



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Six

A RESOLUTION REQUESTING TERMINATION OF STATE OF NEW HAMPSHIRE POLICIES
AND DOWNSHIFTS THAT BURDEN LOCAL PROPERTY TAXPAYERS

Resolved by the City Council of the City of Keene, as follows:

WHEREAS, Recent New Hampshire state budgets have reduced or eliminated key revenue sources, forcing the City of Keene along with other municipalities, school districts, and counties to raise property taxes to maintain education, healthcare, county nursing homes, public safety, and infrastructure; and

WHEREAS, the erosion and unpredictability of state funding to municipalities has further shifted financial responsibility to local governments, increasing reliance on property taxes to sustain essential programs and services; and

WHEREAS, the State created a statewide retirement system intended to support municipal, county, school, police, and fire employees and slowly reduced its share of contributions, resulting in more than a million dollars a year in additional costs to the City (total additional costs of approximately \$13 million).

WHEREAS, the State created a broader revenue sharing program in 1969 to return a portion of state revenues back to municipalities as a result of the elimination of towns' and cities' ability to tax part of the agricultural economy. The City of Keene in 2008 had been receiving approximately \$992,000 per year; this was reduced by the State in 2010 to \$550,000 and subsequently eliminated. (To date, the City has lost approximately \$15.8 million as a result of this change.)

WHEREAS, The Meals and Rooms Tax was enacted in 1967 as a statewide tax tied to tourism and economic activity. At the time, the intent was for the State to retain 60% of the revenue and distribute 40% to municipalities, recognizing that local roads, infrastructure, police and fire protection, utilities, and other municipal services support tourism and economic development. Over time, the State reduced the municipal share, and although a 1993 catch-up formula was created to work back toward the 60/40 split, that formula was later suspended repeatedly. As a result, communities have received substantially less than the original 40% municipal share contemplated under the original framework. Based on historical distribution percentages since 2001 — all below 30% —

the City estimates Keene has received approximately \$15–\$20 million less than it would have under the original 40% formula. At current distribution levels, the annual difference for Keene is estimated at approximately \$700,000 per year.


WHEREAS, these downshifts burden working families, strain local budgets, limit flexibility and undermine long-term community prosperity; and

WHEREAS, a state budget that prevents cost-shifting and restores municipal revenue-sharing eases the tax burden on local property taxpayers and strengthens communities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEENE AS FOLLOWS: We the governing body of the City of Keene call upon the Governor, the State of New Hampshire Executive Council, and the New Hampshire State Senate and House of Representatives to protect local taxpayers by ensuring adequate state revenues for essential services, and by avoiding policies that downshift costs onto local property taxpayers.



Jay V. Kahn, Mayor

A true copy; 
Attest:
City Clerk

PASSED: June 4, 2026