



KINGSTON MUNICIPAL BUDGET COMMITTEE BY-LAWS

KMBC Adopted December 9, 2018

By-Laws, Rules of Procedure, and General Governing Rules Of The Kingston Municipal Budget Committee

The Kingston Municipal Budget Committee shall be governed by the provisions of all State statutes, local laws, ordinances and these by-laws adopted by the Committee as provided in RSA 32.

Kingston Municipal Budget Committee is an Official budget Committee per RSA 32. A budget is a statement of recommended appropriations and anticipated revenues submitted to the legislative body by the budget committee, as an attachment to, and as part of the warrant for, an annual or special meeting. (RSA 32:3, III)

The KMBC is responsible to the Voters, in the prudent appropriation of public funds.

Membership Of the Budget Committee

- KMBC will consist of 12 members-at-large, who are elected, and who shall serve staggered 3 year term. (RSA 32:15,I(a))
- One member of the Board of Selectman shall be appointed by that board. (RSA 32:15,I(b))
- Every member-at-large shall be domiciled in the town and shall cease to hold office immediately upon ceasing to be so domiciled. (32:15,V)
- At the organizational meeting after town meeting, officer elections shall take place. One Chair, one Vice Chair, one Secretary shall be elected by the KMBC member. The Select Board member representative cannot be elected to any office or position of the KMBC. (RSA 32:15,VI)
- At the organizational meeting members will be appointed as liaison to Kingston municipal department, boards, and agencies in the operating budget: Fire Department, Library, Selectmen, Recreation, Conservation Commissions, Police Department, Social Service Agencies, Planning Board, Zoning Board of Adjustment, Highway Department, Municipal Property, Historical Museum, Heritage Commission, Historic Commission, Human Services and any other as needed.
- 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. (RSA 32:15, V)
- 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. (RSA 32:15, VI)
- Vacancies shall be filled by appointment by the Budget Committee. The person(s) appointed to fill vacancies shall serve until the next annual meeting at which time a successor shall be elected to fill the unexpired term or start a new term as the case may be. (RSA 32:15, VII).

Duties of the Chair and Officers

- The Chairperson: Shall conduct all meetings, and hearings, be the official spokesperson of the Board. The Chair is responsible for introducing the Budget Article and for presenting the Grand Total “Affirmation” motion. The Chair is responsible for reviewing the warrant for accuracy, completeness. The Chair is the only person designated to speak for the KMBC. KMBC members may only express personal opinions. The Chair may, from time to time, call “special” meetings for informational or other purposes. The Chair shall be responsible for all legal postings for meetings and hearings including Town Meeting. All legal notice timeframes must be adhered to.
- The Vice Chairperson: Shall act in the absence of the Chairperson.
- The Secretary: Shall act in the absence of the Vice Chair and in the place of the Recording Secretary as needed. Shall provide KMBC By-laws annually to the town clerk.
- Shall distribute KMBC By-laws to KMBC members and shall be sure they are up to date with any new changes in state statutes and town procedures.

Quorum: A majority of the membership (7) including the BOS representative, of the KMBC shall constitute a quorum necessary to transact business at any meeting of the committee.

Meetings

An Organization meeting of the KMBC is set in April of each year which is scheduled typically prior to the end of Deliberative Session. If the Chair is no longer a member of the KMBC, the Vice Chair or if necessary, the Secretary shall run the organizational meeting. The KMBC generally starts meeting for the purposes of reviewing the budget starting in November of the same year after the Kingston Select Board has generated a proposed budget.

The KMBC schedules its meetings generally on a Sunday or an agreed upon meeting date. The Chair of the KMBC generates a schedule so that the department heads, committees, boards, and trustees can have an opportunity to discuss their budget with the KMBC. These meeting generally run from November to December.

In January, the meetings and public hearings are scheduled and changes are generally made to produce a final budget for Deliberative Session(Part I of Town Meeting/SB2). The first public hearing is regarding the Operating Budget, the Second Public Hearing is regarding the warrant articles including the operating budget warrant article that will appear on the town warrant/ballot(excluding zoning warrant articles).

See RSA 32:5 for notice requirements.

