance of activities for recreational promotion;
- (i) The construction or purchase and maintenance of a municipal lighting plant;
- (j) The control of pollen, insects, and pests;
- (k) The impoundment of water;
- (l) The appointing and employment of watchmen and police officers;
- (m) The layout, acceptance, construction, and maintenance of roads; and
- (n) The maintenance of ambulance services.

II. The voters who are domiciled in any village shall cause a record of the petition, pursuant to paragraph I, and their proceedings thereon to be recorded in the records of the towns in which the district is situate.

Source. 1849, 852:1. CS 116:1. GS 97:1. GL 107:1. 1889, 82:1. PS 53:1. 1909, 27:1. 1911, 5:1. PL 57:1. 1939, 108:1. RL 70:1. RSA 52:1. 1957, 179:1. 1961, 120:3. 1975, 13:1; 455:1. 1977, 154:1. 1981, 375:1. 2003, 289:14, eff. Sept. 1, 2003.

Section 52:1-a

52:1-a Flood Control Projects. – Any village district organized under the provisions of this chapter may at a regular or special village district meeting vote to cooperate or act jointly with other village districts or with towns to defray expenses and take other appropriate action necessary to protect its interest in connection with federal or interstate flood control projects. Such village district may enter into agreements with other districts or towns for the purposes hereof and in such case the agreement shall be governed by the conditions set.

Source. 1957, 287:3, eff. Oct. 1, 1957.

Section 52:2

52:2 Meeting to Consider. – Such selectmen shall also forthwith call a meeting of the voters domiciled in the district to see if they will vote to establish the district, and if so to choose necessary officers therefor. They shall

call the meeting and give notice thereof as town meetings are called and warned, excepting that the warrant shall be posted at 2 or more public places in the district.

Source. 1849, 852:2, 3, 4. CS 116:2, 3, 4. GS 97:2. GL 107:2. PS 53:2. PL 57:2. RL 70:2. 2003, 289:15, eff. Sept. 1, 2003.

Section 52:2-a

52:2-a Budgetary Official Ballot. – Notwithstanding any other provision of law, any village district may vote to raise and appropriate money for the support of the district by official ballot as provided for in RSA 49-D:3, II-a, by following the procedures set forth in RSA 49-B. The village district may also include within its charter a plan for voting by official ballot, pursuant to RSA 49-B and RSA 49-D, on such other warrant articles as the village district may determine. For the purposes of this section, all references in RSA 49-B and RSA 49-D to "municipal," "municipality," "city," and "town" shall mean and include "village district," and all references to "elected body" and "governing body" shall mean and include "district commissioners."

Source. 1995, 53:5. 1997, 319:8, eff. Aug. 22, 1997.

Section 52:3

52:3 Procedure and Powers. –

- I. At such meeting the legal voters may by vote establish the district, give to it a name, and choose necessary officers therefor to hold office until the first annual meeting of the district.
- II. The district shall thereupon be a body corporate and politic, and shall have all the powers in relation to the objects for which it was established that towns have or may have in relation to like objects, and all that are necessary for the accomplishment of its purposes.
- III. The district may at an annual meeting vote to raise such sums of money as the voters judge necessary for the purpose of reducing an accumulated general fund deficit.

Source. 1849, 852:2-4, 7. CS 116:2-4, 7. GS 97:2, 4. 1874, 11:1. GL 107:2, 4. 1887, 42:1. 1889, 11:1. PS 53:3. PL 57:3. RL 70:3. RSA 52:3. 1994, 147:3, eff. July 22, 1994.

Section 52:3-a

52:3-a Commissioners Duties; Acceptance by Municipalities of Roads. –

- I. In addition to the general powers provided in RSA 52:3, the commissioners of a village district formed for the purposes of RSA 52:1, I(m), shall have the same powers, duties and responsibilities of selectmen of towns which are granted or required pursuant to RSA Title XX; and, where appropriate, selectmen of towns shall be construed to mean commissioners of village districts.
 - I-a. The commissioners shall publish in the next annual report, or post at the annual meeting, the general fund balance sheet from the most recently completed audited financial statements or from the financial report filed pursuant to RSA 21-J:34, V.
 - I-b. In the case of an accumulated general fund deficit, the commissioners shall insert an article in the warrant recommending such action as they deem appropriate, which may include, but is not limited to, raising a sum of money for the purpose of reducing that deficit.
- II. No town or city shall be required to accept, lay out or maintain any road solely because the road was established or maintained by a village district. Dissolution of a village district under RSA 52:21 shall not affect the powers, duties and responsibilities of a city or town to accept, lay out, maintain or otherwise assume responsibility for any road established by that village district.
- III. No town or city shall levy any fee or collect any tax for the use by any utility of roads maintained by a village district under RSA 52:1, I(m), except on the vote of the village district commissioners for remittance to the village district.

Source. 1975, 455:2. 1979, 72:1. 1994, 147:4, eff. July 22, 1994. 2015, 83:1, eff. Aug. 4, 2015.

Section 52:4

52:4 Appropriations. –

I. No village district shall raise or appropriate money, or reduce or rescind any appropriation of money previously authorized, at any special meeting of the voters thereof except by vote by ballot, nor unless the ballots cast at such meeting shall be equal in number to at least 1/2 of the number of voters of such district at the regular meeting next preceding such special meeting; and if a checklist was used at the last preceding regular meeting the same shall be used to ascertain the number of voters in the district; and such checklist, corrected according to law, shall be used at such special meeting upon request of 10 voters. In case of an emergency arising in a district for which immediate expenditure of money is necessary, the district through its commissioners may appeal to the superior court for permission to hold a special district meeting which, if granted, shall give said meeting the same authority as the annual district meeting.

II. Ten days prior to petitioning the superior court, the district commissioners shall notify, by certified mail, the commissioner of the department of revenue administration that an emergency exists by providing the commissioner with a copy of the explanation of the emergency, the warrant article or articles and the petition to be submitted to the superior court. The petition to the superior court shall include a certification that the commissioner of the department of revenue administration has been notified pursuant to this paragraph.

Source. 1907, 121:1. PL 57:4. 1931, 103:1. RL 70:4. 1943, 88:1. RSA 52:4. 1989, 172:2. 2003, 289:16, eff. Sept. 1, 2003.

Section 52:4-a

52:4-a Contingency Fund. – Every village district annually by an article in the warrant may establish a contingency fund to meet the cost of unanticipated expenses that may arise during the year. Such fund shall not exceed one percent of the amount appropriated exclusive of capital expenditures and amortization of debt by such village district during the preceding year. A detailed report of all expenditures from the contingency fund shall be made annually by the commissioners and published with their report.

Source. 1965, 123:3, eff. July 27, 1965.

Section 52:5

52:5 Changing Boundaries. –

I. The selectmen of towns in which any such district has been established upon petition, after notice to parties interested and a hearing, may change the boundaries thereof; and the district shall cause the petition and the return of the selectmen's proceedings and decision thereon to be recorded in the records of the district, and of the towns in which it is situated, within 60 days after the decision.

II. In the case of any district formed for the purpose of impoundment of water, any such change of boundaries shall be ratified before taking effect by the voters domiciled in the district and in any area proposed to be added to the district in the same manner as is required for the initial establishment of the district.

