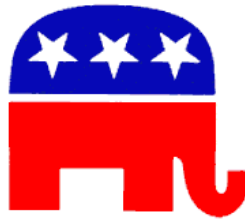


Republican Report

"The States should be left to do whatever they can do as well as the federal government"

—Thomas Jefferson



Volume 3, Issue 8

February 27, 2009

A message from the Republican Leader.....

The House returns from its winter break this week to an extremely busy legislative schedule. I hope that you all enjoyed your time away from the State House and are ready to face a heavy calendar during the House Session on March 4th. In fact the speaker has also requested that we also set aside Thursday, March 5th in case we are unable to act on all early bills. It would be necessary to return the following day because of the deadline to act on early bills. The House will also meet the following Wednesday, March 11th.

There are a number of bills coming before us this week that Republican leadership would like to call your attention to, including the first gambling bills to come to the floor of the House this session.

HB-461-FN-A would establish a state-owned casino to provide funds for public education. It came out of the Local and Regulated Revenues committee with a recommendation of **ITL** (15-4). This bill proposes to establish two state-owned casinos at least 100 miles apart. However, both the majority of the committee and the sponsor of the bill have admitted that this legislation is not ready for passage at this point in time.

HB 593-FN-A, authorizing the licensing and construction of destination resorts with gaming facilities including table gaming and video lottery machines, was also voted **ITL** (12-8) in committee. It would also authorize gaming facilities at existing pari-mutuel licensees, including table gaming and video machines. There will be some movement on the floor to overturn the ITL and retain this bill in order to further study the issue, especially the economic benefits versus any social impact. By doing this, those in favor of retaining the bill believe that the House would maintain a vehicle through which to recommend the implementation of any future findings.

In his Inaugural Address earlier this year, Governor Lynch warned that the state's financial difficulties could not be solved by "a mythical pot of gold at the end of a magical rainbow."

"I remain skeptical of expanded gambling and how it will affect New Hampshire's quality of life. I urge you to give careful and deep thought to any such proposal, and the long-range impacts it may have on New Hampshire."

—Gov. John Lynch
Budget Address

Passionate arguments can be made on both sides of this issue. There are those who feel that the revenue projections are unreasonably high and that there is no real correlation between a state having casinos and maintaining a low tax burden. At the same time, the minority of the committee feels that, despite hearing hours of testimony, it has not spent enough time scrutinizing the "salient points and implications" of this legislation. It is a topic that we, no doubt, will discuss further at our Republican Caucus.

There have been a number of op-ed pieces published recently, both pro and con, and I urge you to carefully read and study the issue. Once such op-ed piece, crafted by Rep. David Hess, the Deputy Republican Leader and a member of the Local and Regulated Revenues committee, can be found on the home page of our website (www.nhhousegop.com). We will continue to carefully study any gambling solutions that are presented as a solution to our fiscal crisis in the State of New Hampshire.

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Bad “Hemp” Legislation

The Environment and Agriculture committee has voted ITL on a bill dealing once again with the recurring industrial hemp issue. The majority of the committee had several reasons to oppose this bill. There is no law today in New Hampshire that prohibits a farmer from growing hemp, it is a federal prohibition. Secondly, the bill creates yet another *dedicated* fund. We ask you to **SUPPORT** the majority committee report of ITL on **HB 399 FN-A**. Our policy leader on Environment, Rep. Bob Haefner, suggested that while the goal is to send Washington a message, this might be better served through a resolution; he is right—this is a bad bill with long lasting social and fiscal implications.

