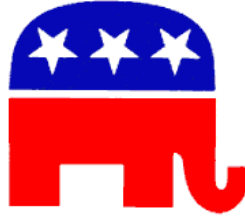


Republican Report

“Collecting more taxes than absolutely necessary is legalized robbery.” —Calvin Coolidge



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A message from the Republican Leader.....

With the arrival of *crossover* this week we have essentially reached the halfway point of the legislative session. With **HB 1** and **HB 2** coming to the floor of the House this week, it will be extremely important that we stand united in opposition to the Democrat majority's tax-and-spend budget. As you may recall, two years ago they brought forth a plan that included \$223 million in tax and fee increases, which translated into a \$273 increase for each and every man, woman and child that lives in New Hampshire. Despite the fact that we are now in the middle of a recessionary period, revenue figures continue to fall, and the state is facing huge deficits, the Democrat budget that they will bring to us this week is an **INCREASE** over the last biennial budget!

Two years ago, on the most critical fiscal issues that we faced in **HB1** and **HB2** we had the support of 98 percent of the Republican caucus. I hope that we can once again come together and vote 100% against yet another Democrat tax and spend budget.

The Democrats' budget **raises new taxes**, including a capital gains “income” tax and a death tax. These two taxes were also passed without the proper, full legislative process of committee and floor votes. It was the Democrat majority who originally pushed for the repeal

of the legacy and successions tax and now they have spent the State of New Hampshire into a deficit they want to bring a form of it back.

For the fourth time in five years, they are raising the cigarette tax AND they also are looking to double the gas tax! The taxing continues further in the Democrats' budget: they are proposing to tax gambling winnings and increase the Rooms and Meals Tax by nearly 10 percent!

Their budget does not include school construction aid and they are proposing to raid the JUA medical fund of \$60 million over the next biennium. This raises serious questions of fairness.

In short, the Democrat budget will cost \$133 million in additional property taxes to be paid by our constituents. Their budget is irresponsible when it comes to spending and raises taxes at the worst possible time—during a recession. Every Finance committee Republican voted for the House Republican budget and against the Democrat budget. While our budget will fund essential state services, the Democrat budget that we will be asked to vote on, irresponsibly spends money and raises taxes during the worst possible time.

We will be holding a press conference on Monday, April 6th at 1:00 p.m. in the lobby of the Legislative Office Building (LOB) for the purpose of presenting the Republican alternative to the Democrats \$11 billion budget. We encourage all the members of the Republican caucus to join us for this event to show solidarity. At the conclusion of the press conference we will hold a Republican Caucus in the LOB at 2:00 p.m. and I hope that you can all make it. At that time, Republican leadership on Finance will be glad to answer any questions with regard to our budget.

Republican Caucuses

Monday, April 6th, 2:00 p.m.

—Rooms 202-204, LOB

Wednesday, April 8th, 8:45 a.m.

—Rooms 305-07, LOB



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—Message

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In the meantime, our office has emailed a set of bullet points that will help you to better understand what we have done. I would like to thank our members on the Finance committee for the many extra hours they have put into bringing forth an alternative budget that we can be proud of and one that better serves the State of New Hampshire and the citizens of this state. I hope that you will all support the Republican budget.

The House will meet twice this week, on both Wednesday and Thursday. It is very important that you be in your seats and ready to go first thing Wednesday morning because before we start any other business of the day, we will be taking up reconsideration on **HB 415**, the so-called “bathroom bill. If the bill is taken up before we recess from the last session, it will require only a majority vote to reconsider—therefore we need to be ready to go.

The word is that Democratic leadership is whipping the bill very hard because they were not satisfied that the bill failed by the margin it did (181-149) on a division vote. Please vote NO on reconsideration when it comes up on Wednesday morning so that we may get on with the important business we have yet to take up, specifically the state budget.

There are a number of taxes that are included in HB 2 and we will be asking for your full support in removing the capital gains tax, the rooms and meals tax, the “death tax, the gas tax, the tobacco tax, and the taxes on insurance premiums and gambling winnings.

The governor’s capital budget authorized capital expenditures totalling \$140.2 million dollars in general fund bonding, including the bonding of \$83.7 million dollars for the state’s contribution to local school building aid. The House Capital Budget, unanimously supported by the Public Works and Highways committee, authorizes \$127.5 in general fund bonds, and leverages an additional \$94 million in federal match and grant monies over and above the budget as presented to the committee. The total is below the \$130 million general fund bonding capacity limit recommended by the State Treasurer.

The Public Works & Highways committee was unanimous in affirming a long-standing legislative policy that school building aid does not belong in the capital budget. To bond the full biennial payment of local school building aid would have consumed two-thirds of the general fund bonding capacity for the state. School building



aid payments by the state have tripled over the past two years and, if left in the capital budget in the future, would eventually eliminate the general fund bonding capacity for any state capital projects.

The House Republican budget will restore \$83M in School Construction Aid and fully fund the state’s responsibility of state revenue sharing with local municipalities.

There are a couple of bills out of Ways & Means that we ask your support on. HB 383, the “seat belt” bill, came out of the committee OTP/A, 11-7. We ask you to support the minority report of ITL. Outside of the promised federal funds the state would receive for compelling seat belt use, there has been no effort to determine the cost this legislation could have on the localities and the state in dealing with deaths caused by wearing seat belts. We have concerns for the potential for hidden costs that could equal or exceed any revenue we might receive from the federal government. This bill should not be considered without a thorough analysis of incidents and costs and that study has yet to take place.

HB 601, relative to claims for compensation from the victims’ assistance fund, will also come to the floor this week. We ask you to support the minority of ITL on this measure as well. The Republicans on the committee were concerned about the fiscal effect this legislation would have on New Hampshire since it expands access to the victim’s assistance fund to “individuals who are not citizens of the United States or who are not legal aliens.” State services should not be extended to those who are not United States citizens. Expanding access to the victims’ assistance fund to illegal immigrants and further straining staff duties in the Department of Justice are two fiscal issues in this legislation that make this legislation imprudent at this time.

I look forward to seeing a good turnout at our Monday caucus where we can have a thorough discussion on the Republican alternative to the state budget.