III. In the case of any district formed for the purpose of the supply of water for domestic and fire purposes, which may include the protection of sources of supply, any such change of boundaries shall be ratified before taking effect by the voters domiciled in the district and in any area proposed to be added to the district in the same manner as is required for the initial establishment of the district.

Source. 1853, 1421. GS 97:6. GL 107:6. 1887, 28:1. PS 53:4. PL 57:5. RL 70:5. RSA 52:5. 1975, 13:2. 2002, 174:2. 2003, 289:17, eff. Sept. 1, 2003.

Section 52:6

52:6 Added Powers. – A district established for any of the purposes mentioned in RSA 52:1 may from time to time by vote add thereto any other of said purposes; and from and after such vote it shall have all the powers and rights in relation to the new purposes that it previously had in relation to its original purposes.

Source. PS 53:5. PL 57:6. RL 70:6.

Section 52:7

52:7 Repealed by 1979, 410:2, XIII, eff. July 1, 1979. –

Section 52:8

52:8 Duties. – The moderator, clerk, treasurer and commissioners shall severally qualify and possess the same powers and perform the same duties in respect to the district's meetings and business affairs that the moderator, clerk, treasurer and selectmen of towns respectively possess and perform in respect to like matters in towns.

Source. 1849, 852:5, 6. CS 116:5, 6. GS 97:3. GL 107:3. PS 53:7. 1905, 99:1. PL 57:8. RL 70:8.

Section 52:8-a

52:8-a Repealed by 1979, 410:2, XIV, eff. July 1, 1979. –

Section 52:9

52:9 Repealed by 1979, 410:2, XV, eff. July 1, 1979. –

Section 52:9-a

52:9-a Repealed by 1979, 410:2, XVI, eff. July 1, 1979. –

Section 52:10

52:10 Repealed by 1979, 410:2, XVII, eff. July 1, 1979. –

Section 52:11

52:11 Fire Department Engineers. – The commissioners shall appoint a chief engineer and assistant engineers to serve in the fire department for the ensuing year, and may remove them, for cause, after notice and hearing.

Source. 1849, 852:5, 6. CS 116:5, 6. GS 97:3. GL 107:3. PS 53:7. 1905, 99:1. PL 57:11. RL 70:11.

Section 52:11-a

52:11-a Voting at District Meetings. – Votes at district meetings shall be conducted according to the procedures established for town meetings in RSA 40:4-a, 4-b, and 6.

Source. 1971, 524:4, eff. July 7, 1971.

Section 52:11-b

52:11-b Public Body. – Every legislative body, governing body, board, commission, or committee of any village district established under this chapter shall be deemed a "public body" under RSA 91-A and shall be subject to all applicable provisions of that chapter.

Source. 2021, 118:1, eff. Sept. 7, 2021.

Section 52:12

52:12 Annual Meetings. – The annual meeting of each district shall be held between January 1 and May 1 of each year. In the case of a district formed for the purpose of impoundment of water, the annual meeting shall be held at another time of the year if so voted at a previous meeting.

Source. 1849, 852:8. CS 116:8. GS 97:5. GL 107:5. PS 53:8. 1899, 49:1. PL 57:12. RL 70:12. RSA 52:12. 1975, 13:3. 1981, 375:2, eff. Aug. 22, 1981.

Section 52:13

52:13 Warning of Meetings. – In case of a vacancy in the office of commissioners, or of their neglect or refusal to warn a meeting or insert an article in a warrant, or of failure to hold an annual meeting, a meeting of the district may be called and warned in the same manner as in like cases in towns.

Source. 1883, 6:1, 2. PS 53:9. PL 57:13. RL 70:13.

Section 52:14

52:14 Special Meetings. – The commissioners when calling a special district meeting shall, within one week after posting the warrant therefor, cause a copy of said warrant to be published once in a newspaper of general circulation in said district.

Source. 1945, 39:2, eff. Mar. 6, 1945.

Section 52:14-a

52:14-a Repealed by 1993, 176:18, eff. Aug. 8, 1993. –

Section 52:15

52:15 Repealed by 1979, 410:2, XVIII, eff. July 1, 1979. –

Section 52:16

52:16 Taxation, Procedure. –

I. Whenever the district votes to raise money by taxation or otherwise for any of its purposes, the clerk shall, within 20 days thereafter, deliver a certified copy of such vote to the selectmen of each town which contains any part of the district and to the commissioner of revenue administration. Whether or not the district is situated wholly within one town, the selectmen of each town shall assess the tax on that part of the district lying within their own town and commit it to the collector of taxes from their own town. The collectors shall then collect the tax as required by law. The selectmen may make such assessments in the manner provided under RSA 76:4.

II. In the case of districts with annual budgets of less than \$200,000, the town treasurer shall distribute the amount of taxes collected and held in trust by the town under paragraph I to the district treasurer no later than December 31 of each calendar year, unless otherwise agreed to in writing by the town and district treasurers. In the case of districts with annual budgets of \$200,000 or more, the town treasurer shall distribute the amount of taxes collected and held in trust by the town under paragraph I by distributing to the district treasurer all taxes

collected in any given calendar month by the end of the next following month, unless otherwise agreed to in writing by the town and district treasurers. The town treasurer, furthermore, shall turn over to the district treasurer all interest earned on district tax revenues held in trust by the town and all interest collected by the town on the account of any delinquent district taxpayers' district taxes in the same manner as the tax revenues are distributed.

Source. 1849, 852:7. CS 116:7. GS 97:4. 1874, 11:1. GL 107:4. PS 53:11. PL 57:15. RL 70:15. RSA 52:16. 1975, 138:1. 1977, 11:1. 1991, 90:1. 1992, 274:1. 2010, 262:8, eff. Sept. 4, 2010.

Section 52:17

52:17 Abatement of Assessments. – The power to abate and correct the assessment of such taxes shall belong to the board authorized to assess them; and aggrieved parties shall have the same remedies for relief as in case of town taxes.

Source. 1849, 852:7. CS 116:7. GS 97:4. 1874, 11:1. GL 107:4. PS 53:11. PL 57:16. RL 70:16.

Section 52:18

52:18 Taking Land. – If any such district cannot obtain for a reasonable price any land or easement in land required by it for its purposes it may, through its commissioners or other duly authorized agents, make and file in the town clerk's office of each town in which such land is situated a description thereof by reference to permanent bounds or other means of description, and may petition the selectmen of the town or towns in which the district is situated for the assessment of the owner's damages. All subsequent proceedings and rights of all parties in interest shall be the same as in taking land for highways located in one town, or 2 adjoining towns, as the case may be.

Source. GL 107:4. PS 53:12. PL 57:17. RL 70:17.

Section 52:18-a

52:18-a Water Pollution. – Any district which shall have received an order by the department of environmental services under the provisions of RSA 147, 485, or 485-A shall proceed forthwith to acquire whatever easements and lands as are necessary to comply with said order provided that a majority of the voters vote in favor of said acquisition at any regular or special district meeting called for the purpose of taking action on such order and may enter upon, for the purpose of survey leading to land description, any land within the town or towns in which such district is situated. In so proceeding the district commissioners or other duly authorized agents shall institute any necessary land taking in accordance with the provisions of RSA 52:18 and, anything contained in RSA 231 or in the statutes generally notwithstanding, the decision of the commissioners of the town or towns in which such land or lands are situated shall not be vacated and any subsequent appeal or other action by the owner or owners shall be based solely on the amount of damages assessed, and the duly appointed agents of the district shall have full right of immediate entry for the purposes of detailed surveys, borings, or the conduct of any and all other actions necessary or desirable to aid the district in implementation of the order by the department of environmental services.

