

Warrant Articles: Helping Voters Make Decisions

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This presentation is intended for informational purposes only, and is not a substitute for seeking professional advice or for reviewing the applicable laws and rules. This presentation represents some positions of the Department on the limited issues discussed herein, based on the law in effect at the time of the presentation and Department interpretation thereof, as well as the opinions and conclusions of its presenter.

For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.) for independent verification.

Topics to Cover

- Recommended Language for Warrant Articles
- Notice and Warning
- Recommendation Tallies and Tax Impact Statements
- Special Warrant Articles Including:
 - Capital Leases
 - Capital Reserve Funds (CRF's) and Expendable Trust Fund (ETF's)
- Disallowances and When They Typically Occur

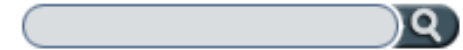
Recommended Language

DRA provides recommended language to all municipal entities in two ways:



- The Municipal Tax Rate Setting Portal (MTRSP) has a feature that will allow you to use the system to draft a warrant article.
- There is a comprehensive guide to suggested warrant article language that is found on our website at:

<https://www.revenue.nh.gov/mun-prop/municipal/technical-assistance.htm>.









Municipal Technical Assistance





Warrant Articles

- ❖ [Suggested Warrant Articles](#)  for Towns, Cities, Village Districts and School Districts
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Towns, Cities and Village Districts

- ❖ [Glossary of Basic Terms](#) 
- ❖ [When Forms are Due Worksheet - Towns/Cities](#) 
- ❖ [When Forms are Due Worksheet - Village Districts](#) 
- ❖ [Village Districts: Frequently Asked Questions](#) 
- ❖ [Technical Assistance for Towns & Village Districts & Budget Committees](#) 
- ❖ [Timeline for 2018 Traditional Annual Meeting - March](#) 
- ❖ [Timeline for 2018 Traditional Annual Meeting - May](#) 
- ❖ [Various Funds & How to Use Them](#) 
- ❖ [Municipal \(Town/City\) Forms and Reports](#)
- ❖ [Village District Forms and Reports](#)

School Districts

- ❖ [When Forms are Due Worksheet](#) 
- ❖ [Timeline for 2018 Traditional Annual School Meeting](#) 
- ❖ [School Forms and Reports](#)

Recommended Language

Its important to remember that DRA does not require the use of recommended language or the MTRSP to develop warrant articles.

Use of MTRSP to generate warrant articles has significant benefits:

- Pre-loaded with recommended language.
- Tied to the budget form.
- Enables access to the “pre-review” of warrant article language.

Recommended Language

- Pre-review of warrant articles is not required.
- It is a service that when requested we provide to each municipality. (Approx. 5,000 art's/yr.).
- It helps to identify language that may be difficult to interpret after the actions of voters.
- It is no guaranty that the article will not be disallowed, but it provides a measure of assurance that potential shortcomings have been screened out.
- Another set of eyes on the articles!

Notice and Warning

- All warrant articles with appropriations must be reported on the posted budget per RSA 32:5, IV, or they may be disallowed.
- Statutory deadlines are critical and need to be met.
- Very detailed information on the technical assistance portion of our website:
<https://www.revenue.nh.gov/mun-prop/municipal/technical-assistance.htm>
- Yes, that is the same address as earlier!

TRADITIONAL ANNUAL MEETING TIMELINE (MARCH - SCHOOLS)

