



## **PRESS RELEASE: State Should Accept Proposed SWEPT Settlement**

**August 10** - The attorneys representing the taxpayer plaintiffs in *Rand vs. State of New Hampshire* just announced that they proposed a settlement agreement to the State of New Hampshire on the parts of the case relating to SWEPT last week. The State has not responded to the proposal yet to say if they will accept or deny the settlement.

If accepted, the settlement would require the State to stop allowing negative local tax rates on April 1, 2024, and to stop allowing communities to retain excess SWEPT revenues on April 1, 2025.

“The State should accept this settlement and stop forcing taxpayers to fight for their right to be taxed fairly to fund education,” said Zack Sheehan, NHSFFP Executive Director. “The courts have made it clear in the past that what has been happening with SWEPT is unconstitutional, so the State needs to begin the process of changing its practices on SWEPT, and this proposal gives them plenty of time to adjust.”

A previous motion by the plaintiffs seeking an injunction against SWEPT was denied last year because the judge found merit in the State’s argument that the timing for such a change would disrupt the ongoing tax collection and budget making of the small group of municipalities that offset SWEPT with negative local tax rates or keep excess SWEPT revenues to offset other local taxes.

The State continued to make arguments about timing during the hearing on the plaintiffs’ pending motion seeking summary judgement on SWEPT in July.

“The only concern raised by the State and excess SWEPT communities in the case has been relative to the timing of such a ruling. This proposal satisfies that concern explicitly while ensuring that the vast majority of taxpayers who live in communities that aren’t avoiding SWEPT get treated fairly,” Sheehan said. “Accepting this settlement will be a step in the right direction for the State to begin addressing the unconstitutional, upside down tax system that has been created by its ongoing failure to adequately fund education.”

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*The mission of the NHSFFP, a registered 501(c)(3), is to inform the public about the condition of New Hampshire public schools and their funding; to advocate for changes to make the system more equitable for students and taxpayers alike; and, if necessary, to prosecute, manage, control, and/or participate in a lawsuit challenging the constitutionality of the system for funding education in New Hampshire.*

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