Source. 1969, 377:3. 1986, 202:6, I(a). 1989, 339:14. 1996, 228:108, eff. July 1, 1996.

Section 52:19

52:19 Joint Board. – If a district, situated in 2 or more towns, adopts the provisions of RSA chapter 252 the selectmen of all the towns as a joint board shall have powers and perform the duties of selectmen in such case.

Source. PS 53:13. PL 57:18. RL 70:18.

Section 52:20

52:20 Reporting Appointments. – The clerk of any district having firewards or engineers shall forthwith after their appointment from time to time report their names and post-office addresses to the town clerks of the town in which the district is situated; and if he fails to do so he shall be fined \$20.

Source. 1889, 17:2, 3. PS 53:14. 1905, 99:2. PL 57:19. RL 70:19.

Section 52:21

52:21 Dissolution. – Any village district and any district now in existence having the rights and powers of a village district, may, at an annual meeting, by a 2/3 vote of its legal voters, terminate its existence and dispose of its corporate property. Upon the dissolution of any such district, the property, real and personal, which is contained within the former boundaries of the dissolved district shall continue to be subject to taxation and betterment assessments for the purpose of paying any unpaid bonds, notes, bills or other obligations incurred while the district was in existence, in the same manner as if the said district had not been dissolved. The selectmen of the town or towns in which the district was situated shall assess the taxes and betterment assessments in the same manner as if the district had not been dissolved and shall have the duty, authority, and power to pay such bonds, notes, bills or other obligations after the moneys received from such taxes and assessments. Provided, however, that in no case shall the total of any such taxes or assessment exceed the balance necessary to pay said bonds, notes, bills or other obligations after the net income derived from the property disposed of has been applied for the payment of the same.

Source. GL 107:8. PS 53:15. PL 57:20. RSA 52:21. 1967, 169:1, eff. June 9, 1967.

Section 52:21-a

52:21-a Village Districts in Lisbon. – Notwithstanding the provisions of 1961, 360:7, the provisions of RSA 52:21 shall be applicable to the village district existing in the town of Lisbon at the time of the passage of this act, and to any other village district which may hereafter be established in said town.

Source. 1963, 436:4, eff. Aug. 30, 1963.

Section 52:22

52:22 Adoption of Provisions. – Village districts and precincts established under the laws heretofore in force may adopt the provisions of this chapter, and thereupon shall have the rights conferred thereby and be governed by the same except as hereinafter provided. Unless they do so, the laws under which they were organized shall continue in force as to them, notwithstanding their repeal in general terms. In any case where a village district or precinct heretofore established by special act is authorized to hold its annual meeting any designated time, the time for such annual meeting so designated in such special act shall govern the holding of such annual meeting unless said village district or precinct shall otherwise vote in adopting the provisions of this chapter.

Source. GS 97:7. GL 107:7. PS 53:16. PL 57:21. RL 70:21. 1943, 88:2, eff. Mar. 25, 1943.

Section 52:23

52:23 Public Water. – Upon the written application of 10 percent of the registered voters in any village water district, presented to the commissioners or one of them at least 15 days before the day prescribed for an annual meeting of the district, the commissioners shall insert in their warrant for such meeting an article relative to the use of fluoride in the water system for said district, and the district clerk shall prepare a ballot for said meeting with the following question: "Shall fluoride be used in the district water system?" Beside the question shall be printed the word "yes" and the word "no" with the proper boxes for the voter to indicate his or her choice. If a

majority of those voting in a water system that serves only one municipality does not approve the use of fluoride in the district water system, no fluoride shall be introduced into the district water system; or if fluoride has, prior to said vote, been so introduced, such use shall be discontinued until such time as the majority of those voting in the town approve of the use of fluoride. After such popular referendum, the commissioners shall not insert an article relative to the use of fluoride in the district water system in the warrant nor shall the district clerk prepare such a ballot for a minimum period of 3 years from the date of the last popular referendum of the district and only upon written application at that time of not less than 10 percent of the registered voters of said district. The procedure for a referendum on the use of fluoride in a village district that is part of a water system serving more than one municipality shall be the procedure in RSA 485:14-a.

Source. 1959, 273:3. 1979, 335:3. 2004, 225:5. 2008, 230:8, eff. Aug. 19, 2008.

Section 52:24

52:24 Filing With Secretary of State. –

The selectmen of every town, and the councilors or aldermen of every city, which have a village district established under the provisions of this chapter lying in whole or in part within said town or city, shall file with the secretary of state the following information concerning the village district or districts within their respective municipalities.

I. Within one year of the enactment of this section there shall be filed:

- (a) The name of the village district;
- (b) The powers granted to said district; and
- (c) The territorial boundaries of the district.

II. Thereafter, within one year of any change in the above, there shall be filed:

- (a) Any change in the name, powers or territorial limits of the district; and
- (b) Any notice of dissolution of the district.

Source. 1969, 25:1, eff. May 3, 1969.

Section 52:25

52:25 Repealed by 2010, 22:2, eff. July 6, 2010. –

Section 52:26

52:26 Contracts With the Department of Environmental Services. – Any contract between a district formed for the purpose of impoundment of water, organized pursuant to this chapter, and the department of environmental services for the construction, operation, and maintenance of any dam located within the district's boundaries that is in effect on the effective date of this act shall continue in effect for the remaining term of the contract or until terminated in accordance with the terms of the contract. If the district terminates the contract, any obligations and liabilities outstanding at the time of such termination shall be outstanding obligations and liabilities of the district and, if the district is terminated, such obligations shall be treated in the same manner as under RSA 52:21.

Source. 2010, 22:1, eff. July 6, 2010.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Section 32:1

32:1 Statement of Purpose. – The purpose of this chapter is to clarify the law as it existed under former RSA 32. A town or district may establish a municipal budget committee to assist its voters in the prudent appropriation of public funds. The budget committee, in those municipalities which establish one, is intended to have budgetary authority analogous to that of a legislative appropriations committee. It is the legislature's further purpose to establish uniformity in the manner of appropriating and spending public funds in all municipal subdivisions to which this chapter applies, including those towns, school districts and village districts which do not operate with budget committees, and have not before had much statutory guidance.