Meeting Date: Tuesday, March 13, 2018

Date*	Action	RSA §	Parameters*
January 5	First deadline to post notice of bond hearing	33:8-a, I	"...at least 7 days before it is held."
January 12	First day to hold public hearing for bond issue over \$100,000	33:8-a, I	"...at least 15 days, but not more than 60 days prior to the meeting..."
February 9	Last day to post notice of Feb. 16 th budget hearing	32:5, I	"...at least 7 days in advance..."
February 12	Last day for negotiated cost items to be finalized <i>(See RSA § 197:3 – Raising Money at Special Meeting, for items not finalized by this deadline)</i>	197:6, 32:5-a, 32:19-a	"...not later than 30 days before the date prescribed for the school district meeting or the second Tuesday in March, whichever is earlier..."
February 12	Last day for petitioned warrant articles	197:6	"...not later than 30 days before the date prescribed for the school district meeting or the second Tuesday in March, whichever is earlier..."
February 16	Last day to hold at least one budget hearing <i>(Additional hearings may be held, earlier or later, with notice at least seven days in advance.)</i>	32:5, I and V,(d)	"...at least one public hearing on each budget, not later than 25 days before..."
February 19	Last day to post notice of bond hearing	33:8-a, I	"...at least 7 days before it is held."
February 21	Last day for budget committee to deliver budget and warrant article recommendations	32:16 IV	"...at least 20 days before..."

Recommendation Tallies

- Recommendation Tallies - RSA 32:5, V-a and RSA 40:13, V-a, allow the legislative body of any town, school district, or village district to adopt a warrant article requiring the governing body, budget committee or advisory budget committee, to include vote tallies on recommendations relative to budget items or any warrant articles or ballot questions. Unless the legislative body has voted otherwise, the governing body may do so on its own initiative. Recommendations are required on special warrant articles, as defined in RSA 32:3, VI.

Tax Impact Statements

- Tax Impact Statement – RSA 32:5, V-b allows voters to require the governing body to determine and include an estimated tax impact statement on warrant articles.
- Unless the legislative body has voted otherwise, the governing body may do so at its own option and on its own initiative.
- A governing body that has elected such an option would be wise to make such determination for every monetary article in the warrant.

Capital Leases

Capital Equipment Lease Without Escape Clause:

- To see if the school district will vote to authorize the school board to enter into a long-term lease/purchase agreement in the amount of \$ {AMOUNT} payable over a term of {NUMBER OF PAYMENTS} for {PURPOSE}, and to raise and appropriate the sum of \$ {AMOUNT} for the first year's payment for that purpose.

Recommendations required (2/3 ballot vote required or 3/5 ballot vote if SB2)

CRF's and ETF's

- Basic types of articles relating to CRF's or ETF's:
 - Creating the Fund
 - Appropriating money to the Fund
 - Establishing agents to expend from the Fund
 - Spending money from the fund
- At the time that a Fund is created, money may be appropriated to it, and agents to expend may be named.

CRF's and ETF's

Appropriate to CRF or ETF:

- To see if the {ENTITY} will vote to raise and appropriate the sum of \${AMOUNT} to be added to the {NAME OF FUND} {CRF OR ETF} previously established. Recommendations Required. (Majority vote required.)

CRF's and ETF's

Establish CRF, Add Funds & Name Agents:

- To see if the school district will vote to establish a {NAME OF FUND} Capital Reserve Fund under the provisions of RSA 35:1 for {PURPOSE} and to raise and appropriate the sum of \${AMOUNT} to be placed in this fund. Further, to name the {OFFICIALS} as agents to expend from said fund (Optional). Recommendations Required (Majority Vote Required)

Disallowed Appropriations?

- Appropriations exceed 10% of the budget committee's recommended total
- Failure to appropriate a “specific” amount; no “sum certain”
- Long term debt article greater than \$100,000 not first article addressed on warrant
- Long term debt article did not require 2/3 ballot vote
- Long term debt article did not have the prior required hearing
- Failure to appropriate “specific” amount for expenditure of interest earned on bond proceeds
- Failure to achieve 2/3 ballot vote (3/5 if SB2) on lease with no fiscal funding (escape) clause

Disallowed Appropriations?

- Failure to achieve 2/3 vote on changing the purpose of a Capital Reserve Fund (CRF) or an Expendable Trust Fund (ETF)
- Amendment made to change the purpose of a proposed article (See Harriet E. Cady v. Town of Deerfield, N.H. Supreme Court, January 18, 2017)
- Amendment to name agents to expend from a CRF or ETF, but agents were not warned on posted warrant.
- Amendment to add “special” or “non-lapsing” to an article, but this had not been warned on the posted warrant.
- Contingent grant funds not realized.

**Hope You
Enjoy the Rest of
the Conference!**

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