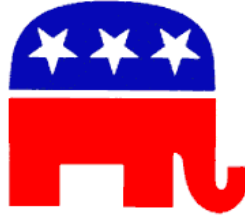


Republican Report

“Look to the sky when you do revenue estimates, because we need more money.”

—Rep. Marjorie K. Smith (d-Durham), Chair, House Finance Committee



Volume 3, Issue 11

March 20, 2009

A message from the Republican Leader....

It was only a matter of time before the Democrats in the NH House began playing games with the state budget, and once again it is being done through the Ways and Means committee.

You may recall, it was during the last session when Rep. Marjorie Smith, Chair of the House Finance committee, told members of the House Ways & Means committee to, “look to the sky when you do revenue estimates because we need more money.” The result was a 17% increase in spending and 23 new taxes and fees.

The problem clearly began two years ago with changes in the way the House was allowed to review the revenue estimates. This not only threatened the system of checks and balances, it also prevented the legislature from playing its proper role in shaping the state budget. Now, just two years later, the people of the State of New Hampshire are paying a heavy price.

In each of the previous three budget cycles that occurred under Republican leadership, the Ways & Means committee prepared estimates of expected state revenues for the upcoming two year budget cycle before the governor presented his or her budget. This also gave guidance on spending levels to the budget writers on the House Finance committee. For some reason the process was changed for the last budget cycle and the Ways & Means committee received revenue estimates after the governor delivered his budget. With agency heads already committed to the governor’s revenue numbers, an independent legislative estimate was difficult, if not impossible, to produce.

As a result, there was a less reliable check on the revenues estimated by the governor to balance his budget. The legislative process only works when there is an open, free-flow of information.

This week it became clear once again that House Democrats have no plans to cut spending. Instead they continue to look for ways to increase revenue (i.e. taxes) on the backs of our constituents—and their methods are just plain wrong.

In what Rep. Norm Major, our policy leader on Ways and Means, has termed, “a horrible abuse of the system,” the Democrats on his committee this week voted to retain tax bills without sending them to the House floor. For example, **HB 664** would institute a **capital gains tax** on private citizens—this a **brand new income tax** on the people of New Hampshire. This bill, along with sever others that were retained, should go to the floor as stand-alone-bills and receive the full debate that they are due. They

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TAX BILLS RETAINED IN WAYS & MEANS

HB 540—fees for motor vehicle records—RETAINED

HB 568—taxation of tobacco products other than cigarettes—RETAINED

HB 597—revising the property tax relief program in order to cap education tax payments at 1% of adjusted gross income—RETAINED

HB 627—insurance premium tax—RETAINED

HB 638—increasing the tobacco tax—RETAINED

HB 642—establishing a flat rate education income tax—RETAINED

HB 656—relative to the collection of the education property tax and establishing a program to rebate certain excess property tax payments to eligible taxpayers—RETAINED

HB 664—taxation of capital gains under the interest and dividends tax—RETAINED

HB 691—the New Hampshire estate tax—RETAINED



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should not be hidden in **HB 2**. This process of taking a package of new tax bills and retaining them bypasses the normal legislative process. As a result, these tax bills will not go to the floor, they will not get properly vetted and they will get buried in **HB 2**.

Is it the policy of the House Finance committee to pass a budget inclusive of taxes that haven't even been passed yet, with the idea that the House will then pass all of these taxes to cover their expenditures? That is a backwards way of doing business and it's certainly not the way the people of this State expect us to do business. The Ways & Means committee shouldn't be "looking to the sky for more money." Instead, House Finance should be looking for ways to cut spending.

The job of the Ways and Means committee is to generate revenue and to send their estimates to the Finance committee. If Finance has an appropriation which is not covered by the normal increases in revenue, then we need to either cut expenditures or raise revenue from these taxes—that is the correct process. But this method of taking a number of tax bills and retaining them bypasses the legislative process. If we were to attempt to divide them out of **HB 2** on the floor of the House, what would we then cut on the floor when these new taxes are defeated? However, I fully intend to see to it that all of these taxes are pulled out of **HB 2** and fully debated and voted upon on the floor of the House. The Majority Party will be happy to pass these taxes without the benefit of a public debate. This is clearly bypassing the regular legislative process while at the same time

Upcoming Session Dates:

- ◆ *March 24th*
- ◆ *March 25th*
- ◆ *March 26th*
- ◆ *April 8th*
- ◆ *April 9th*

Republican Caucuses

Tues., March 24, 8:45 a.m.