Source. 1993, 332:1, eff. Aug. 28, 1993.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Section 32:2

32:2 Application. – RSA 32:1-13, shall apply to all towns, school districts, cooperative school districts, village districts, municipal economic development and revitalization districts created under RSA 162-K, and any other municipal entities, including those created pursuant to RSA 53-A or 53-B, which adopt their budgets at an annual meeting of their voters, except RSA 32:5-b, which shall apply only in those towns or districts adopting that section pursuant to RSA 32:5-c. RSA 32:14-23, concerning budget committees, shall apply only in those towns or districts adopting that subdivision pursuant to RSA 32:14, I, and shall apply automatically in school districts or village districts located wholly within towns adopting that subdivision.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2011, 234:5, eff. July 5, 2011. 2012, 186:3, eff. June 11, 2012.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32

MUNICIPAL BUDGET LAW

Section 32:3

32:3 Definitions. –

In this chapter:

- I. "Appropriate" means to set apart from the public revenue of a municipality a certain sum for a specified purpose and to authorize the expenditure of that sum for that purpose.
- II. "Appropriation" means an amount of money appropriated for a specified purpose by the legislative body.
- III. "Budget" means a statement of recommended appropriations and anticipated revenues, prepared according to rules adopted by the commissioner of revenue administration under RSA 541-A, submitted to the legislative body by the budget committee, or the governing body if there is no budget committee, as an attachment to, and as part of the warrant for, an annual or special meeting.
- IV. "District" includes a school district, cooperative school district, village district, district created pursuant to RSA 53-A or 53-B, or municipal economic development and revitalization district created pursuant to RSA 162-K.
- V. "Purpose" means a goal or aim to be accomplished through the expenditure of public funds. In addition, as used in RSA 32:8 and RSA 32:10, I(e), concerning the limitation on expenditures, a line on the budget form posted with the warrant, or form submitted to the department of revenue administration, or an appropriation contained in a special warrant article, shall be considered a single "purpose."
- VI. "Special warrant article" means any article in the warrant for an annual or special meeting which proposes an appropriation by the meeting and which:
 - (a) Is submitted by petition; or
 - (b) Calls for an appropriation of an amount to be raised by the issuance of bonds or notes pursuant to RSA 33; or
 - (c) Calls for an appropriation to or from a separate fund created pursuant to statute, including but not limited to a capital reserve fund under RSA 35, or trust fund under RSA 31:19-a; or
 - (d) Is designated in the warrant, by the governing body, as a special warrant article, or as a nonlapsing or nontransferable appropriation; or
 - (e) Calls for an appropriation of an amount for a capital project under RSA 32:7-a.
- VII. "Sub-account" means an optional level of accounting, one or more levels below the account level. Sub-accounts may be used to budget and track expenses when several different activities are funded by the same account. Sub-accounts may be created by the town or district under the authority of the budget committee, or the governing body if there is no budget committee, but must support the numbering classification system established in the uniform chart of accounts as established by the department of revenue administration in accordance with RSA 21-J:13, IV. Nothing in this chapter shall require the disclosure of any information or data restricted from disclosure by any other statute.
- VIII. "Uniform chart of accounts" means a consistent system of accounts used to categorize revenues, expenditures, assets, liabilities, and equity. It identifies the account titles, descriptions, and numbering classification system established by the department of revenue pursuant to RSA 21-J:13, IV. It provides the framework to budget, record, and report financial data logically and provide a robust basis for reporting on the results.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1996, 214:1, eff. Aug. 9, 1996. 2003, 95:1, eff. Aug. 5, 2003. 2012, 181:1, eff. Aug. 10, 2012; 186:4, eff. June 11, 2012. 2013, 109:1, eff. Aug. 23, 2013. 2021, 134:1, 2, eff. Sept. 21, 2021.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Preparation of Budgets

Section 32:4

32:4 Estimate of Expenditures and Revenues. – All municipal officers, administrative officials and department heads, including officers of such self-sustaining departments as water, sewer, and electric departments, shall prepare statements of estimated expenditures and revenues for the ensuing fiscal year, and shall submit such statements to their respective governing bodies, at such times and in such detail as the governing body may require.

Source. 1993, 332:1, eff. Aug. 28, 1993.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Preparation of Budgets

Section 32:5

32:5 Budget Preparation. –
I. The governing body, or the budget committee if there is one, shall hold at least one public hearing on each budget, not later than 25 days before each annual or special meeting, public notice of which shall be given at least 7 days in advance, and after the conclusion of public testimony shall finalize the budget to be submitted to the legislative body. If a town or district uses sub-accounts to budget or track financial data it shall make

that data available for public inspection at the public hearing. One or more supplemental public hearings may be held at any time before the annual or special meeting, subject to the 7-day notice requirement. If the first hearing or any supplemental hearing is recessed to a later date or time, additional notice shall not be required for a supplemental session if the date, time, and place of the supplemental session are made known at the original hearing. Public hearings on bonds and notes in excess of \$100,000 shall be held in accordance with RSA 33:8-a, I. Days shall be counted in accordance with RSA 21:35.

II. All purposes and amounts of appropriations to be included in the budget or special warrant articles shall be disclosed or discussed at the final hearing. The governing body or budget committee shall not thereafter insert, in any budget column or special warrant article, an additional amount or purpose of appropriation which was not disclosed or discussed at that hearing, without first holding one or more public hearings on supplemental budget requests for town or district expenditures.

III. All appropriations recommended shall be stipulated on a "gross" basis, showing anticipated revenues from all sources, including grants, gifts, bequests, and bond issues, which shall be shown as offsetting revenues to appropriations affected. The budget shall be prepared according to rules adopted by the commissioner of revenue administration under RSA 541-A, relative to the required forms and information to be submitted for recommended appropriations and anticipated revenues for each town or district.

IV. Budget forms for the annual meeting shall include, in the section showing recommended appropriations, comparative columns indicating at least the following information:

(a) Appropriations voted by the previous annual meeting.

(b) Actual expenditures made pursuant to those appropriations, or in those towns and districts which hold annual meetings prior to the close of the current fiscal year, actual expenditures for the most recently completed fiscal year.

(c) All appropriations, including appropriations contained in special warrant articles, recommended by the governing body.

(d) If there is a budget committee, all the appropriations, including appropriations contained in special warrant articles, recommended by the budget committee.

V. When any purpose of appropriation, submitted by a governing body or by petition, appears in the warrant as part of a special warrant article:

(a) The article shall contain a notation of whether or not that appropriation is recommended by the governing body, and, if there is a budget committee, a notation of whether or not it is recommended by the budget committee;

(b) If the article is amended at the first session of the meeting in an official ballot referendum municipality, the governing body and the budget committee, if one exists, may revise its recommendation on the amended version of the special warrant article and the revised recommendation shall appear on the ballot for the second session of the meeting provided, however, that the 10 percent limitation on expenditures provided for in RSA 32:18 shall be calculated based upon the initial recommendations of the budget committee;

(c) Defects or deficiencies in these notations shall not affect the legal validity of any appropriation otherwise lawfully made; and

(d) All appropriations made under special warrant articles shall be subject to the hearing requirements of paragraphs I and II of this section.

V-a. The legislative body of any town, school district, or village district may vote to require that all votes by an advisory budget committee, a town, school district, or village district budget committee, and the governing body or, in towns, school districts, or village districts without a budget committee, all votes of the governing body relative to budget items or any warrant articles shall be recorded votes and the numerical tally of any such vote shall be printed in the town, school district, or village district warrant next to the affected warrant article. Unless the legislative body has voted otherwise, if a town or school district has not voted to require such tallies to be printed in the town or school district warrant next to the affected warrant article, the governing body or the budget committee adopted under RSA 32:14 may, on its own initiative, require that the tallies of its votes be printed next to the affected article.

V-b. Any town may vote to require that the annual budget and all special warrant articles having a tax impact, as determined by the governing body, shall contain a notation stating the estimated tax impact of the article. The determination of the estimated tax impact shall be subject to approval by the governing body.

VI. Upon completion of the budgets, an original of each budget and of each recommendation upon special warrant articles, signed by a quorum of the governing body, or of the budget committee, if any, shall be

placed on file with the town or district clerk. A certified copy shall be forwarded by the chair of the budget committee, if any, or otherwise by the chair of the governing body, to the commissioner of revenue administration pursuant to RSA 21-J:34.

