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VILLAGE DISTRICTS

The Municipal Services Division of the Department of Revenue Administration (DRA) is available to assist village district officials with warrant article creation, budget form completion, and general questions relative to finance and taxation. Each municipality within the state, including village districts, has an assigned municipal auditor. Your auditor can be reached at the above number during normal business days between the hours of 8:00 am – 4:30 pm. We suggest you review your warrant for the annual district meeting with your auditor prior to posting.

What is a village district?

Village districts or precincts constitute a specialized form of municipal government. They are a limited purpose governmental unit having the same authority and power of towns with respect to the purposes for which the district is formed.

Which RSA authorizes village districts?

The specific section of law that authorizes village districts is RSA 52, however, a few village districts had been given their authority by the legislature prior to the passage of RSA 52.

For what purposes can a village district be established?

There are 14 distinct purposes for which a village district may be established. Per RSA 52:1, those purposes are:

- Extinguishment of fires;
- Lighting or sprinkling of streets;
- Planting and care of shade and ornamental trees;
- Supply of water for domestic and fire purposes that may include the protection of sources of supply;
- Construction and maintenance of sidewalks and main drains or common sewers;
- Construction, operation and maintenance of sewage and waste treatment plants;
- Construction, maintenance and care of parks or commons;
- Maintenance of activities for recreational promotion;
- Construction or purchase and maintenance of a municipal lighting plant;
- Control of pollen, insects and pests;
- Impoundment of water (dams);
- Appointing and employment of watchmen and police officers;
- Layout, acceptance, construction and maintenance of roads; and
- Maintenance of ambulance services.

Village districts can add or delete any of the above purposes by vote of the district per RSA 52:6.

How is a village district established?

Per RSA 52:1, 10 or more legal voters of the proposed district petition the selectmen, who must then fix, by suitable boundaries, a district for any of the purposes stated above. The selectmen hold a meeting with the proposed district's voters to see if they will vote to establish the district, give it a name and choose the necessary officers until the first annual meeting of the district (RSA 52:2).

Can a village district's boundaries be changed? If so, by whom?

Yes, boundaries may be changed. Per RSA 52:5, in general, upon the receipt of a petition, the selectmen shall notice a hearing to change the boundaries, after which they may change the boundaries. Village districts for impoundment or distribution of water must have the boundary change ratified by vote at the annual meeting.

Who needs to be notified of the formation of a village district?

Per RSA 52:24, the selectmen of a town in which a village district has been established, must notify the Secretary of State's Office (SOS) and supply them with the village district's name, purpose and boundaries. If the district makes any changes to either purpose or boundaries, the SOS office must be notified within a year. Financial documents, minutes, and warrants must also be submitted to DRA per RSA 21-J:34.

Who is the governing body?

In a village district, the governing body is the board of commissioners. These elected commissioners have the same powers as selectmen in respect to the purposes for which the district was created per RSA 52:3-a, I, and are the "general managers" of the district's affairs.

Can a village district have a budget committee?

Village districts that are encompassed wholly within a town with a municipal budget committee (RSA 32:14) fall under the statutory budgetary authority and responsibilities of that budget committee. If the village district is in two or more towns, the district has the option to adopt its own budget committee as authorized by RSA 32:14.

How do they raise money?

Village districts hold annual meetings to appropriate budgets for their established purposes and may vote to raise money by taxes. If the district supports itself through user fees or other revenues, budget and valuation documents must still be sent to DRA to establish a tax rate, even if that rate is \$0.

Who assesses the tax if the village district is not self-supporting?

After DRA calculates the tax rate, per RSA 52:16, the selectmen of each town shall assess the tax on that part of the district lying within their own town and commit it to the collector of taxes from their own town.

What happens if the district is in more than one town?

Village districts can cross town lines therefore encompassing part of two or more towns. It is the town's responsibility to assess the valuations of village district properties that lie wholly within the town for taxing purposes. The taxes for this type of village district will be apportioned to the towns by DRA. The apportionment is based on the equalized valuation of each town's properties within the district.

When is the annual meeting held?

Per RSA 52:12, the annual meeting for a village district must be held between January 1 and May 1. A village district created for the impoundment of water may hold its annual meeting at another time of year if so voted at the previous meeting.

Who are the voters in a village district?

Residents who are domiciled in the district and are registered voters.

Is there required wording for the operating budget?

No, there is not required specific wording for the operating budget. However, we suggest the following:

Without Budget Committee

To see if the district will vote to raise and appropriate \$574,326 for the maintenance and general operation of the district. (Majority vote required).

With a Budget Committee

To see if the district will vote to raise and appropriate the budget committee's recommended budget amount of \$630,250 for the maintenance and general operation of the district. (Majority vote required)

To aid voters in clearly understanding the amount they are voting on, we suggest you add a note similar to this:

NOTE: This operating budget warrant article does not include appropriations contained in any other warrant articles.

