

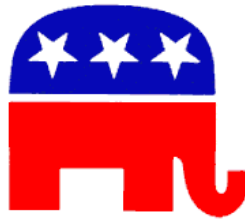
Republican Report

“A \$65M shortfall can't be filled with niggling little fee increases...it will take something big to fill the hole.”

—Concord Monitor, Aug. 3, 2009



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A message from the House Republican Leader.....

It came as no surprise when the New Hampshire Supreme Court ruled this week that transferring \$110M from the New Hampshire Medical Malpractice Joint Underwriting Association (JUA) to the state's general fund violated Part I, Article 12 of the state constitution and the Fifth and Fourteenth Amendments to the U.S. Constitution. They affirmed the decision that the State had no right to any “excess surplus” funds held by the JUA because they are not a state agency.

After the majority of the justices ruled that the legislature could not take money belonging to a private fund because of its violation of contract rights in our state's constitution, the Democrat spin machine immediately ramped up and harped on the fact that the opinion was a *close one* (3-2) and other states have adopted similar policies, so we should have been in the clear. These arguments mean little; Republicans argued from day one that raiding the JUA fund would be problematic at best and unconstitutional at worst, and referencing other states is as absurd as trying to compare state quarters. The fact of the matter is that this fund belongs to the doctors and the hospitals who pay into it. Also troubling was the Democratic spin by the chairs of House and Senate Finance who claimed that we closed the previous biennium responsibly and that we will do it again in this budget cycle. The fact is that we raided the Rainy Day Fund and left it at its lowest amount in the past decade to balance the Democrats' previous, out of control budget. We simply do not have the money left now to cover any more budget mistakes by the Democrat majority.

Lynch LLC Income Tax

Democrats, including Governor John Lynch, also continue to defend the LLC tax that they tacked on to the state budget at the midnight hour—without public input. They show no sign of backing off on this issue and it is pretty clear that the LLC tax will be a major issue for us during the fall campaigns. The governor would have

Republican Caucus

Wednesday, February 3, 8:45 a.m.

—Rooms 305-307, LOB



the voters believe that they are merely “closing” a loophole with this legislation, when in fact they are imposing a new tax on NH businesses at a rate nearly twice as high as any other taxpayer. The overwhelming majority of partnerships and LLCs in New Hampshire are small businesses and the Democrats in Concord are looking to tax them at an effective rate of 13.5%!

Democrats have held “secret” meetings, under the guise of “a caucus,” to try and find ways to spin the tax in a positive way. Is this another example of the “transparency in government” that they promised three years ago?

We have tried to keep our members, as well as the voters, informed about the LLC tax and its ramifications on small business in New Hampshire. As you know, while Democrats huddled secretly with the DRA commissioner at the Upham-Walker House to discuss the Lynch Income Tax, we held an open forum for all legislators AND the general public at the Legislative Office Building on Friday. It is this example of open-government that will help return us to the majority in November. It is important that we keep both issues, the JUA fiasco and the LLC tax, in front of the public for the next ten months. The NH Advantage is eroding and the quicker we return to the majority the better.

Rep. David Boutin continues to work hard in his race for the Senate seat left vacant with the resignation of Mayor Ted Gatsas. The election is coming up on Feb. 16th and

—continued on page 2



—Message

continued from page one

Rep. Boutin can use our help. If you can assist with lit drops, phone calls or in any other way, please contact B.J. Perry (bj@nhgop.org) at the Republican Party headquarters. There will also be a Republican primary in Coos, District 2, on February 2, followed by the general election on March 9. As soon as the primary is over with, we will be asking your assistance to help the Republican candidate in that district so that we may add another member to our caucus. Thanks again for your hard work!

Legislative Update

Commerce

- HB 1505—establishing a commission to study state-imposed burdens on unregulated businesses. (Support)
- HB 1475—relative to indoor smoking. (Oppose)
- HB 1613-FN—relative to the general banking laws of the state. (Oppose)
- HB 1279-FNA—relative to the licenses of mortgage bankers and mortgage brokers. (Oppose)
- HB 1243—relative to automatic teller machine card overdraft fees. (Oppose)

Criminal Justice

- HB 1637-FN—relative to the registration of criminal offenders. (Oppose)
- HB 1638-FN—relative to convictions for capital offenses. (Oppose)

Education

- HB 1479-FN—requiring that body mass index be assessed in all pupils in grades one, 4, 7, and 10. (Oppose)

Environment & Agriculture

- HB 1575—relative to commercial composting. (Oppose)

Health, Human Services & Elderly Affairs

- HB 1160—relative to tanning of minors. (Oppose)
- HB 1555—adding an exemption from immunization for conscientious beliefs. (Oppose)

Judiciary

- HB 1255—relative to requirements for apportionment of damages. (Oppose)
- HB 1256—restricting medical injury claims subject to pretrial screening panel review to claims exceeding \$250,000. (Oppose)
- HB 1257—changing requirements for extensions of time for hearings by pretrial screening panel process. (Oppose)

Resources, Recreation & Development

- HB 1239—relative to department of environmental services field citations and cease and desist orders. (Oppose)
- HB 1378-FN—establishing an adopt-a-state park program in the state park system. (Support)

Transportation

- HB 1261—relative to motorcycle noise emission controls. (Oppose)
- HB 1162—relative to the wearing of motorcycle protective headgear. (Oppose)