VII. (a) The governing body shall post certified copies of the budget with the warrant for the meeting. The operating budget warrant article shall contain the amount as recommended by the budget committee if there is one. In the case of towns, the budget shall also be printed in the town report made available to the legislative body at least one week before the date of the annual meeting. A school district or village district may vote, under an article inserted in the warrant, to require the district to print its budget in an annual report made available to the district's voters at least one week before the date of the annual meeting. Such district report may be separate or may be combined with the annual report of the town or towns within which the district is located.

(b) The governing body in official ballot referenda jurisdictions operating under RSA 40:13 shall post certified copies of the default budget form or any amended default budget form with the proposed operating budget and the warrant.

(c) If the operating budget warrant article is amended at the first session of the meeting in an official ballot referendum jurisdiction operating under RSA 40:13, the governing body and the budget committee, if one exists, may each vote on whether to recommend the amended article, and the recommendation or recommendations shall appear on the ballot for the second session of the meeting.

VIII. The procedural requirements of this section shall apply to any special meeting called to raise or appropriate funds, or to reduce or rescind any appropriation previously made, provided, however, that any budget form used may be prepared locally. Such a form or the applicable warrant article shall, at a minimum, show the request by the governing body or petitioners, the recommendation of the budget committee, if any, and the sources of anticipated offsetting revenue, other than taxes, if any.

IX. If the budget committee fails to deliver a budget prepared in accordance with this section, the governing body shall post its proposed budget with a notarized statement indicating that the budget is being posted pursuant to this paragraph in lieu of the budget committee's proposed budget. This alternative budget shall then be the basis for the application of the provisions of this chapter.

X. If a town or district uses sub-accounts to budget or track financial data, it shall ensure the budget data at the account and sub-account levels is available for public inspection prior to and at the annual or special meeting, at which the budget or any appropriation is to be considered.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1996, 214:2, eff. Aug. 9, 1996. 1997, 41:1, eff. July 11, 1997. 2001, 71:2, eff. July 1, 2001. 2002, 61:1, eff. June 25, 2002. 2004, 68:1, eff. July 6, 2004; 219:2, eff. Aug. 10, 2004; 238:5, eff. June 15, 2004; 238:12, eff. Aug. 10, 2004 at 12:01 a.m. 2007, 305:1, eff. Sept. 11, 2007. 2009, 2:1, eff. Feb. 20, 2009. 2010, 90:1, eff. July 24, 2010. 2012, 6:1, eff. May 21, 2012; 217:1, eff. July 1, 2013. 2014, 190:7, eff. Sept. 9, 2014. 2018, 246:1, eff. Aug. 11, 2018. 2021, 134:3, 4, eff. Sept. 21, 2021.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Preparation of Budgets

Section 32:5-a

32:5-a Presentation of Negotiated Cost Items at the Annual Meeting. – Cost items, as defined under RSA 273-A:1, IV, shall be presented to the annual town or district meeting in accordance with the procedures established under RSA 32:5. For submission to the legislative body of the annual meeting, cost items must be finalized by the date prescribed in RSA 39:3 for towns and by the date prescribed in RSA 197:6 for school districts. Cost items not negotiated in time to meet these dates may be submitted to the legislative body pursuant to the provisions of RSA 31:5 for towns and RSA 197:3 for school districts.

Source. 1996, 214:3, eff. Aug. 9, 1996.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Preparation of Budgets

Section 32:5-b

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 certified by the governing body or the budget committee and posted with the warrant for the annual meeting pursuant to RSA 32:5, 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, 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.

II. The tax cap shall be either a fixed dollar amount or a fixed percentage 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.

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.

Source. 2011, 234:6, eff. July 5, 2011. 2013, 58:1, eff. Aug. 5, 2013.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND

UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Preparation of Budgets

Section 32:5-c

32:5-c Adoption of Local Tax Cap. –

I. The provisions of RSA 32:5-b may be adopted by any local political subdivision of 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-b. 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 meeting by the governing body or by petition under the procedures set out in RSA 39:3 or RSA 197:6.

III. A public hearing shall be held by the local governing body on the question at least 15 days, but not more than 30 days, before the question is to be voted on. In multi-town 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 town 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-b, and implement a tax cap whereby the governing body (or budget committee) shall not submit a recommended budget that increases the amount to be raised by local taxes, based on the prior fiscal year's actual amount of local taxes raised, by more than _____ (insert either a fixed dollar amount or a fixed percentage)?"

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-b shall apply within the local political subdivision beginning with the following fiscal year and for all subsequent years until it is rescinded as provided in paragraph VI.

VI. Any local political subdivision which has adopted RSA 32:5-b 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-b, known as the tax cap, as adopted by the (local subdivision) on (date of adoption), so that there will no longer be a limit on increases to the recommended budget in the amount to be raised by local taxes?" 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.

Source. 2011, 234:6, eff. July 5, 2011.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

**CHAPTER 32
MUNICIPAL BUDGET LAW**

Appropriations

Section 32:6

32:6 Appropriations Only at Annual or Special Meeting. – All appropriations in municipalities subject to this chapter shall be made by vote of the legislative body of the municipality at an annual or special meeting. No such meeting shall appropriate any money for any purpose unless that purpose appears in the budget or in a special warrant article, provided, however, that the legislative body may vote to appropriate more than, or less than, the amount recommended for such purpose in the budget or warrant, except as provided in RSA 32:18, unless the municipality has voted to override the 10 percent limitation as provided in RSA 32:18-a.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2000, 193:2, eff. July 29, 2000.

**TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND
UNINCORPORATED PLACES**

**CHAPTER 32
MUNICIPAL BUDGET LAW**

Appropriations

Section 32:6-a

32:6-a Repealed by 2004, 232:1, eff. June 11, 2004. –

**TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND
UNINCORPORATED PLACES**

**CHAPTER 32
MUNICIPAL BUDGET LAW**

Appropriations

Section 32:7

32:7 Lapse of Appropriations. –

Annual meeting appropriations shall cover anticipated expenditures for one fiscal year. All appropriations shall lapse at the end of the fiscal year and any unexpended portion thereof shall not be expended without further appropriation, unless:

- I. The amount has, prior to the end of that fiscal year, become encumbered by a legally-enforceable obligation, created by contract or otherwise, to any person for the expenditure of that amount; or
- II. The amount is legally placed in any nonlapsing fund properly created pursuant to statute, including but not limited to a capital reserve fund under RSA 35, or a town-created trust fund under RSA 31:19-a; or
- II-a. The amount is appropriated to a capital reserve fund pursuant to RSA 35:5.
- III. The amount is to be raised, in whole or in part, through the issuance of bonds or notes pursuant to RSA 33, in which case the appropriation, unless rescinded, shall not lapse until the fulfillment of the purpose or completion of the project being financed by the bonds or notes; or
- IV. The amount is appropriated from moneys anticipated to be received from a state, federal or other governmental or private grant, in which case the appropriation shall remain nonlapsing for as long as the money remains available under the rules or practice of the granting entity; or
- V. The amount is appropriated under a special warrant article, in which case the local governing body may, at any properly noticed meeting held prior to the end of the fiscal year for which the appropriation is made, vote to treat that appropriation as encumbered for a maximum of one additional fiscal year; or
- VI. The amount is appropriated under a special warrant article and is explicitly designated in the article and by vote of the meeting as nonlapsing, in which case the meeting shall designate the time at which the appropriation shall lapse, which in no case shall be later than 5 years after the end of the fiscal year for which the appropriation is made.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2017, 127:3, eff. Aug. 15, 2017.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32

MUNICIPAL BUDGET LAW

Appropriations

Section 32:7-a

32:7-a Appropriations for Capital Projects. –

In addition to any other appropriation authority, and notwithstanding any other provisions of law, at any annual meeting the legislative body may, by the affirmative vote of 2/3 of those present and voting, or by the affirmative vote of 3/5 of those voting on the question in a town or district that has adopted the official ballot referendum form of meeting, appropriate funds for a term beyond one fiscal year, but not to exceed 5 fiscal years, as follows:

- I. The appropriation shall be only for an identified project, as described in the article authorizing the appropriation, for which it would be lawful to issue a bond or note under RSA 33:3 or RSA 33:3-c.

