

VOTE YES ON QUESTION 2

NOVEMBER 3, 2026

THE TAX CAP CHOICE establishes two separate limits designed to provide greater control over local school spending and property taxes. It limits annual growth in the amount raised through local property taxes to inflation plus community growth and separately restricts administrative spending to 6% of the school budget.

GROWTH IS INDEXED TO INFLATION

The bill limits how much a district may raise through local property taxes each year, allowing increases based on inflation excluding new construction (e.g. a new school). This is not a zero-growth cap: it recognizes that the cost of operating schools rises over time. The inflation index measures consumer prices rather than wages directly, but wage increases are part of the broader inflationary environment.

DOES NOT LIMIT THE TOTAL SCHOOL BUDGET

Property taxes are only one source of school revenue. If state aid or other revenues increase, a district can use those additional funds to support spending without violating the property-tax cap. School budgets can therefore continue to grow.

SEPARATE 6% CAP ON ADMINISTRATIVE SPENDING

The bill establishes an independent limit on administration, including the School Administrative Unit (SAU). Its definition also encompasses certain district-level employees who spend less than 50% of their time teaching.

BALLOT QUESTION 2 is ONLY on the 2026 & 2028 BALLOTS

So the cap must be re-approved every two years, contrary to public misinformation.

BONDS FOR NEW CONSTRUCTION ARE EXEMPT FROM THE CAP

- **Administrative spending is a substantial portion of school budgets.** The share varies by district, depending on how personnel, services, and other expenditures are categorized. Examples using the broader definition contemplated by the law suggest that administrative costs can approach 20% of a budget. The 6% restriction may affect a significant component of school spending/potential reduction.
- **Voters retain a mechanism to approve additional property-tax increases.** When a district has a genuine need to exceed the property-tax limit, the legislative body can approve an override by a supermajority vote.
- **The broader context is New Hampshire's tax structure.** With no broad-based income tax or general sales tax, property taxes are a primary means of funding local government and schools. HB

1300 allows every school district **BY LOCAL VOTE** to place **A PREDICTABLE LIMIT** on how quickly the local property-tax burden can grow without **LOCAL VOTER APPROVAL** .

SUMMARY

The tax cap **CHOICE** does not freeze school budgets or prohibit school spending from growing. It **PLACES A LIMIT ON ANNUAL GROWTH** in the amount raised through local property taxes, tied to inflation and community growth, while separately imposing a **6% ADMINISTRATIVE SPENDING CAP**. Together, these provisions are intended to constrain property-tax increases and administrative costs while preserving the ability to fund legitimate needs through other revenues and voter-approved exceptions.

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