Economic News:

State Wide Education Property Tax (SWEPT)

The ongoing court challenge to SWEPT by a group seeking to extract "excess property taxes" from "property rich towns" was ruled **unconstitutional** by the NH Supreme Court in a September Decision. SWEPT is a state tax required under the State Constitution to be a uniform tax (all property taxed at the same rate) levied on all property in the State based on current assessed value of the entire town. This is good news. If the decision had been otherwise, the tax impact to our town would have been very substantial. This does not eliminate the school funding issue but forces the NH legislature to reevaluate its policies.

Next Challenge:

ConVal:

"The New Hampshire Supreme Court recently affirmed a Superior Court's ruling that the state must drastically increase education "base adequacy aid" by more than \$500 million per year.

Justices heard arguments in December regarding the case of the Contoocook Valley Regional School District vs. the State of New Hampshire.

In the 2023 ruling, the **Superior Court** calculated a "conservative minimum threshold" amount for what base adequacy aid should be, determining it should be above \$7,300 per pupil, significantly higher than the \$4,100 rate established by law.

The **Supreme Court** agreed with the trial court's calculations and its method of coming to that figure in general. The **Supreme Court**, however, reversed a portion of the lower court decision that called for the state to immediately increase public school funding.

"It is now incumbent upon the legislative and executive branches to remedy the constitutional deficiency that we have identified," Senior Associate Justice James P. Bassett wrote. (WMUR)

The ConVal case potentially impacts all NH cities and towns. Bridgewater and Hebron's leadership/Selectboards have been active in being heard on the issues with other similarly impacted towns. We will continue to be vigilant to avoid a return to "donor towns" or tax systems that singles out towns like ours.

<u>Tax Bills were late and an overview of NH Tax Systems: See: NH Property Tax Information</u> The tardiness was the result of inaction of the DRA to recognize the impact of the formation of SAU108.

<u>The Bridgewater-Hebron School</u> was recently awarded the National Blue-Ribbon Award for high academic achievement. Only 3 schools in NH were recognized for this honor. Congratulations and thanks to the teachers, staff and children for the honor.

SAU108: Pasquaney School District:

SAU108 formation is the last part of a journey that began over 25 years ago when the Bridgewater Hebron Village School was funded, constructed and leased to SAU4. The first part of that course was spectacular. BHVS has some outstanding teachers, high achieving students and a building proudly maintained by the towns of Bridgewater and Hebron taxpayers. The school is now on the second part of the trip. A course correction to the original destination of transforming the school to a K-8. The goal is to expand the excellent education provided through the 5th grade to add 6th, 7th, and 8th grades. Currently, graduating students will have a choice between Plymouth or Newfound for High School.

The laws governing public Cooperative School Districts were deemed improbable to overcome. The bottom line is: SAU108 is up and running. The school opened on 8/26/2025 with the same teachers and staff welcoming Bridgewater, Hebron and Groton students from preschool to grade 6. Seven students are enrolled in Plymouth High School. Fourteen students are enrolled in Newfound Regional High School. BHVS has a new and energetic Superintendent along with a new and

talented Principal. The curriculum continues as before with a new computer network for education support.

All three towns came together to foster this change. This was truly a team effort. From the Selectboards to the Steering Committee, with numbers of volunteers, all climbed aboard to make this a success. Everyone in this endeavor was tremendously talented and hard working. It was an honor to participate with these individuals.

Taxes:

The SWEPT "excess property tax" is, somewhat, less of a problem. The NH Legislature currently has multiple bills to address school funding. These issues potentially impact all cities and towns. "Donor towns" are not as much of a target with the recent SWEPT ruling. Stay tuned for further development.

We think the **second half tax rate** will be lower than the first half. (Remember, this is still in flux)

One unknown factor will be the amount of the Grafton County apportionment. On top of the operational costs, the Grafton County Commissioners are currently advocating an over \$70-million-dollar capital program to build a new Court House!! The last capital program for Grafton County was the 40-million-dollar jail building. That bond will be retired in 2031 but still has over \$10MM remaining on the obligation. The proposed Court House is just under 40% larger than the existing building. Grafton County's projected growth over the next 20 years is less than 14%; it is more than probable the county will be overbuilding...again! The county has a recent history of over projecting their need and over-building at taxpayer expense. The jail, which was overbuilt will be paid off in 2031. It has a current capacity of 150 individuals and a daily occupancy of 66 or 44%. Unfortunately, as citizens of Grafton County, we do not get a direct vote on the matter so we urge you to reach out to your state representative and tell him the new building proposal is too expensive.

Property reassessment shifts, increased consumer prices, controversial economic policies piled onto New Hampshire's property tax dependence should give us all a reason to pause. Economic uncertainty abounds.

Given the overall "economic tea leaves" futures, the GC building proposal is an absolutely absurd idea at this time. The timing is poor, construction costs are high and the building is too large. Piling debt on top of debt is <u>a really poor idea</u>.

Reconsideration of the plan to "value engineer" the costs and size is warranted. Further, delaying the Court house project until the jail bond is retired will greatly reduce the financial impact to the Grafton County residents.

The Representative's that will vote on this matter are found in this link: https://grafton-county.com/delegation/ PS. Our local "Rep" is not in favor of the current building plan.

Town Infrastructure:

We are in pretty good shape in this area. The **Highway Department** has a couple of aging trucks that are under review. Resurfacing projects completed and ongoing; **Public Safety** has a new ambulance and a new Police Cruiser: **HB Refuse** is awaiting delivery to replace the 35-year-old glass crusher and can sorter; **Administration buildings** are in good repair; **BHVD** (school building) is in excellent shape. Two new playgrounds and transition costs are complete. New school computer network is in service.

The **Town** currently does not have any long-term debt.

BHVD just bonded 1.25 million dollars for a two-classroom addition amortized over a five-year period.

HB rolled over an existing 5-year lease purchase to replace two aged pieces of equipment.

Thank you for your continued support

Terry Murphy, Skip Jenness, Wes Morrill The Bridgewater Board of Selectmen