- II. The article authorizing the appropriation shall state the term of years of the appropriation, the total amount of the appropriation, and the amount to be appropriated in each year of the term.
- III. For each year after the first year, the amount designated for that year as provided in paragraph II shall be deemed appropriated without further vote by the legislative body, unless the appropriation is rescinded as provided in paragraph VI. In a town or district that has adopted the official ballot referendum form of meeting, the amount designated for each year shall be included in the default budget for that year.
- IV. If the amount appropriated for any year is not spent during the year, the unexpended amount shall not lapse, but shall be available for expenditure in a subsequent year during the term; provided that all unexpended amounts shall lapse at the end of the term.
- V. The approval of an appropriation under this section shall not constitute the establishment of a capital reserve fund, and any amounts appropriated shall not be deposited into such a fund.
- VI. Prior to the expiration of the term, the legislative body may, at any annual meeting, rescind the appropriation by an affirmative vote of a majority of those voting on the question. Upon rescission, any unexpended amount shall lapse immediately.

Source. 2013, 109:2, eff. Aug. 23, 2013.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32

MUNICIPAL BUDGET LAW

Expenditures

Section 32:8

32:8 Limitation on Expenditures. – No board of selectmen, school board, village district commissioners or any other officer, employee, or agency of the municipality acting as such shall pay or agree to pay any money, or incur any liability involving the expenditure of any money, for any purpose in excess of the amount appropriated by the legislative body for that purpose, or for any purpose for which no appropriation has been made, except as provided in RSA 32:9-11.

Source. 1993, 332:1, eff. Aug. 28, 1993.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Expenditures

Section 32:9

32:9 Exception. – Money may be spent to pay a judgment against the town or district, without an appropriation.

Source. 1993, 332:1, eff. Aug. 28, 1993.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Expenditures

Section 32:10

32:10 Transfer of Appropriations. –

I. If changes arise during the year following the annual meeting that make it necessary to expend more than the amount appropriated for a specific purpose, the governing body may transfer to that appropriation an unexpended balance remaining in some other appropriation, provided, however, that:

- (a) The total amount spent shall not exceed the total amount appropriated at the town or district meeting.
- (b) Records shall be kept by the governing body, such that the budget committee, if any, or any citizen requesting such records pursuant to RSA 91-A:4, may ascertain the purposes of appropriations to which, and from which, amounts have been transferred; provided, however, that neither the budget committee nor other citizens shall have any authority to dispute or challenge the discretion of the governing body in making such transfers.
- (c) A statement comparing all legislative body appropriations against all expenditures shall be deemed adequate for purposes of the records required by subparagraph (b), so long as every expenditure has been properly authorized and properly classified and entered and any expenditures exceeding the original legislative appropriations are offset by unexpended balances remaining in other appropriations, in which case the governing body shall not be required to designate the specific source of each transfer.
- (d) Any amount appropriated at the meeting under a special warrant article, or to a capital reserve fund pursuant to RSA 35:5, may be used only for the purpose specified in that article and shall not be transferred.
- (e) The town or district meeting may vote separately on individual purposes of appropriation contained within any warrant article or budget, but such a separate vote shall not affect the governing body's legal authority to transfer appropriations, provided, however, that if the meeting deletes a purpose, or reduces the amount appropriated for that purpose to zero or does not approve an appropriation contained in a separate article, that purpose or article shall be deemed one for which no appropriation is made, and no amount shall

be transferred to or expended for such purpose.

II. As used in RSA 32:10, I(a)-(d), concerning transfers of appropriations and records thereof, "purpose" refers, in addition to its meaning in RSA 32:3, V, to individual line items in whatever detailed budget or chart of accounts is regularly used by the municipality. The general wording of a vote adopting a budget or portion of a budget shall not be considered a "purpose" to which an amount may be transferred. The definition of "purpose" as used in RSA 32:10, I(e) shall be the definition of "purpose" under RSA 32:3, V.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1996, 214:4, eff. Aug. 9, 1996. 2004, 113:1, eff. July 16, 2004. 2017, 127:4, eff. Aug. 15, 2017.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Expenditures

Section 32:11

32:11 Emergency Expenditures and Overexpenditures. –

When an unusual circumstance arises during the year which makes it necessary to expend money in excess of an appropriation which may result in an overexpenditure of the total amount appropriated for all purposes at the meeting or when no appropriation has been made, the selectmen or village district commissioners, upon application to the commissioner of revenue administration or the school board upon application to the commissioner of education, may be given authority to make such expenditure, provided that:

I. Such application shall be made prior to the making of such expenditure. No such authority shall be granted until a majority of the budget committee, if any, has approved the application in writing. If there is no budget committee, the governing body shall hold a public hearing on the request, with notice as provided in RSA 91-A:2.

II. The commissioner of revenue administration or the commissioner of education may accept and approve an application after an expenditure if caused by a sudden or unexpected emergency, in which case paragraph I shall not apply.

III. Neither the commissioner of revenue administration nor the commissioner of education shall approve such an expenditure unless the governing body designates the source of revenue to be used. Neither commissioner shall have the authority to increase the town or district's tax rate in order to fund such an expenditure.

IV. When applying to the commissioner of education for such authority, the school board shall send a copy of such application to the department of revenue administration. The commissioner of education, when granting authority to the school board, shall notify, in writing, the commissioner of revenue administration of any and all authorizations given to school boards for emergency expenditures or overexpenditures, and the revenue source for funding such expenditures.

V. Notwithstanding paragraphs I through IV, if the legislative body has by warrant article established a contingency fund in the annual budget for the purpose of unanticipated expenses, the board of selectmen may expend funds from such account to meet the costs of such expenses.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1996, 214:5, eff. Aug. 9, 1996. 1999, 140:1, eff. Aug. 24, 1999. 2013, 115:1, eff. Aug. 24, 2013.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Expenditures

Section 32:11-a

32:11-a Actual Expenditures for Special Education Programs and Services. – Each school district shall provide in its annual report an accounting of actual expenditures by the district for special education programs and services for the previous 2 fiscal years. Such accounting shall include offsetting revenues from all sources, including but not limited to, reimbursements from state funds, federal funds, or medicaid funds, private or other health insurance coverage, transferred special education moneys received from another school district, and any other special education resources received by the district.

Source. 1999, 180:1, eff. Aug. 30, 1999.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Expenditures

Section 32:12

32:12 Penalty. – Any person or persons violating the provisions of this subdivision shall be subject to removal from office on proper petition brought before the superior court. Such petition shall take precedence over other actions pending in the court and shall be heard and decided as speedily as possible.