Retirement System

Rep. John Reagan wrote an excellent blurb on **HB 590**, regarding the retirement age for Group II members of the New Hampshire Retirement System. We ask you to **SUPPORT** the bipartisan majority report of OTP on the bill, as it was one of the retirement reforms the House voted to pass last year but then later acquiesced to the Senate during the committee of conference. This bill will save the state dollars and help to rein in a still troubled retirement system. During our Republican Caucus on Tuesday afternoon (3:30PM) in Representatives Hall, we will have a briefing on the Retirement System and the many bills dealing with this subject that have come to the Executive Departments and Administrative committee this session. I urge you to attend, unless you are tied up with

Important Dates

- Tues., March 3** **Republican Caucus**—3:30 PM
Representatives Hall, State House
- Wed., March 4** **Republican Caucus**—8:45 AM
Rooms 305-07, Legislative Office Building
House Session—10:00 AM
- Thurs., March 5** **Possible House Session**
Last day to act on House bills going to a second committee

committee work. It will be a good opportunity for us all to have our questions answered with regard to the New Hampshire Retirement System.

Costly Bills out of Judiciary

Two Judiciary bills on PART I of the calendar will cost the state millions of dollars. **HB 344 FN** establishes new superior court justice positions at a time when there is a hiring freeze across state government and in fact, at the same time the governor is recommending closing several courts across the state in a cost saving measure. This legislation is going to cost the state three quarters of a million dollars in this biennium alone and should be dealt with in one place—the budget. We will **OPPOSE** the majority report of OTP and I ask you to join us.

Similarly, **HB 682** is going to increase the amount of daily fees paid to bailiffs after we just did this during the 2008 session. The fiscal note on this bill is also troubling because it will cost the state many millions in implementation—and we simply just don't have the money. We will ask you to **OPPOSE** the majority report of OTP on this bill as well.

Rep. Bob Rowe, our policy leader in Judiciary has also asked that we oppose the committee report of OTP on **HB 281-FN**, which increaseses the maximum amount of debt or damages for small claims actions and requires mediation for small claims actions exceeding \$5,000. Doubling the small claims limits will result in judgments that will create a burden on lower income citizens and the elderly—those among us who can least afford it.

Public Works Legislation

There are also two bills from Public Works and Highways that we ask you to oppose, despite the fact that there was Republican support for this legislation in com-

HB 644-FN-A-L

increasing the rate of the road toll, establishing the NH road and bridge account, and limiting the uses

of road toll revenues. We **OPPOSE** the OTP/A because:

- The amendment would **increase the gas tax 5 cents per gallon per year** for three consecutive years.
- It has been the philosophy of Republican leadership from day-one to oppose any increase in taxes, given the current economic climate.



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mittee. The first bill is **HB 644 FN-A-L**, which includes a **graduated gas tax** that will increase five cents a year for the next three years. While I fully understand why my colleagues support the need for a gas tax to boost revenues going into the Highway Fund, I have repeatedly said since assuming the role of Republican Leader that in this economy it is not the right time to be raising taxes. As a resident who lives on the I-93 corridor, I know firsthand the issues regarding roads and bridges. Even the governor did not suggest raising this tax in his budget address. I understand some Republicans are not with us on this bill, but we will ask you to **OPPOSE** the report of OTPA and another **increase** in taxes!

EZ Pass Discount

The second bill from Public Works is **HB 670 FN**, which reneges on a promise made by the state when we first implemented EZ Pass at a 30% discount for our customers. It further caps transactions at a certain rate and takes away the idea behind our “user pay” type system. While it is revenue neutral, and will do no harm to state government, it will hurt thousands of drivers who use our highways everyday. We ask you to **OPPOSE** the committee report of OTPA.

Regular Calendar, PART II

There are two bills from PART II of the calendar where we will ask to you oppose the committee report. The first is **HCR 6** from the State-Federal Relations and Veterans’ Affairs committee. **HCR 6** is an affirmation of the ideas many Republicans hold dear, *states rights*. By using the 10th Amendment to assert their authority, the federal government takes money from the states and their citizens and then imposes sanctions as to exactly how we can spend the money when it is returned to us. We have been the victims of such unfunded mandates for decades. As a result, many states are looking to repeal federal mandates to spend money that they anticipate will come

Republican Caucuses

Tuesday, March 3, 3:30 p.m.
 —Representatives Hall

Wednesday, March 4, 8:45 a.m.
 —Rooms 305-07, LOB

from the federal government once the President begins passing along some of the huge programs promised during his campaign. New Hampshire is just one of several states currently pursuing a sovereignty resolution and more are expected to join the fight. We support the principle of states rights and the 10th Amendment and find no harm in passing a resolution (which has no force of law) stating that fact. Please **OPPOSE** the report of ITL and **SUPPORT** the minority report of OTP.