Duties and Authority of the KMBC

The KMBC shall have the following duties and responsibilities(RSA32:16):

1. To prepare the budget as provided in RSA 32:5. The Default Budget will be prepared by the Kingston Select Board per RSA (40: 13)

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2. 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. (32: 16, II).
3. To conduct the public hearings required under RSA 32:5, I. See Appendix.
4. The KMBC shall meet periodically to review all appropriations and all expenditures. This is to review and does not give the KMBC to authority to dispute or challenge the discretion of expenditures by town officials except when failing to comply with RSA 32 when concerning expenditures (RSA 32:22; 32:23).
5. KMBC Chair will forward copies of the final budget to the town clerk, as required by RSA 32:5, VI, and in addition 2 copies of such budget and recommendations upon special warrant articles to the Kingston Select Board at least 20 days before the date set for annual or special meeting, to be posted with the warrant. The required documents shall be submitted on the appropriate forms as designated by the NH Department of Revenue Administration.
6. Per RSA 32:5, V-a, Kingston residents voted to display, on the ballot, the tallied vote of special or appropriation warrant articles by the KMBC members and the Select Board members. The procedure should be that the minutes reflect the motion made, the vote count and the result of the vote. If the first motion fails, it cannot be assumed an opposite assumption cannot be made, therefore a new motion must be made to reflect the new vote count. The ballot should state the motion and vote outcome as the following:

The motion to recommend passed by a vote of ___yays ___nays ___ abstains; **Or**

The motion to not recommend passed by a vote of ___yays ___nays ___ abstains.

Duties of the Kingston BOS In Preparing the Operating Budget

Per RSA 32:17, the BOS shall review 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 the appropriation is sought and each item of anticipated revenue, at such time the budget committee shall determine.

That is, all Kingston Department Heads, Committees, Boards, and Trustees shall submit to the Select Board, statements of estimated expenditures and revenues for the coming fiscal year. The Select Board generally starts this process in July and August for the coming year. A Kingston Select Board proposed budget shall be submitted to the KMBC in November of the same year.

Per RSA 32:18, the town shall follow the limitation of appropriation, that is the total amount of the appropriated at any annual meeting shall not exceed by more than 10 % the total amount recommended by the budget committee. See Appendix for full text.

The Kingston Select Board shall prepare the Default Budget per RSA 40:17, unless RSA 40:18 has been adopted.

Per RSA 32:5, IX, if the budget committee fails to deliver a budget prepared in accordance with this section, the Kingston Select Board 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 budget. This alternative budget shall then be the basis for the application of the provisions of this chapter.

Operational Guidelines

In order to perform its function in an effective and consistent manner the KMBC has established a number of guideline. These guidelines reflect the adopted procedures for addressing various situations and needs that occasionally arise in a consistent and fair manner. These guidelines were adopted to improve both productivity and effectivity and **NOT** to limit creativity or flexibility

1. The meetings are conducted according to Robert's Rules of Order as modified by the KMBC.
2. The KMBC minutes must record the official motions, and the vote results as Yays/Nays/Abstain. Other notes of the discussions may be included in the minutes.
3. The Chair votes on all motions. The Chair is required to announce the vote tally and result of the motion
4. The KMBC may take a "straw vote" for the purposes of indication direction. The "straw vote" is an informal, non-binding, and used for informal recommendations to the Town officials.
5. KMBC meetings are open to the public and the public is encouraged to attend. The KMBC may, by accepting a specific motion to do so, accept and/or request citizen input during a regular meeting.
6. The KMBC require public hearings to elicit public comment on the Kingston Operating Budget and appropriation warrant articles
7. The KMBC does not seek out Social Service agencies for submissions. The normal process is a letter is received by a Social Service agency that demonstrates to provide services to Kingston residents. This request is put onto the Warrant by a citizens petition for 3 consecutive years, and if passed for 3 consecutive years by the Legislative body the request will become a line item in the Social Services department of the operating budget. Failure by a social agency to submit an annual request and the request process is started over again.
8. Only the Chair speaks for the KMBC. If a KMBC members wishes to give an opinion outside of the regular meetings they must do so as a "private citizen." For instance, if a KMBC wishes to make a comment during Deliberative Session that member must remove her/himself from the table and speak from the public microphone.
9. At the Operating Budget and Warrant Articles Public Hearing Sessions, the Chair is responsible for introducing the Operating Budget and/or Warrant Articles and conducting the Public Session and facilitate public comment.
10. At Deliberative Session, the KMBC Chair is responsible for introducing the Operating Budget. She/he will read the Department grand totals, and the grand total of the Operating Budget.
11. If necessary, the Chair may call a special meeting of the KMBC and notice as prescribed by law.