Source. 1993, 332:1, eff. Aug. 28, 1993.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Expenditures

Section 32:13

32:13 Contracts; Expenditures Prior to Meeting. –

I. This subdivision shall not be construed to imply that a local legislative body, through its actions on appropriations, has the authority to nullify a prior contractual obligation of the municipality, when such obligation is not contingent upon such appropriations and is otherwise valid under the New Hampshire law of municipal contracts, or to nullify any other binding state or federal legal obligation which supersedes the authority of the local legislative body.

II. This subdivision shall not be construed to affect the authority of the local governing body, in towns with a March annual meeting and a January through December fiscal year, to make expenditures between January 1 and the date a budget is adopted which are reasonable in light of prior year's appropriations and expenditures for the same purposes during the same time period.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1997, 318:2, eff. Aug. 22, 1997. 2001, 71:3, eff. July 1, 2001.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:14

32:14 Adoption. –

I. This subdivision may be adopted:

(a) By any town with a town meeting form of government, including those with a budgetary town meeting, official ballot town meeting, or representative town meeting pursuant to RSA 49-D:3, II, II-a, and III, or by a

town with an official ballot town council form of government under which part or all of the annual town operating budget is voted upon by official ballot;

(b) By a cooperative school district, in accordance with RSA 195:12-a;

(c) By any village district, or district created under RSA 53-A or 53-B, which adopts its budget at an annual meeting of its voters, and which is located in more than one municipality; or

(d) By any school district or village district which adopts its budget at an annual meeting of its voters, but which lies wholly within a municipality that lacks authority to adopt this subdivision.

II. This subdivision may be adopted by a majority vote of those present and voting, under an article in the warrant for the annual meeting, inserted by the governing body or by petition.

III. Voting shall be by ballot, but the question shall not be placed on the official ballot used to elect officers. 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.

IV. If the vote is favorable, the town or district shall at that same meeting vote, by ballot or other means, determine the number of members-at-large, as provided in RSA 32:15, I, and whether they shall be elected or appointed by the moderator.

V. A town or district which has adopted this subdivision may rescind its adoption in the manner described in paragraphs II and III.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2008, 243:3, eff. Aug. 23, 2008.

TITLE III

TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32

MUNICIPAL BUDGET LAW

Budget Committee

Section 32:15

32:15 Budget Committee Membership. –

I. The budget committee shall consist of:

(a) Three to 12 members-at-large, who may be either elected or appointed by the moderator, as the town or district adopting the provisions of this subdivision shall by vote determine, who shall serve staggered terms of 3 years; and

(b) One member of the governing body of the municipality and, if the municipality is a town, one member of the school board of each school district wholly within the town and one member of each village district wholly within the town, all of whom shall be appointed by their respective boards to serve for a term of one year and until their successors are qualified. Each such member may be represented by an alternate member designated by the respective board, who shall, when sitting, have the same authority as the regular member.

II. If the meeting decides that members-at-large are to be appointed, the staggering of terms shall begin that same year, with 1/3 of such members chosen to hold office for one year, 1/3 for 2 years, and 1/3 for 3 years, and each year thereafter 1/3 shall be chosen for terms of 3 years and until their successors are appointed and qualified. If the number of members-at-large is not divisible by 3, the division shall be as even as possible over the 3 years. All such appointments shall be made within 30 days after the annual meeting.

III. If the meeting decides members-at-large are to be elected, the meeting shall either elect the initial

members for one-year terms by means other than by official ballot, or shall authorize the moderator to appoint members to serve until the next annual meeting, as provided in RSA 669:17. Elections for staggered terms, as described in paragraph II, shall not begin until that next annual meeting, and shall be by official ballot if the municipality has adopted the official ballot system, as set forth in RSA 669.

IV. A town or district which has adopted this subdivision may vote at any subsequent annual meeting to change the number or manner of selection of its members-at-large. No such change shall take effect until the annual meeting following the meeting at which the change was adopted.

V. No selectman, town manager, member of the school board, village district commissioner, full-time employee, or part-time department head of the town, school district or village district or other associated agency shall serve as a member-at-large. Every member-at-large shall be domiciled in the town or district adopting this subdivision and shall cease to hold office immediately upon ceasing to be so domiciled.

VI. One of the members-at-large shall be elected by the budget committee as chair. The committee may elect other officers as it sees fit. A member-at-large shall cease to hold office immediately upon missing 4 consecutive scheduled or announced meetings of which that member received reasonable notice, without being excused by the chair.

VII. In municipalities where members-at-large are appointed, the chair shall notify the moderator immediately upon the occurrence of any vacancy in the membership-at-large, and the vacancy shall be filled by appointment by the moderator within 5 days of such notification, otherwise by the budget committee. In municipalities where members-at-large are elected, vacancies shall be filled by appointment by the budget committee. Persons appointed to fill vacancies shall serve until the next annual meeting at which time a successor shall be elected or appointed to either fill the unexpired term or start a new term, as the case may be.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1998, 141:1, 2, eff. Aug. 7, 1998.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:16

32:16 Duties and Authority of the Budget Committee. –

In any town which has adopted the provisions of this subdivision, the budget committee shall have the following duties and responsibilities:

- I. To prepare the budget as provided in RSA 32:5, and if authorized under RSA 40:14-b, a default budget under RSA 40:13, IX(b) for submission to each annual or special meeting of the voters of the municipality, and, if the municipality is a town, the budgets of any school district or village district wholly within the town, unless the warrant for such meeting does not propose any appropriation.
- II. To confer with the governing body or bodies and with other officers, department heads and other officials, relative to estimated costs, revenues anticipated, and services performed to the extent deemed necessary by the budget committee. It shall be the duty of all such officers and other persons to furnish such pertinent information to the budget committee.

III. To conduct the public hearings required under RSA 32:5, I.

IV. To forward copies of the final budgets to the clerk or clerks, as required by RSA 32:5, VI, and, in addition, to deliver 2 copies of such budgets and recommendations upon special warrant articles to the respective governing body or bodies at least 20 days before the date set for the annual or special meeting, to be posted with the warrant.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2004, 219:4, eff. Aug. 10, 2004.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:17

32:17 Duties of Governing Body and Other Officials. –

I. The governing bodies of municipalities adopting this subdivision, or of districts which are wholly within towns adopting this subdivision, shall review the statements submitted to them under RSA 32:4 and shall submit their own recommendations to the budget committee, together with all information necessary for the preparation of the annual budget, including each purpose for which an appropriation is sought and each item of anticipated revenue, including all sub-accounts used by the governing body, at such time as the budget committee shall fix. In the case of a special meeting calling for the appropriation of money, the governing body shall submit such information not later than 5 days prior to the required public hearing. Department heads and other officers shall submit their departmental statements of estimated expenditures and receipts to the budget committee, if requested.

II. The information provided to the budget committee as required by this chapter shall be in a format acceptable to the budget committee. This requirement may be satisfied by the municipality by providing the assistance of a knowledgeable staff person who will attend the budget committee meetings with access to and the ability to provide the required information.

