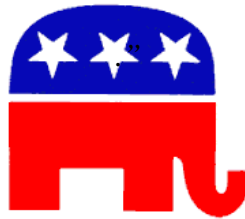


# Republican Report

“The nearest thing to eternal life we will ever see on this earth is a government program.”

Ronald Reagan



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## *A message from the Republican Leader.....*

Has the governor “blinked?” Is he finally ready to admit that the State of New Hampshire can no longer continue with the Democrats’ tax and spend mentality? It appears so. On Thursday he finally realized what the State House Republicans have been trying to tell him all along—we don’t have a revenue problem, governor, we have a spending problem. The governor called his department heads together and asked them to make across the board cuts totalling \$140 million through the next fiscal year—a 2% cut through the rest of this fiscal year and 8% in cuts through 2011. Just a short time ago his party lambasted us when we recommended 10% in budget cuts! The irony is that these cuts wouldn’t have been necessary had he been able to rein in his own Democrat controlled legislature while they were busy increasing the General Fund spending by 25% over the past three years.

But even in the face of a huge deficit and the edict from the corner office to make cuts, Democrats in the House continue to stonewall our every attempt to cut taxes and spending. They defeated our attempt at returning \$25 million in revenue sharing to the cities and

towns in HB 1274; and their spin doctors screamed long and loud when we were successful, with the assistance of 25 Democrats, to pass HB 1128 that would send \$5 million in meals and rooms revenue back to our municipalities. Unfortunately the legislation must still survive the Democrat-controlled Senate. They sang the same old song that, “Republicans offered no cuts to make up for any lost revenue.” Have they not taken the time to read the legislation sponsored by the House Republican leadership (HB 1664/HB 1672), which offer very specific cuts (see graph below) with an impact on the appropriations results in a net gain of nearly \$28 million? Some columnists have even gone so far as to refer to our attempt to send money back to our cities and towns to relieve some of the “downshifting” that occurred during the last budget as, “fiscal insanity.” It is quite evident that even they have not taken the time to attend the hearings or to see what we have offered in the way of serious cuts.

We have been talking about cutting spending for nearly four years and now that we are facing a \$250 million deficit, the governor decides it’s time to take action. The problem facing Governor Lynch now, of course, is the fact that

we are already nearly a third of the way into the biennium. Had these cuts been enacted seven months ago, it would have resulted in \$200 million in savings. ( $\$140\text{M}/0.7 = \$200\text{M}$ ) That’s \$60 million more than the governor is asking for in cuts from his department heads today. As a result, we could have easily avoided the LLC income tax (\$30M); the

### Revenue

**HB 1664**-Revenue impact

**HB 1672**-Revenue impact

Net impact on Revenue

### Appropriations & Expenditures

**HB 1664**-Appropriation & Expenditure impact

**HB 1672**-Appropriation impact

Net Impact on Appropriations

Combined Fund Gain/(Loss) to the Fund

Combined Fund Gain/(Loss) to the Fund

with Amendment 2010-0088h

### General Funds

\$ 1,721,579

\$(19,100,000)

\$(17,378,421)

\$(77,042,277)

\$ 30,966,147

\$(46,076,130)

\$ 28,697,709

\$27,912,709

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**—Message**

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campground tax (\$8M); the business profits tax extension (\$11M); the real estate tax extension (\$3M); the increased surcharge on wine (\$6.2M); the increase in fees on food protection inspections (\$600K); the extension of judicial fines (\$600K); and the fees for condo and land sale applications (\$140K). We still would have had \$500,000 left over.

Democrats and their governor overestimated revenues, despite several warnings from Rep. Norm Major, they increased General Fund spending by 25% over two biennia; they increased or created more than 50 fees and taxes to cover their spending spree; relied on more than \$600 million in onetime monies; and ignored our warnings about dipping into the JUA funds—a decision that has since been supported by the NH Supreme Court. Now the governor has seen the light and is looking to make cuts. When asked by the media or your constituents about the charges that we have failed to offer our own cuts, remind them to take a look at both HB 1664 and HB 1672.

We face another busy House session on Wednesday with 158 bills on consent and 35 on the regular calendar. We will hold our Republican caucus at 8:45 a.m. in Room 305-07 of the LOB. While it is important that we hear comments, both pro and con, on bills of concern to our members, we will not have time to get into a serious debate on all the issues. Please try to arrive promptly at 8:45 a.m. so we may get started.

Hopefully, by Wednesday, we will have a new Republican Senator-elect in District 16 with the election of Dave Boutin. Then we turn our attention to Coos District 2 and the reelection of Rep. John Tholl to the NH House. I hope that many of you will be able to lend the same assistance that you gave to Lynn Blankenbeker, Steve Cunningham, Marilinda Garcia and Ken Weyler in their successful special election campaigns.

Thanks again for all your hard work. If we keep the pressure on and stay on our message of taxes and spending, we will be successful in regaining the majority in the House come November

***Legislative Update***

**Commerce**

- HB 1519**—relative to the surety bond requirement for meals and rentals operators. (Oppose)
- HB 1244**—relative to insurance fraud. (Oppose)
- HB 1253**—removing the exemption to the consumer protection act for insurance trade and commerce. (Oppose)
- HB 1342**—relative to the right of election to submit a claim for medical expenses under a medical payments motor vehicle liability policy or a health insurance policy. (Oppose)
- HB 1233**—relative to the amount of medical payments coverage under motor vehicle liability policies. (Oppose)
- HB 1252**—relative to the duration of medical payments coverage under motor vehicle liability policies. (Oppose)

**Executive Departments and Administration**

- HB 1240-FN**—relative to the use of state-owned vehicles. (Support)

**Health, Human Services & Elderly Affairs**

- HB 1636-FN**—establishing the real-time electronic controlled drug prescription monitoring program. (Oppose)

**Resources, Recreation and Development**

- HB 1298**—establishing a statewide septic system commission. (Oppose)
- HB 1222**—relative to the authority of the commissioner of the department of environmental services to grant permits under the comprehensive shoreland protection act. (Oppose)
- HB 1186**—prohibiting smoking within certain areas of New Hampshire state parks and historic sites. (Oppose)
- HB 1194**—prohibiting smoking on beaches at state parks. (Oppose)

**Ways & Means**

- HB 1607**—relative to the reasonable compensation deduction under the business profits tax. (Oppose Vachon amendment, support Hess amendment)