12. Two members of the KMBC shall be appointed to the Kingston Planning Board subcommittee Capital Improvement Plan. The Chair shall ask for volunteers, who then shall be appointed. If necessary the Chair shall serve as a member of this committee, if no one volunteers.
13. KMBC shall function as Liaison to Departments, committees or boards of the Town who submit a budget. The Liaison is appointed or volunteers at the organizational meeting of the KMBC. The Liaison must contact the department head or chair that they are liaison, and is responsible for keeping the department head or chair apprised of the KMBC schedule of the department, committee or board budget review, Public Hearings, Deliberative Sessions and other meetings as necessary. The Liaison is also responsible for corresponding with department heads, or chairs if more information is needed to accurately review their budget. It is recommended that the Liaison review the budget with the department head or Chair.
14. Copies of KMBC By-laws to members annually, to confirm RSA 32 and DRA Technical Assistance is current.

Appendix

NH Chapter 32 Municipal Budget Law (printed Spring 2018)

Department of Revenue, Technical Assistance for SB 2 (printed Spring 2018)

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.

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.

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 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.

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.

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.

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. 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, do so on its own initiative, require that the tallies of it's 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.

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.

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.

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.

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.

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.

Section 32:6-a

32:6-a Continuation of Grant-Funded Programs. – [Repealed by 2004, 232:1, eff. June 11, 2004.]

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.

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.

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.

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.

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.

Section 32:11

32:11 Emergency Expenditures and Over expenditures. –

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 over expenditure 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.

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.

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.

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.

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.

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.

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.

Section 32:17

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

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

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.

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.

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.

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.

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.

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.

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 by them made in such 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.

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.

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.

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.

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.

Technical Assistance

NH Department of Revenue Administration Municipal and Property Division P.O. Box 487 Concord, NH 03302-0487 (603) 230-5090 www.revenue.nh.gov

TECHNICAL ASSISTANCE For SB2

(Official Ballot Referenda)

What is the official ballot referenda?

It is a form of town meeting that has two sessions. The first session (deliberative session) is for explanation, discussion, debate and amendments to the proposed operating budget and warrant articles. The second session (voting session) allows voters to cast their votes for local elections, zoning articles and all warrant articles.

Why is it referred to as SB2?

The original bill proposing the official ballot referenda was Senate Bill 2 in 1995. Legislation in 2000 made "SB2" the official name for this official ballot referenda form of government.

How does a town adopt the official ballot referenda?

How does a town adopt the official ballot referenda? The local governing body must hold a public hearing at least 15 days prior to the question being voted on, (RSA 40:14, IV). The question as worded in RSA 40:14, V, "Shall we adopt the provisions of RSA 40:13 (known as SB2) to allow official ballot voting on all issues before the (insert local political subdivision) on the second Tuesday of (insert Month), is placed on the warrant for the annual meeting. Passage requires a 3/5 majority vote of those voting. At this time the month for holding the second session (voting) can be designated as March, April, or May.

Another form of official ballot voting may be adopted under the charter process under RSA 49-D.

When does it take effect?

It will take effect at the next annual or special meeting. If you are currently SB2 and vote to change the date of the second session to April or May, it will take effect at the next annual meeting [RSA 40:14, XI, (e)].

How will the meeting change? Can opinions still be voiced?

There are a few significant changes that occur. First is the creation of a second session specifically for voting. The deliberative session (first session) is similar to the traditional town meeting but is held earlier. During this meeting, all articles can be explained, discussed, debated and amended. The articles as presented or amended will be placed on the official ballot and voted on at the second session. Most SB2 municipalities hold their first session in late January to early February and voting in March (second session). See our timelines for the specific dates this year. Another change is the procedure for adopting the budget. The article proposes an operating budget and a default budget (should the proposed operating budget fail). Special and individual warrant articles are separate from the operating budget as prescribed by RSA 40:13, IX. A hearing on the entire budget and default budget must be held prior to posting the warrant and budget in accordance with RSA 40:13, II-a through II-d.

What is a default budget? Is there a special default budget form? Can it be amended?

A default budget is the budget that is adopted when the proposed operating budget fails if a special meeting is not called to reconsider the operating budget. The default budget is the same as last year with certain adjustments. The calculation must be disclosed on a special default operating budget form showing last year's operating budget with adjustments made per RSA 40:13, IX (b). This form is available on our website at www.revenue.nh.gov/munc_prop/municipalservices.htm. The default budget can be adjusted by the governing body (or budget committee under RSA 40:14-b), acting upon relevant new information. This can be done at any time before the ballots are printed, provided an amended default budget form is prepared.