III. The governing body shall incorporate any sub-accounts created by the budget committee into the software used to budget or track financial data.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2021, 134:5, eff. Sept. 21, 2021.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:18

32:18 Limitation of Appropriations. –

In any municipality electing this subdivision, or any district wholly within a town electing this subdivision, the total amount appropriated at any annual meeting shall not exceed by more than 10 percent the total amount recommended by the budget committee for such meeting. In official ballot referendum municipalities, the recommendation of the budget committee made for the first session of the meeting shall be used for determining the 10 percent limitation. These totals shall include appropriations contained in special warrant articles. Money may be raised and appropriated for purposes included in the budget or in the warrant and not recommended by the budget committee, but not to an amount which would increase the total appropriations by more than the 10 percent allowed under this paragraph. The 10 percent increase allowable under this paragraph shall be computed on the total amount recommended by the budget committee less that part of any appropriation item which constitutes fixed charges. Fixed charges shall include appropriations for:

- I. Bonds, and all interest and principal payments thereon.
- II. Notes, except tax anticipation notes, and all interest and principal payments thereon.
- III. Mandatory assessments imposed on towns by the county, state or federal governments.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2004, 68:2, eff. July 6, 2004.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:18-a

32:18-a Legislative Body Override of Limitation of Appropriations. –

I. Notwithstanding any other provision of law, in any municipality electing this subdivision, or any district wholly within a town electing this subdivision, if a bond request is not recommended in its entirety by the budget committee, the governing body of such municipality, after a majority vote by the governing body of the municipality in favor of the bond request at a duly posted meeting, shall place the bond request on the warrant.

II. The legislative body of any municipality described in RSA 32:18-a, I, may approve a bond request despite the 10 percent limitation provided in RSA 32:18 in the following manner:

(a) The governing body shall place the following statement at the beginning of the warrant article for such bond request: "Passage of this article shall override the 10 percent limitation imposed on this appropriation

due to the non-recommendation of the budget committee." Immediately below the bond request on the warrant shall be displayed (1) the recommendation of the governing body and (2) the recommendation of the budget committee, as included in the budget forms for the annual meeting pursuant to RSA 32:5, IV.

(b) If those voting "Yes" on the bond request satisfy the requirements of RSA 33:8, the bond request is thereby approved.

III. If the bond request is approved pursuant to RSA 32:18-a, the governing body of such municipality shall forward a copy of the minutes of the duly posted meeting described in RSA 32:18-a, I to the commissioner of the department of revenue administration.

Source. 2000, 193:1, eff. July 29, 2000.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:19

32:19 Collective Bargaining Agreements. – Whenever items or portions of items in a proposed budget constitute appropriations, the purpose of which is to implement cost items of a collective bargaining agreement negotiated pursuant to RSA 273-A, either previously ratified or concurrently being submitted for ratification by the legislative body, or the purpose of which is to implement the recommendations of a neutral party in the case of a dispute, as provided in RSA 273-A:12, such items shall be submitted to the budget committee and considered in its budget preparation. Such appropriations shall be submitted to the legislative body and shall include a statement of the governing body's recommendation and a separate statement of the budget committee's recommendation. If such appropriations were not recommended by the budget committee, then such appropriations shall be exempt from the 10 percent limitation set forth in RSA 32:18. The failure of the budget committee to recommend any portion of such appropriations shall not be deemed an unfair labor practice under RSA 273-A.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2001, 71:4, eff. July 1, 2001.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

**CHAPTER 32
MUNICIPAL BUDGET LAW**

Budget Committee

Section 32:19-a

32:19-a Presentation of Negotiated Cost Items at the Annual Meeting. – Cost items, as defined under RSA 273-A:1, IV, shall be presented to the annual town or district meeting in accordance with the procedures established under RSA 32:5. For submission to the legislative body of the annual meeting, cost items must be finalized by the date prescribed in RSA 39:3 for towns and by the date prescribed in RSA 197:6 for school districts. Cost items not negotiated in time to meet these dates may be submitted to the legislative body pursuant to the provisions of RSA 31:5 for towns and RSA 197:3 for school districts.

Source. 1996, 214:6, eff. Aug. 9, 1996.

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**CHAPTER 32
MUNICIPAL BUDGET LAW**

Budget Committee

Section 32:20

32:20 At Special Meetings. – So long as the provisions of this subdivision remain in force in any municipality, no appropriation shall be made at any special meeting for any purpose not approved by the budget committee, unless it is within the allowable 10 percent increase if RSA 32:18 has been adopted, except as provided in RSA 32:19 or 32:18-a.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2000, 193:3, eff. July 29, 2000.

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TOWNS, CITIES, VILLAGE DISTRICTS, AND
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**CHAPTER 32
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Budget Committee

Section 32:21

32:21 Exceptions. – In cases where the town or a district wholly within the town has been ordered by the department of environmental services, under the provisions of RSA 147, 485 or 485-A, to install, enlarge or improve waterworks or to install, enlarge or improve sewerage, sewage, or waste treatment facilities, the 10 percent limitation of RSA 32:18 and 20, shall not apply.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1996, 228:108, eff. July 1, 1996.

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**CHAPTER 32
MUNICIPAL BUDGET LAW**

Budget Committee

Section 32:22

32:22 Review of Expenditures. – Upon request by the budget committee, the governing body of the town or district, or the town manager or other administrative official, shall forthwith submit to the budget committee a comparative statement of all appropriations and all expenditures, including all sub-accounts used by the governing body, by them made in such additional detail as the budget committee may require. The budget committee shall meet periodically to review such statements. The provisions of this section shall not be construed to mean that the budget committee, or any member of the committee, shall have any authority to dispute or challenge the discretion of other officials over current town or district expenditures, except as provided in RSA 32:23.

Source. 1993, 332:1, eff. Aug. 28, 1993. 2021, 134:6, eff. Sept. 21, 2021.

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CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:23

32:23 Initiation of Removal Proceedings. – Upon receipt of the reports provided for by RSA 32:22, the budget committee shall examine the same promptly, and if it shall be found that the governing body or town manager have failed to comply with the provisions of this chapter concerning expenditures, a majority of the committee, at the expense of the municipality, may petition the superior court for removal as provided in RSA 32:12.

Source. 1993, 332:1, eff. Aug. 28, 1993.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Budget Committee

Section 32:24

32:24 Other Committees. – Nothing in this subdivision shall prevent a municipality or school administrative unit from establishing advisory budget or finance committees, with such duties and powers as the municipality or school administrative unit sees fit, but no such committee's recommendations shall have any limiting effect on appropriations, as set forth in RSA 32:18, unless all the procedures in this subdivision are followed.

Source. 1993, 332:1, eff. Aug. 28, 1993. 1996, 98:1, eff. July 1, 1996.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Biennial Budgets

Section 32:25

32:25 Biennial Budget; Authorization. – Any city, town, unincorporated town, unorganized place, school district, village district, or county may budget receipts and expenditures, raise and appropriate revenues, and assess taxes on a biennial budget basis consisting of one distinct 24-month fiscal year or 2 distinct 12-month fiscal years. The governing body may allow for the carry over of funds from the first fiscal year of the biennium to the second.

Source. 1998, 54:1, eff. April 1, 1998. 2006, 148:1, eff. July 21, 2006.

TITLE III TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 32 MUNICIPAL BUDGET LAW

Biennial Budgets

Section 32:26

32:26 Procedure for Adoption. – Any city, town, unincorporated town, unorganized place, school district, village district, or county may adopt the provisions of RSA 32:25 relative to a biennial budget in the normal manner used in the political subdivision for acts of the local legislative body.

Source. 1998, 54:1, eff. April 1, 1998.
