

Bond Case Briefs

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Teeboom v. City of Nashua

Supreme Court of New Hampshire - July 2, 2019 - A.3d - 2019 WL 2865877

Taxpayer brought action against city, alleging ordinance exempting wastewater treatment fund from combined annual budget violated spending cap provision of city charter.

Following a bench trial, the Superior Court ruled the spending cap was unenforceable, and thus, that taxpayer lacked standing to bring his claims. Taxpayer appealed.

The Supreme Court held that:

- Taxpayer demonstrated the requisite causal connection between his alleged injury and the claimed violation sufficient to confer taxpayer standing; but
- City charter provision that allowed the board of aldermen to exempt municipal bond and capital expenditures from city spending cap did not constitute an “override provision”; and
- City spending cap was unenforceable because it did not contain an override provision.

City charter provision that allowed the board of aldermen to exempt municipal bond and capital expenditures from city spending cap did not constitute an “override provision” by which board could exceed the spending cap through a supermajority vote; the legislature distinguished between override provisions and provisions allowing certain expenditures to be excluded from the spending cap.

City spending cap was unenforceable because it did not contain an override provision; statutory provision that authorized city to adopt spending cap provided that such a cap “shall” include an override threshold, and the statute contained no exceptions for spending caps adopted before its effective date.