

HB 524-FN-LOCAL - AS INTRODUCED

2015 SESSION

15-0783
06/09

HOUSE BILL **524-FN-LOCAL**

AN ACT relative to the calculation of default budgets.

SPONSORS: Rep. F. McCarthy, Carr 2; Rep. Webb, Rock 6; Rep. Boehm, Hills 20; Rep. Spillane, Rock 2; Rep. Leeman, Straf 23; Rep. Abramson, Rock 20; Rep. F. Rice, Rock 21; Rep. Hill, Merr 3; Rep. Baldasaro, Rock 5; Sen. Bradley, Dist 3

COMMITTEE: Municipal and County Government

ANALYSIS

This bill modifies the formula for determining default budgets.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT relative to the calculation of default budgets.

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

1 1 Official Ballot Referenda; Determination of Default Budget. Amend RSA 40:13, IX(b) to read
2 as follows:

3 (b) “Default budget” as used in this subdivision means [~~the amount of the same~~
4 ~~appropriations as contained in the operating budget authorized]~~ ***not more than 98 percent of the***
5 ***actual expenditures for the same appropriations*** for the previous year, reduced and increased,
6 as the case may be, by debt service, contracts, and other obligations previously incurred or mandated
7 by law, and reduced by one-time expenditures contained in the operating budget. For the purposes
8 of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding
9 budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of
10 the local political subdivision.

11 2 Effective Date. This act shall take effect 60 days after its passage.

LBAO
15-0783
12/23/14

HB 524-FN-A-LOCAL - FISCAL NOTE

AN ACT relative to the calculation of default budgets.

FISCAL IMPACT:

The New Hampshire Municipal Association states this bill, **as introduced**, will have an indeterminable fiscal impact on local expenditures in FY 2016 and each year thereafter. There will be no impact on state, county, or local revenues or state or county expenditures.

METHODOLOGY:

The New Hampshire Municipal Association states this bill changes the definition of “Default budget,” governing municipal meetings as defined in RSA 40:13, IX(b), from the prior year’s operating budget to 98 percent of the actual expenditures for the same appropriations for the previous year. The Association indicates that if a municipality fails to approve its proposed operating budget, then the default budget would be less than it would be under current law. The Association reports this would likely reduce local expenditures, but it is impossible to know how often municipalities will fail to pass their proposed operating budgets.