—Rooms 305-07, LOB

Wed., March 25, 8:30 a.m.

—Rooms 305-07, LOB

Thurs., March 26, 8:30 a.m.



allowing just *11 people on one committee to set tax policy for the entire state.*

There are a total of 246 bills on this week's House Calendar, which is broken up into two parts. There are 168 bills on the consent calendar. Part I of the calendar contains 57 bills, including parental notification, increasing the beer tax, repealing the death penalty, and medical marijuana. There are 21 bills in Part II of the calendar, including the gay marriage bill, the "bathroom" bill, and legislation establishing the New Hampshire Homestead Plan, among others. Additionally, any bill that came out of a committee "without recommendation" will appear at the end of the calendar with a blurb written for each side of the debate.

Over the weekend, Republican leadership will take a very close look at the House Calendar and all legislation that will be coming to the floor for a vote. We will have available our "white paper" with the recommendations for where we would like your support and it will be available at our morning caucuses.

We are planning to hold a caucus on each morning prior to the session, beginning with an 8:45 a.m. caucus on Tuesday. Caucuses on Wednesday and Thursday will begin at 8:30 a.m. Should this schedule change, we will let the members of our caucus know.

Judiciary Committee

There are 16 bills out of the House Judiciary Committee spread out over the two parts of the calendar. There a number of these bills where we would ask the caucus to **support** our committee Republican positions.

Several bills have major social consequences that may affect our state for generations to come, while other bills have major and drastic repercussions for our legal system.

Republican leadership has taken a position **opposed** to **House Bills 415 & 436**, the so-called "bathroom bill"



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and the same sex marriage bill, respectively. **House Bill 415** adds the term “gender identity or expression” to our statutes, but this term in and of itself is vague and will create more problems than it seeks to solve. While some contend this has nothing to do with bathrooms, the argument that it does is valid; if a male is having an identity crisis one day, this bill would provide that person the opportunity to use a women’s restroom. The likelihood of sexual harassment or assault rising from this bill is a real possibility.

HB 436 allows for members of the same sex to marry. Less than two years ago, under the mantra of “equality and civil rights” this state enacted civil unions as a means for members of the same sex to commit to each other and enjoy ALL the same rights and benefits of marriage, and now are seeking to use the same name. We believe that the voters of New Hampshire were willing to go along with creating civil unions two years ago, but the idea of marriage is farther then they are prepared to go, especially since this was not a campaign issue in the previous election.

HB 274 & HB 531 both require parental notification and contain the all-important health exception language that meets constitutional muster; our party supports family involvement and the majority clearly demonstrated two years ago when it repealed the parental notification law

HB 658

relative to housing assistance for recipients of TANF.

We ask you to **SUPPORT** the minority report of **ITL**.

- The bill will costs the state approximately \$10M over the course of the biennium, forcing us to re arrange other HHS programs to accommodate this.
- Why should a commission determine, and who among the group is capable of, who is the “neediest of the needy” when picking to whom the housing allowance should go?
- The bill has disastrous consequences that could lead to a debilitating patronage system and is hugely unwarranted during these tough economic times.

HB 648

relative to the use of marijuana for medicinal purposes.

We ask you to support the minority report of **ITL**.

- A doctor cannot prescribe marijuana under this l legislation only recommend it.
- There is currently a “legal” prescription drug avail able called “marinol” which has many of the effects of marijuana.
- Marijuana would still be illegal to purchase under federal law but this bill would allow a person to grow up to 6 plants for their “medicinal” use.
- This is the first step toward trying to totally legal-izing the drug.

that they are little concerned about children’s safety in this regard.

