

Q: How do I get to the Municipal Services Division?

A: The Bureau is located in Concord at 109 Pleasant Street, Concord, NH 03301.

From Southern New Hampshire (via I-93 North): Take I-93 North to Exit 14 (Loudon Road) and turn left at the end of the ramp. At the fourth traffic light, turn left onto Main Street. At the first traffic light, turn right onto Pleasant Street. Go straight through three sets of traffic lights and turn left at the HUGH J GALLEN STATE OFFICE PARK. From there, turn right and follow the signs to the Department of Revenue Administration (M&S Building).

From Northern New Hampshire (via I-93 South): Take I-93 South to Exit 14 (Loudon Road) and turn right at the end of the ramp. At the second traffic light, turn left onto Main Street. At the first traffic light, turn right onto Pleasant Street. Go straight through three sets of traffic lights and turn left at the HUGH J GALLEN STATE OFFICE PARK. From there, turn right and follow the signs to the Department of Revenue Administration (M&S Building).

From Western New Hampshire (via I-89 South): Take I-89 South to Exit 2 (Clinton Street) and turn right at the end of the ramp. At the first traffic light, turn left onto Fruit Street. At the traffic lights at the five-way intersection, turn right onto Pleasant Street. Turn right again at the HUGH J GALLEN, STATE OFFICE PARK. From there, turn right and follow the signs to the Department of Revenue Administration (M&S Building).

From Eastern New Hampshire (via Route 4): Take Route 4 West to I-393 West. Go to the end and turn left onto Main Street. At the fourth traffic light, turn right onto Pleasant Street. Go straight through three sets of traffic lights and turn left at the HUGH J GALLEN, STATE OFFICE PARK. From there, turn right and follow the signs to the Department of Revenue Administration (M&S Building).

Administrative Rules and Laws: Administrative Rules and Laws are available free from our web site at www.nh.gov/revenue or by visiting any New Hampshire State Depository Library where copies can be made for a fee.

ADMINISTRATION, 109 Pleasant St, Concord, NH 03302-0457 (603) 271-2318 Fax (603) 271-6121

AUDIT DIVISION, 109 Pleasant St, PO Box 457, Concord, NH 03302-0457 (603) 271-3400 Fax (603) 271-6146

CENTRAL TAXPAYER SERVICE, 109 Pleasant St, Concord, NH 03301 (603) 271-2191

COLLECTION DIVISION, 109 Pleasant St, PO Box 454, Concord, NH 03302-0454 (603) 271-3701 Fax (603) 271-1756

DISCOVERY BUREAU, 109 Pleasant St, PO Box 457, Concord, NH 03302-0457 (603) 271-8454

DOCUMENT PROCESSING DIVISION, 109 Pleasant St, PO Box 637, Concord, NH 03302-0637 (603) 271-2191

HEARINGS BUREAU, 109 Pleasant St, PO Box 1467, Concord, NH 03302-1467 (603) 271-1304

MUNICIPAL SERVICES DIVISION, 109 Pleasant St, PO Box 487, Concord, NH 03302-0487 (603) 271-3397 Fax (603) 271-1161

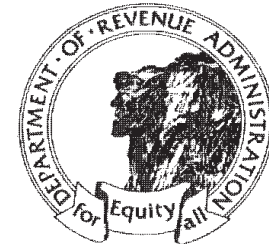
PROPERTY APPRAISAL DIVISION, 109 Pleasant St, PO Box 487, Concord, NH 03302-0487 (603) 271-2687 Fax (603) 271- 1161

TAXPAYER ADVOCATE, 109 Pleasant St, Concord, NH 03302-0457 (603) 271-2191

Individuals who need auxiliary aids for effective communications in programs and services of the New Hampshire Department of Revenue Administration are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.

**STATE OF NEW HAMPSHIRE
tt(603) 271-2191**

**FREQUENTLY ASKED QUESTIONS
(FAQ's)
MUNICIPAL SERVICES
REV 1900**



Kevin A. Clougherty, Commissioner

The New Hampshire Department of Revenue Administration offers this publication of answers to the most frequently asked questions. While we have attempted to identify the most common concerns, this publication does not address every situation, set of facts, or circumstances. Our goal is to develop a tax administration system that is fair and efficient, with taxpayers having the highest degree of confidence in the integrity of the Department.

Should you have questions or wish to request additional educational services or publications for use in state tax instruction, please feel free to send your request in writing to our NH DRA Customer Education Committee, PO Box 457, Concord, NH 03302-0457.

Visit us on the web: www.nh.gov/revenue

Q: What does the Municipal Services Division do?