Please refer to our Suggested Warrant Article publication for further information and examples.

What is the difference between a special and an individual warrant article?

Special warrant article as defined in RSA 32:3, VI, is an article involving an appropriation that meets one of the following criteria: **1)** The proposed appropriation article is submitted by petition; **2)** The proposed appropriation is raised by bonds or notes; **3)** Calls for an appropriation to a separate fund, such as a capital reserve or expendable trust fund; or, **4)** The article is designated as "special", "non-lapsing" or "non-transferable" in the warrant.

Individual article is for appropriations of a one-time nature addressed independent of the operating budget. See our Suggested Warrant Article publication for further information and examples.

Can wording be changed in a petitioned warrant article?

Petitioned articles may be changed with minor textual changes to make the article clearer on the warrant and amounts can be amended up or down at the district meeting. Other amendments that do not introduce new subject matter may also be made.

What forms need to be completed to establish a tax rate?

Required forms are: MS 36 or 37; posted warrant and signed minutes of the meeting; MS 32; MS 34; MS 35 and MS 31. In addition, the village district property valuation portion of the MS 1 Summary Inventory of Valuation must be completed and submitted by the town assessors.

When are the forms due to the Department of Revenue?

The posted warrant, signed minutes, MS 36 or 37, MS 31 and MS 32 must be submitted to DRA within 20 days after the annual meeting. The MS 34 is due September 1st and the MS 35 is due April 1st (September 1st if optional fiscal year district). The town submits the MS 1 form to DRA by September 1st.

When does the village district receive the assessed tax?

Per RSA 52:16, II, in districts with an annual budget of less than \$200,000, the town treasurer is required to distribute the district tax by December 31st to the district treasurer, unless otherwise agreed to in writing by the town and district treasurers. If the budget is more than \$200,000, the treasurer must pay the amount collected in any given month by the end of the following month, unless otherwise agreed in writing by the town and district treasurers.

Who is authorized to make abatements on a village district assessment?

Per RSA 52:17, only the board authorized to assess the taxes have the power to abate or correct village district taxes. This is usually the town's board of assessors.

What are capital reserve and expendable trust funds?

A capital reserve fund is defined in RSA 35:1. Basically it is a fund used to save for the future purchase of a major capital item or a specific type of capital item. An expendable trust fund is defined in RSA 31:19-a and the basic purpose is to save for the maintenance and operation of the district.

Who has custody of capital reserve and expendable trust funds?

Per RSA 31:25, the trustees of trust funds of the town shall have the custody of all trust funds. RSA 31:31 covers funds that are given as a gift, legacy or devise but are still held by the town trustees. If the village district encompasses more than one town, the district selects which town's trustees will hold the funds.

What is a contingency fund?

Per RSA 52:4-a, every village district may establish a contingency fund annually by inserting an article in their warrant. The contingency fund is to meet the cost of unanticipated expenses that may arise during the year. The district cannot exceed one percent of the amount appropriated (exclusive of capital expenditures and amortization of debt) during the preceding year.

Can a village district be dissolved?

Yes. Per RSA 52:21, the district may be dissolved at an annual meeting and with a 2/3 vote of the district's legal voters who are present and voting at the meeting.

SUGGESTED OUTLINE FOR PRINTED VILLAGE DISTRICT REPORTS

Unless otherwise noted, this guideline is not to be regarded as a rule promulgated through the Administrative Procedures Act. It is designed to assist local officials in the preparation of the annual report.

1. Index
2. List of Village District Officers
3. Copy of this year's Village District Warrant
4. This year's Village District Proposed Budget (Per RSA 32:5, VII, Form MS-36; Form MS-37 for MBA)
5. Summary Minutes of last year's Annual and Special Village District Meeting(s)
6. Last year's Statement of Appropriations, Taxes Assessed, Tax Rate
7. Comparative Statement of Appropriations & Expenditures for last year
8. Statement of Estimated and Actual Revenues for last year
9. Balance Sheet December 31 or June 30 (RSA 52:3-a, I-a)
10. Statement of Bonded Debt - Showing Annual Maturities
11. Schedule of Village District Property
12. Report of Independent Auditors Summary of Findings and Recommendations (RSA 21-J:21)
13. Treasurer's Report
14. Summary and Detailed Statement of Receipts (By Revenue Source)
15. Summary and Detailed Statement of Payments (By Object of Expenditure)

These technical assistance materials and forms are available on our website at www.revenue.nh.gov

Technical Assistance for Towns, Village Districts, & Budget Committees

Suggested Warrant Articles for Municipalities and Village Districts

Municipal Forms Due Dates

Emergency Expenditure Procedures

MS 31 Village District Officials

MS 32 Report of Appropriations

MS 34 Revised Estimated Revenues

MS 35 Financial Report

MS 36 Village District Budget

MS 37 Village District Budget with Budget Committee

REV 2000 Financial Accounting for Village Districts