HB 177, regarding loss of consortium, is a bill that was originally unanimously voted **ITL**, but after reconsideration to allow the sponsor to speak further, a shift occurred and this became a partisan issue. **HB 177** reverses legal practice and precedent where someone is injured and their spouse is responsible, their monetary recovery is set at the percentage of the fault of their spouse. **HB 177** removes this provision and allows the negligent spouse to collect the entire amount of recovery, regardless—this bill will cost more judicial backlog.

HB 197, regarding apportionment of damages, was amended by the Judiciary committee to include workers compensation and in fact grants greater ability for an injured worker in a workplace to sue and collect at two levels— against workers compensation insurance coverage and a negligent third party. Make no mistake, these two bills are a trial lawyer’s dream—they will increase the amount of cases and allow for greater fees. We would ask you to please **support** the Judiciary Republicans on these bills.

Ways and Means Votes

From Ways & Means comes a mixed bag of bills. While we were fortunate to pick up some Democratic support in the **ITL** of **HB 166**, the beer tax, the majority also voted to create a brand new “fee” (**tax**) in **HB 193**. This bill would establish a **fee** for certification of reduced ignition



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propensity cigarettes. We would ask you to support the **ITL** on **HB 166** and **oppose** the OTPA on **HB 193**.

Also from Ways & Means is **HB 426**, establishing the New Hampshire Homestead plan. The committee report is without recommendation. We opposed this legislation from the beginning because first and foremost, it raises the property tax from \$2.14 per \$1000 to \$5.50 per \$1000—being borne on the backs of renters and businesses.

Secondly, this bill would **create 74 donor towns** that would be responsible in sending more than \$95 Million dollars to the state. When Republicans were last in control, we ended the unfair practice of donor towns once and for all, and we can ill afford to bring them back now.

Labor Committee Votes

From the Labor committee come several bills where we have attempted to undo some of the catastrophic legislation that has been passed since Democrats came to power. Our committee Republicans have asked that you please join with them in voting “NO” on **ITL** on two specific bills that will come to the floor of the House this week.

The first is **HB 231**, which would have repealed the “evergreen” legislation that took away the incentive for unionized officials to collectively bargain since they were guaranteed wage and step increases.

Health, Human Services & Elderly Affairs

There are two very important bills coming to the floor from HHS this week. **HB 648**, relative to the use of marijuana for medicinal purposes; and **HB 658**, relative to housing assistance for recipients of Temporary Assistance to Needy Families (TANF). We ask you to **support** the minority report of **ITL** on each bill.

HB 648 would allow a person to grow up to six marijuana plants for their “medicinal use.” While compassion is being sought with this legislation, there are many legal and safe alternatives for patients who would need the services that this bill seeks to employ. A doctor cannot prescribe marijuana under this legislation, he or she can only recommend its use as a form of treatment. There is also a prescription drug that is currently available called “marinol” which has many of the same effects of marijuana for sick patients. This medication is legal and does not require the state having to test federal law.

HB 658 would establish a supplemental rent voucher program for the neediest families who are receiving TANF. While the bill does not contain an appropriation, it **WILL** cost the state approximately \$10 million over the course of the biennium, at a time when our state is facing a devastating fiscal outlook. We would also be forced to rearrange other Health & Human Services programs to accommodate this. This bill has disastrous consequences and could lead to a debilitating patronage system and is hugely unwarranted in these tough economic times.

I would like to thank you all for making a concerted effort to attend the all-important executive sessions that were held over the past couple of weeks. The time commitment that you are called upon to make forces you to sacrifice valuable time away from your families and, in many cases, your job responsibilities. I know that I speak for your constituents when I say “thank-you” for a job well done.

We have a very busy schedule in the days ahead. Along with our regular legislative schedule in Representatives Hall, on Wednesday, March 25th, the House and Senate will meet in Joint Session for Supreme Court Chief Justice John Broderick’s address on the State of the Judiciary. The House Session will follow. Our next legislative session following this week will not be until April 8th. I look forward to seeing you all at caucus so that we may organize our strategy on several key pieces of legislation.



Steve Packard