A: The Municipal Services Division is responsible for establishing and approving municipal, school, county, and village district tax rates; providing technical assistance, relative to taxation and finance to the political subdivisions of the state; and prescribing a uniform chart of accounts for all municipalities, schools, counties and village districts.

Q: How can citizens at a town or school district meeting ensure that voting on a controversial issue is done by secret ballot?

A: New Hampshire Revised Statutes Annotated (RSA 40:4-a, allows 5 (or 3 in small towns) voters to request such in writing prior to the vote; this could be done by simply writing a note to the moderator at the meeting.

Q: Can a voter amend a warrant article from the floor of the meeting in such a way as to change the purpose of the article as posted?

A: No, RSA 32:6 states, in part, '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.' For example, if the warrant contained an article to appropriate money to a capital reserve fund for police cruisers, the legislative body could not legally amend the article to buy a cruiser instead; putting money into a capital reserve is a different purpose than buying now.

Q: If use of 'surplus' is introduced from the floor at a town or school district meeting but was not included in the warrant, is that a permissible amendment?

A: Yes. The definition for 'purpose' in RSA 32:3 is as follows: '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'.

Note that 'purpose' is defined in terms of expenditures, not revenues. It is the responsibility of the legislative body to vote appropriations, not revenues.

Q: What is 'surplus'?

A: "Surplus" is an old term left over from cash-basis accounting. Since most governments changed to modified accrual accounting in the 1970s, the proper term to use now is 'fund balance'.

"Fund balance" is the difference between the assets and liabilities of the local government. One large asset in most towns is overdue taxes. Since those have not generated any cash to the local government yet, it's unwise to think of fund balance as cash.

Q: How can a town or school district meeting empower the town or school district to spend money which was not specifically voted on at the meeting?

A: Two ways:
1) Town or school district meeting can appoint their governing body as agents to expend from capital reserve funds or expendable trust funds, but only for the purposes of those funds; agents cannot be appointed for a land purchase unless the provisions of RSA 41:14-a have been adopted.

2) Town or school district meeting can, in a warrant article, empower their governing body 'to apply for, accept and expend, without further action... unanticipated money from the state, federal or other governmental unit or a private source which becomes available during the fiscal year.' This power can be adopted each year or can be adopted until rescinded by the legislative body.

The Attorney General's Office has interpreted this statute to mean that the source of the money is unanticipated, such as a Federal Grant that becomes available after the annual meeting. Whenever an anticipated source of funding, such as Medicaid, arrives in a larger than anticipated amount, the extra can not be spent without permission of the legislative body.

Q: What is Senate Bill 2 (also known as SB 2)?

A: In 1995, the legislature passed Senate Bill 2, which became part of the Revised Statutes Annotated, RSA 40:12-15. This allows any local political subdivision of the state whose legislative body raises and appropriates funds through any annual meeting to adopt voting by official ballot on all warrant articles.

RSA 40:12-15 requires two sessions, the first of which shall consist of explanation, discussion and debate of each warrant article; voters may amend and vote on amendments, but no final vote may be taken on any warrant article. The second session of the annual meeting will be held to elect officers by official ballot, to vote on questions required by law to be inserted on said official ballot, and to vote on all warrant articles from the first session by official ballot.

Q: What can a citizen do to get a particular subject matter on the warrant?

A: A citizen could simply request of the governing body that the subject matter be a warrant article. The governing body might either agree or decide not to include the subject in a warrant article.

The surest way to get a subject on the warrant is through the petition process. According to RSA 39:3, the petition must be in writing and signed by 25 or more registered voters or 2 percent of the registered voters, whichever is less. The wording must clearly state the subject and, if a money article, must state the amount of money being appropriated. Sample warrant article wording is available on the Department's website.

The petition must be in the hands of the selectmen no later than the 5 weeks before the date for the annual meeting (by RSA 39:1, that is the second Tuesday in March); for school districts, it must be in the hands of the school board no later than 30 days before the meeting or 30 days before the second Tuesday in March, whichever is earlier. The deadline for petitioned warrant articles in municipalities which have adopted the official ballot law has been changed by the legislature several times; please refer to the most recent version of RSA 40:13.

Q: What is the function of the budget committee?

A: The budget committee's function is to prepare and recommend a budget for the town, any school or village district completely within the boundaries of the town. The recommendations are very important because the legislative body cannot legally adopt a budget exceeding the recommendations of the budget committee by more than 10%. The budget committee also reviews the spending of each entity periodically.

Q: How can my town adopt or rescind a budget committee?

A: An official budget committee can be adopted by a town, a cooperative school district, a village district located in more than one town and a school district located in a municipality which cannot adopt a budget committee itself, such as a city. The wording of the warrant article should include a reference to RSA 32:14. Rescinding the adoption takes place the same way. The voting must be by ballot and needs a simple majority.