What if the proposed operating budget fails?

If the operating budget fails, the default budget is adopted unless the governing body decides to hold one special meeting to address a revised operating budget. See RSA 40:13, XI.

Who calculates the default budget for SB2 municipalities?

The local governing body calculates the default budget. However, if a town wishes to have the budget committee calculate the default budget, the question can be put before the voters on the warrant for the annual meeting after a public hearing is held on the question. Passage requires a 3/5 majority ballot vote. Required wording per RSA 40:14-b is:

“Shall we adopt the provisions of RSA 40:14-b to delegate the determination of the default budget to the municipal budget committee which has been adopted under RSA 32:14?”

What about reconsideration of special or individual warrant articles?

RSA 40:13, XV does not allow reconsideration on votes cast at the second session.

What is the difference between a special and an individual warrant article?

Special warrant articles as defined in RSA 32:3,VI, are appropriations

- 1) Submitted by petition; or,
- 2) Raised by bonds or notes; or,
- 3) To or from a separate fund created pursuant to law, such as capital reserve funds or trusts funds; or,
- 4) Designated on the warrant as a special article or as a non-lapsing or nontransferable article. 5) Appropriates an amount for a capital project under RSA 32:7-a

A special warrant article must be accompanied ON THE BALLOT with a recommendation (for or against) by the governing body and budget committee (if there is one).

Individual warrant articles are not necessarily the same as "special warrant articles". An example of an individual warrant article might be negotiated cost items for labor agreements or items of a one time nature addressed independent of the operating budget.

Why is it important to distinguish between a "special" or "individual" warrant article?

The required wording for the operating budget in RSA 40:13, XI specifically states that the operating budget does not include any other appropriations including those voted for in special warrant articles and other appropriations voted separately. The wording of these articles determines whether they can be considered part of the default budget next year.

Can petitioned articles be changed at the first session?

Can petitioned articles be changed at the first session? Under current law, petitioned articles can be amended by the first session, however, no new subject matter may be introduced.

What is the due date for petitioned warrant articles (RSA 39:3 and 197:6) and collective bargaining cost items (RSA 273-A: 1,III) for inclusion in the budget?

For a March meeting, RSA 40:13, II-a, (b) requires a submission date no later than the second Tuesday in January.

If the collective bargaining warrant article fails, will the court allow a special meeting?

The governing body may insert a warrant article authorizing one special meeting to address negotiated cost items without petitioning the superior court. See our suggested warrant article publication for wording. If an article requesting a special meeting is not put on the warrant or if it is voted down, the governing body may petition the superior court to hold a special meeting.

What forms need to be completed to set the tax rate?

A list of all documents and their due dates required to set the tax rate can be found on our website. SB2 requires additional documents to verify that all appropriations have been made consistent with procedural requirements of the statutes or are not prohibited by statute. These additional documents are:

Signed Minutes from the Deliberative Session; Signed Official Ballot; and The Count of the Ballot Votes verified with the town or district clerk's signature. The verified count could be included on the official ballot.

How to go back to the old town meeting format.

The Official Ballot Referenda may be rescinded in the same manner as adopted except the wording of the question shall be as prescribed in RSA 40:14, VII. It requires a 3/5 majority vote of those voting to be rescinded.

Operating Budget Wording for "SB2"

The required wording of the operating budget per RSA 40:13, XI is as follows:

"Shall the (local political subdivision) raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$_____? Should this article be defeated, the default budget shall be \$_____, which is the same as last year, with certain adjustments required by previous action of the (local political subdivision) or by law the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only."

It excludes special warrant articles and other appropriations voted separately. To help voters understand the budget amount and wording presented in this article, we suggest you add a note similar to this:

NOTE: This operating budget warrant article does not include appropriations contained in ANY other warrant articles.

The goal is to make the ballot clear as to what is or is not included in the operating budget. DO NOT use a SWEEP (or all inclusive) article, which is essentially a double vote on some items and contrary to RSA 40:13, XI.

Our Suggested Warrant Article publication offers many examples of warrant article wording along with information that may be useful when considering how an article should be written. This publication, timelines, and numerous other technical publications can be found on our website.

If you have any questions concerning how to perform any of the above steps or to be sure your warrant articles are in proper form, please call your auditor at 230-5090.

SB2 Tech Asst.

Rev. 01/14