The second bill is **HB 614** from Election Law regarding domicile of college students. The Secretary of State’s office testified during the public hearing that provisions addressed in this bill are not necessary because of their hard work. The bottom line is that this bill sends us down the slippery slope of loosening our election laws at a time when we need to be tightening them. We ask you to **OPPOSE** the report of OTPA.

Republican Support

There are a couple of additional bills that came out of the Public Works and Higways committee that we ask you to support. **SB 76**, naming a bridge in the town of Barrington the *Sp. Jesse Scott Conger Memorial Bridge*; and **SB 96**, naming a bridge in Webster in honor of *William Tracy*. We ask you to **SUPPORT** the OTP reports on both bills as they come at no cost to the state. The communities involved also appeared at the public hearing in support of the bills. Recognition of our deceased military heroes is a small token of our appreciation.

In Election Law we ask for your support the committee report of ITL on **HB 417**, relative to electoral college electors. This legislation would completely change our electoral system in this country. It would call for us to cast electors by national popular vote, rather than perhaps, how our state votes in an election. The bill goes against the intent of the framers of the Constitution and a very strong, bipartisan majority of the committee voted to ITL this bill.

Finally, on the last page of this report, we have listed

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Check out the Republican Office website at:
www.nhhousegop.com



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a summary of some of the governor’s proposed budget highlights. Cities and towns are already scrambling, trying to come up with ways to offset the loss in revenue sharing that they are anticipating in their own budget. Dowshifting, or lowering the state’s financial burden by increasing municipalities’ financial burden, is the most troubling aspect of the governor’s budget.

Once again, under his plan, the revenue-sharing money lost to municipalities is expected to be offset by additional federal stimulus money given to local school districts. In theory, higher municipal taxes will be offset by lower school taxes, and property taxpayers will be held harmless. But with lower tax rates, it will be easier for schools to increase spending and with higher tax rates, it will be harder for cities and towns to increase spending. We are already starting to hear of services and

infrastructure within our cities and towns that will suffer dramatic cuts if revenue sharing is eliminated.

By removing the distribution of the Rooms and Meals tax money, the governor is saving the General Fund (GF) appropriations by that amount of money. While it saves appropriations for the GF, he can then use it for something else. Essentially our cities and towns become the tax collectors for the state by those amounts.

The summary also shows the amount of onetime money that the governor has written into his 2010-2011 budget—money that we will not be able to count on in future budgets, setting us up for further deficit problems.

If you have any further questions about the budget figures, one-time money, bonding of recurring costs, or any other issues, I hope that you will bring them with you to our Tuesday caucus.

Thanks once again for your contributions to our Republican caucus.



GOV. LYNCH BUDGET HIGHLIGHT INITIATIVES

ONE-TIME MONEY-INTO FY2010-2011

Bonding recurring costs	\$83.3M	General Fund
Sale or securitization of state assets (LIQUOR)	31.5	General Fund
GF Increase due to Malpractice Fund	<u>60.0</u>	General Fund
TOTAL	\$174.8M	

INCREASED TAXES AND FEES

\$10 MV increase/E-Z Pass Changes	\$126.0M	General Fund
TOTAL	<u>32.8</u>	Highway Fund
	\$158.8M	

REDUCED GENERAL FUND REVENUES TO NH CITIES AND TOWNS

\$166.7M **General Fund**

GENERAL FUND EXPENDITURES SHIFTED TO OTHER FUNDS (LIQUOR)

\$90.1M **General Fund**

GENERAL FUND REDUCTIONS (LIQUOR)

\$22.4M **General Fund**