



Brentwood Municipal  
Budget Committee

# Official Ballot Referendum Form of Meeting (SB2) Overview

- At Town Meeting on March 14, 2026, warrant article 1 approved by legislative body by ballot vote of over 3/5 majority (Yes 224 No 118 65%) adopted provisions of RSA 40:13 (SB2)
  
- Adopting SB2 (Official Ballot Referenda) fundamentally changes how Brentwood conducts its annual business by splitting the traditional one-day meeting into two separate sessions.
  
- The Deliberative Session (First Session) replaces the "business" portion of the old town meeting. Held in late January or early February, voters can debate, ask questions, or propose amendments to warrant articles. They can change dollar amounts (e.g., reducing a \$100k article to \$0), change warrant order (except bonds greater than \$100,000), but no final vote is taken.



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- The Voting Session (Second Session) held on the second Tuesday of March is strictly for casting ballots. There is no speaking or amending allowed at the polls. Voters see the warrant articles exactly as they were finalized at the Deliberative Session.
  
- Because there is no longer a "live" floor vote to fix a rejected budget, the town must now publish a Default Budget in advance. This is essentially last year's budget adjusted for legally mandated contracts and one-time expenses. If voters reject the proposed budget on the ballot, the Default Budget automatically takes effect.
  
- The 4% mandated tax cap remains in effect and is not changed other than how the tax cap is implemented and enforced.



# Tax Cap with SB2

- ❑ The 4% tax cap Brentwood passed in 2025 operates in tandem with SB2, but its enforcement becomes more technical due to the two-session meeting structure.
- ❑ The primary impact is that while the Budget Committee is legally forbidden from proposing a budget that exceeds the cap, voters at the Deliberative Session still have the power to amend that budget upward beyond 4%.
- ❑ At the Deliberative Session, amending warrant article appropriations only requires a simple majority to pass even if the amended appropriation exceeds the 4% tax cap.
- ❑ While a simple majority can amend the budget at the Deliberative Session, state law requires a 3/5 (60%) majority vote at the March polls to pass any warrant that would exceed the tax cap



# Tax Cap with SB2 – The Details

## ☐ The Cap Applies to the "Proposed" Budget

Under RSA 32:5-b, the 4% limit is a "submission cap."

- *The Constraint:* The Budget Committee cannot submit a recommended budget to the Deliberative Session that increases the local tax effort by more than 4% over the prior year.
- *Warrant Articles Included:* The cap calculation must include the operating budget and all other warrant articles with a tax impact (appropriations)

## ☐ Amendments at the Deliberative Session

Because the Deliberative Session (Session I) allows for free debate and amendment, voters can choose to ignore the cap.

- *Voter Override:* Residents at the Deliberative Session can move to increase any budget line item. If the majority at that meeting approves the increase, the tax cap is effectively bypassed for that specific year's ballot.
- *3/5 Majority Requirement:* While a simple majority can amend the budget at the Deliberative Session, state law requires a 3/5 (60%) majority vote at the March polls to pass any warrant that would exceed the tax cap



# Tax Cap with SB2 – The Details

## ☐ Interaction with the "Default Budget"

The Default Budget is the biggest change with SB2 and is not limited by the tax cap.

- *The Safety Valve:* If voters reject a "capped" proposed budget at the March polls, the town automatically reverts to the Default Budget.
- *Default Budget vs. Cap:* The Default Budget is calculated based on last year's spending and legal obligations; it is not strictly bound by the 4% cap. It is possible for the Default Budget to be higher than a "tax-capped" proposed budget if contractual obligations grew by more than 4%

## ☐ Enforcement and "Appropriations Already Raised"

For SB2 towns, if an operating budget is amended at the Deliberative Session to exceed the tax cap but fails to get a 3/5 majority at the polls, RSA 32:5-b, III-a stipulates that *if the warrant article for the operating budget results in appropriations exceeding the tax cap under this section and receives less than 3/5 majority "yes" vote, the adopted operating budget shall be reduced by appropriations already raised to remain compliant with the tax cap under this section.* This serves as a "fail-safe" to ensure the cap is respected unless a supermajority of voters explicitly chooses otherwise



## Tax Cap with SB2 – Maximum Appropriation

- Tax cap base remains the same and equals  
***Cap Base = Municipal Net Required Local Tax Effort + Any Fund Balance Offset Used***
  
- The 4% maximum tax cap appropriation value remains the same:  
***Max Appropriation <= Cap Base + Revenues - War Service Credits - Actual Overlay Used***
  
- The cap calculation must include the operating budget and **all** other warrant articles recommended with a tax impact
  
- The budget committee must propose and recommend a budget that remains at or below the maximum tax cap appropriation



## Tax Cap with SB2 – Example Scenario

- Assume the maximum 4% tax capped appropriation value is \$5M**
- Proposed budget (all warrants approved by budget committee)

| Warrant # | Description           | Amount      |
|-----------|-----------------------|-------------|
| 1         | Bond for new Building | \$6M        |
| 2         | Operating Budget      | \$4.0M      |
| 3         | CRFs                  | \$0.5M      |
| 4         | Road Paving           | \$0.25M     |
| 5         | Building CRF          | \$0.15M     |
| 6         | Radios                | \$0.1M      |
|           | <b>TOTAL</b>          | <b>\$5M</b> |

