



The Basic Law of Budgeting: A Guide for Towns, Village Districts and School Districts
2023 Supplement to the 2022 Edition
Supplemental Content Highlighted in Bold

Chapter 4 -No Spending Without An Appropriation
B. Exceptions to the rule
2. Legal Judgment
Page 29

Revise by deleting the second sentence:

RSA 32:9 permits a town to spend money to pay a legal judgment (ordered by a court) against the town without an appropriation. ~~On the other hand, officials cannot agree to settle a claim by paying unappropriated funds (overspending the bottom line of the budget), unless the agreement is made conditional on voter approval.~~

Chapter 7 - The Budget Committee
I. Composition and Creation of the Official Budget Committee
C. Membership
2. Ex Officio Members
Page 49

Add the following sentence to the end of the first paragraph:

The Official Budget Committee cannot adopt a by-law that limits voting to the elected or appointed members-at-large. *Town of Hudson and Hudson School District SAU 81 v. Hudson Budget Committee*, Hillsborough Superior Court, South, Case No. 2022-CV-00203, August 15, 2022.

II. Role and Authority of the Budget Committee
H. Failure of Budget Committee to Propose a Budget
Page 53

Amend the sentence to change the reference from RSA 32:5, VI to RSA 32:5, IX.

In the rare instance in which a budget committee fails to prepare a budget to recommend to the town or district meeting, **RSA 32:5, IX** provides that the governing body shall post its proposed budget, along with a statement that it is being posted in lieu of the budget committee’s proposed budget. The governing body’s proposed budget then becomes the basis for town meeting debate and action.

Chapter 8 - Appropriations under the Official Ballot Referendum (SB2) System

F. Voting Issues

2. Restricting Reconsideration

Page 63

Amend this paragraph by striking the second full sentence:

Votes to reconsider a previous vote of the meeting or to restrict reconsideration may only occur at the first (deliberative) session when articles are discussed, debated, and possibly amended. ~~**RSA 40:13, IV provides that a vote to restrict reconsideration prohibits any further action upon that article until the second session, when voters either approve or reject the article in whatever form it was at the time of the vote to restrict reconsideration.**~~ In an SB2 deliberative session, an affirmative vote to restrict reconsideration prohibits any further action on the restricted article until the second session, when the article is voted on by ballot in its final form. Therefore, SB 2 municipalities do not follow the procedure for taking up the reconsideration at a meeting seven days later as provided in RSA 40:10, II, like in traditional towns and districts. In other words, a vote to restrict reconsideration in an SB 2 municipality means discussion, deliberation, and amendments to that article has ended.

Chapter 11- Understanding the Property Tax System

B. Valuing Property: The Appraisal Process

Page 79

Insert paragraphs at the end of section B.

Sometimes there will be a need to reassess the value of taxable property after an assessment has been performed. A change in the assessed value of property is permissible under RSA 75:8 where: (a) the property underwent a material physical change, (b) change in ownership, (c) undergone zoning changes, (d) undergone changes to exemptions, credits or abatements, (e) undergone subdivision, boundary line adjustments, or mergers; or (f) undergone other changes affecting value. The discovery of an extreme underassessment is not a change in value. RSA 75:8, I was subsequently amended by the Legislature, effective August 6, 2022 to provide that the assessors or selectmen shall adjust assessments to correct any errors in existing appraisals. *Merrimack Premium Outlets v. Town of Merrimack*, 174 N.H. 481, (2021).

An assessment may be challenged by a “person aggrieved” under RSA 76:17. When a select board receives an application for abatement of taxes, they should entertain that request if the party making the request can be considered a “person aggrieved”. This can be interpreted broadly, but if they are the party who actually paid the taxes they should be treated as having standing, especially if payment of taxes was part of their lease agreement with the owner. *Shaw’s Supermarkets v. Town of Windham*, 174 N.H. 569, (2021).

Appendix C
Financing Options
Borrowing
Page 92

Modify the entry for Municipal Revenue Bonds to read as follows:

Municipal Revenue Bonds	RSA chapter 33-B	A municipality, regional water district or communications district may issue bonds or notes for construction of revenue producing facilities (e.g., water works, sewer plant, parking facility, broadband, or energy producing facility)
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