

**New Hampshire Department of Revenue Administration  
109 Pleasant Street, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE  
TIR 2017-005 Date August 11, 2017**

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. 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.). Questions should be directed to Taxpayer Services at (603) 230-5920.

**House Bill 251 – Capital Reserve Fund Appropriations**

The New Hampshire Legislature has passed and Governor Sununu has signed into law House Bill 251 (Chapter 127, Laws of 2017), clarifying that appropriations or transfers to capital reserve funds shall be made by special warrant article.

RSA Chapter 35 permits the creation of capital reserve funds by municipalities for the specific purposes set forth in RSA 35:1.

HB 251 amends RSA 35:5 to clarify that any amounts paid into a capital reserve fund shall be raised and appropriated by special warrant article.

Additionally, HB 251 amends RSA 32 to clarify that appropriations to capital reserve funds are non-lapsing pursuant to RSA 32:7 and non-transferrable pursuant to RSA 32:10, I (d).

Pursuant to RSA 21-J:35, the Commissioner of the Department of Revenue Administration shall examine all appropriations to ensure that they are made in a manner that complies with all relevant laws. Pursuant to RSA 21-J:35, III, if the Commissioner finds that an appropriation has been made in a manner that is inconsistent with the law, the Commissioner shall delete the appropriation.

Please be advised that all appropriations made to capital reserve funds must be made by special warrant article and any appropriations to capital reserve funds not made via special warrant article shall be deleted and shall not be considered when the municipality's tax rate is calculated pursuant to RSA 21-J:35.

Additional information can be obtained by referencing RSA 32 and RSA 35. Questions may be directed to the Department of Revenue Administration's Municipal Bureau at (603) 230-5059.

***Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 230-5000.***