- Note that the bond warrant value of \$6M doesn't impact the tax cap (only the principal and interest payment for the year are included in operating budget debt service)
- If no amendments are made at deliberative session, then there is no tax cap impact for voting session, and all warrants only require simple majority vote



## Tax Cap with SB2 – Deliberative Session Amendments

- Assume the maximum 4% tax capped appropriation value is \$5M**
- Proposed warrant #4 is amended up to \$0.75M (simple majority)

| Warrant # | Description           | Amount        | Cum Value |
|-----------|-----------------------|---------------|-----------|
| 1         | Bond for new Building | \$6M          | -         |
| 2         | Operating Budget      | \$4.0M        | \$4.0M    |
| 3         | CRFs                  | \$0.5M        | \$4.5M    |
| 4         | Road Paving           | \$0.75M       | \$5.25M   |
| 5         | Building CRF          | \$0.15M       | \$5.4M    |
| 6         | Radios                | \$0.1M        | \$5.5M    |
|           | <b>TOTAL</b>          | <b>\$5.5M</b> |           |

- The vote on warrant #4 requires a 3/5 majority ballot vote to pass
- If warrant #4 passes, then all warrants after require 3/5 majority since each warrant after that is exceeding the tax cap



# Tax Cap with SB2 – Deliberative Session Amendments

- Assume the maximum 4% tax capped appropriation value is \$5M**
- Proposed warrant #4 is amended up to \$0.75M (simple majority)

| Warrant # | Description           | Amount         | Cum Value |
|-----------|-----------------------|----------------|-----------|
| 1         | Bond for new Building | \$6M           | -         |
| 2         | Operating Budget      | \$4.0M         | \$4.0M    |
| 3         | CRFs                  | \$0.5M         | \$4.5M    |
| 4         | Road Paving (Fail)    | \$0.75M        | \$4.5M    |
| 5         | Building CRF          | \$0.15M        | \$4.65M   |
| 6         | Radios                | \$0.1M         | \$4.75M   |
|           | <b>TOTAL</b>          | <b>\$4.75M</b> |           |

- The vote on warrant #4 requires a 3/5 majority ballot vote to pass
- If warrant #4 fails, then all warrants after only require simple majority to pass as none of them will cause total cumulative appropriation to exceed tax cap.



# Tax Cap with SB2 – Cumulative Appropriation is Key

- Assume the maximum 4% tax capped appropriation value is \$5M**
- Proposed warrant #4 is amended up to \$0.75M (simple majority) and order of warrants is changed (ORDER IS IMPORTANT)

| Warrant # | Description             | Amount         | Cum Value |
|-----------|-------------------------|----------------|-----------|
| 1         | Bond for new Building   | \$6M           | -         |
| 2         | Operating Budget (pass) | \$4.0M         | \$4.0M    |
| 3         | CRFs (Fail)             | \$0.5M         | \$4.0M    |
| 4         | Building CRF (fail)     | \$0.15M        | \$4.0M    |
| 5         | Radios (pass)           | \$0.1M         | \$4.1M    |
| 6         | Road Paving (pass)      | \$0.75M        | \$4.85M   |
|           | <b>TOTAL</b>            | <b>\$4.85M</b> |           |

- The vote on all warrants EXCEPT #6 are simple majority
- The vote on warrant #6 may require 3/5 override majority if previous warrants all pass and the additional \$0.75M brings cumulative value over \$5M cap.



# Tax Cap with SB2 – Default Budget

- Assume the maximum 4% tax capped appropriation value is \$5M**
- The default budget is calculated to be \$3.75M

| Warrant # | Description              | Amount         | Cum Value |
|-----------|--------------------------|----------------|-----------|
| 1         | Bond for new Building    | \$6M           | -         |
| 2         | Operating Budget (fail)  | \$4.0M         | -         |
| 2         | DEFAULT Operating Budget | \$3.75M        | \$3.75M   |
| 3         | CRFs (pass)              | \$0.5M         | \$4.25M   |
| 4         | Road Paving (pass)       | \$0.75M        | \$5.0M    |
| 5         | Building CRF             | \$0.15M        | \$5.15M   |
| 6         | Radios                   | \$0.1M         | \$5.25M   |
|           | <b>TOTAL</b>             | <b>\$5.25M</b> |           |

- If operating budget warrant vote fails (simple majority), default budget is automatically implemented
- The vote on warrant #5 requires 3/5 majority since if passed, the total cumulative appropriation exceeds \$5M.



# Tax Cap with SB2 – Key Takeaways

- ❑ The tax cap calculation remains the same, only the implementation and enforcement changes
- ❑ The cumulative value of approved warrants with appropriations is what dictates whether 3/5 majority override voting provisions apply. Order of warrants is important as is whether previous warrants have passed or failed
- ❑ The Town Moderator determines if an article meets the necessary threshold (simple majority or 3/5 supermajority) based on the certified vote counts and the maximum tax cap appropriation as set by the Budget Committee
- ❑ NH Department of Revenue Administration (DRA) verifies the math and enforces the cap by stripping out unapproved excess spending before setting the final tax rate