

CHAPTER 134  
HB 243 - FINAL VERSION

9Apr2021... 0546h  
05/20/2021 1371s

2021 SESSION

21-0241  
06/11

HOUSE BILL **243**

AN ACT relative to the form of municipal budgets, relative to municipal estimates of expenditures and revenues, and relative to the requirement that certain governing bodies submit recommendations to the budget committee.

SPONSORS: Rep. Piemonte, Rock. 4; Rep. Yakubovich, Merr. 24; Rep. Weyler, Rock. 13; Rep. J. Osborne, Rock. 4; Rep. Edwards, Rock. 4; Rep. True, Rock. 4; Rep. Torosian, Rock. 14; Rep. Sylvia, Belk. 6; Rep. Verville, Rock. 2; Sen. Gannon, Dist 23

COMMITTEE: Municipal and County Government

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ANALYSIS

This bill requires:

I. Governing bodies to publish statements of estimated expenditures and revenues for the next fiscal year in sub-account detail.

II. Governing bodies to submit to the budget committee information necessary for the preparation of the annual budget in whatever detail the budget committee requires.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struckthrough.]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty One*

AN ACT           relative to the form of municipal budgets, relative to municipal estimates of expenditures and revenues, and relative to the requirement that certain governing bodies submit recommendations to the budget committee.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1           134:1 Definitions; Budget. Amend RSA 32:3, III to read as follows:

2           III. "Budget" means a statement of recommended appropriations and anticipated revenues,  
3           ***prepared according to rules adopted by the commissioner of revenue administration under***  
4           ***RSA 541-A***, submitted to the legislative body by the budget committee, or the governing body if  
5           there is no budget committee, as an attachment to, and as part of the warrant for, an annual or  
6           special meeting.

7           134:2 Definitions; Sub-Account and Uniform Chart of Accounts. Amend RSA 32:3 by inserting  
8           after paragraph VI the following new paragraphs:

9           VII. "Sub-account" means an optional level of accounting, one or more levels below the  
10          account level. Sub-accounts may be used to budget and track expenses when several different  
11          activities are funded by the same account. Sub-accounts may be created by the town or district  
12          under the authority of the budget committee, or the governing body if there is no budget committee,  
13          but must support the numbering classification system established in the uniform chart of accounts  
14          as established by the department of revenue administration in accordance with RSA 21-J:13, IV.  
15          Nothing in this chapter shall require the disclosure of any information or data restricted from  
16          disclosure by any other statute.

17          VIII. "Uniform chart of accounts" means a consistent system of accounts used to categorize  
18          revenues, expenditures, assets, liabilities, and equity. It identifies the account titles, descriptions,  
19          and numbering classification system established by the department of revenue pursuant to RSA 21-  
20          J:13, IV. It provides the framework to budget, record, and report financial data logically and provide  
21          a robust basis for reporting on the results.

22          134:3 Budget Preparation; Public Hearing. Amend RSA 32:5, I to read as follows:

23          I. The governing body, or the budget committee if there is one, shall hold at least one public  
24          hearing on each budget, not later than 25 days before each annual or special meeting, public notice  
25          of which shall be given at least 7 days in advance, and after the conclusion of public testimony shall  
26          finalize the budget to be submitted to the legislative body. ***If a town or district uses sub-***  
27          ***accounts to budget or track financial data it shall make that data available for public***  
28          ***inspection at the public hearing.*** One or more supplemental public hearings may be held at any

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1 time before the annual or special meeting, subject to the 7-day notice requirement. If the first  
2 hearing or any supplemental hearing is recessed to a later date or time, additional notice shall not be  
3 required for a supplemental session if the date, time, and place of the supplemental session are  
4 made known at the original hearing. Public hearings on bonds and notes in excess of \$100,000 shall  
5 be held in accordance with RSA 33:8-a, I. Days shall be counted in accordance with RSA 21:35.

6 134:4 Budget Preparation; Sub-Accounts. Amend RSA 32:5 by inserting after paragraph IX the  
7 following new paragraph:

8 X. If a town or district uses sub-accounts to budget or track financial data, it shall ensure  
9 the budget data at the account and sub-account levels is available for public inspection prior to and  
10 at the annual or special meeting, at which the budget or any appropriation is to be considered.

11 134:5 Duties of Governing Body and Other Officials. Amend RSA 32:17 to read as follows:

12 32:17 Duties of Governing Body and Other Officials.

13 **I.** The governing bodies of municipalities adopting this subdivision, or of districts which are  
14 wholly within towns adopting this subdivision, shall review the statements submitted to them under  
15 RSA 32:4 and shall submit their own recommendations to the budget committee, together with all  
16 information necessary for the preparation of the annual budget, including each purpose for which an  
17 appropriation is sought and each item of anticipated revenue, **including all sub-accounts used by**  
18 **the governing body**, at such time as the budget committee shall fix. In the case of a special  
19 meeting calling for the appropriation of money, the governing body shall submit such information  
20 not later than 5 days prior to the required public hearing. Department heads and other officers shall  
21 submit their departmental statements of estimated expenditures and receipts to the budget  
22 committee, if requested.

23 **II.** *The information provided to the budget committee as required by this chapter*  
24 *shall be in a format acceptable to the budget committee. This requirement may be satisfied*  
25 *by the municipality by providing the assistance of a knowledgeable staff person who will*  
26 *attend the budget committee meetings with access to and the ability to provide the required*  
27 *information.*

28 **III.** *The governing body shall incorporate any sub-accounts created by the budget*  
29 *committee into the software used to budget or track financial data.*

30 134:6 Budget Committee; Review of Expenditures. Amend RSA 32:22 to read as follows:

31 32:22 Review of Expenditures. Upon request by the budget committee, the governing body of  
32 the town or district, or the town manager or other administrative official, shall forthwith submit to  
33 the budget committee a comparative statement of all appropriations and all expenditures,  
34 **including all sub-accounts used by the governing body**, by them made in such **additional**  
35 detail as the budget committee may require. The budget committee shall meet periodically to review  
36 such statements. The provisions of this section shall not be construed to mean that the budget  
37 committee, or any member of the committee, shall have any authority to dispute or challenge the

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1 discretion of other officials over current town or district expenditures, except as provided in RSA  
2 32:23.

134:7 Effective Date. This act shall take effect 60 days after its passage.

Approved: July 23, 2021

Effective Date: September 21, 2021