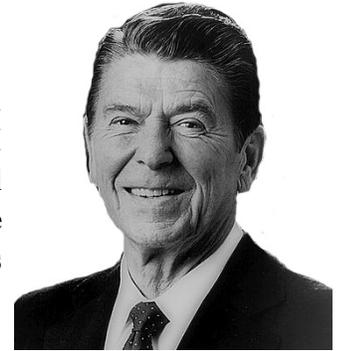


House Republican Alliance Recommendation Sheet

For June 29, 2005 House Session

The purpose of the House Republican Alliance is to preserve and strengthen the traditional principles and values of the Republican Party through the NH House of Representatives and throughout the state of NH, including fiscal restraint, personal freedom and responsibility, small government, free enterprise and strong families. We offer the following recommendations based on those principles, the Republican Party Platform and the NH and Federal Constitutions.



HOUSE BILLS

HB1-A, making appropriations for the expenses of certain departments of the state for fiscal years ending June 30, 2006, and June 30, 2007. **No Recommendation**

HB 2-FN-A, relative to state fees, funds, revenue, and expenditures. **No Recommendation**

The NHHRA is not going to make a recommendation on either budget bill because of the fact that there are Republican reasons to support and oppose both. For example, the budget shows fiscal discipline and restraint with a budget increase below the rate of inflation plus population increase (below a TABOR maximum.) while at the same time offers specific increases in taxes and fines. What we have chosen to do instead is offer arguments from both sides and ask that you **VOTE YOUR CONSCIENCE**.

SUPPORT FOR HB1-A and HB2-FN-A (Comments by Representative Giuda)

Each of us can find a reason to vote against HB2. But there are also numerous sound policy issues advanced by this bill.

- It eliminates a proposed broad-based telephone tax on every household in NH.
- It curtails HHS departmental authority to automatically expand eligibility limits or increase compensation rates without legislation – the single largest cause of historic budgetary overspending by that department.
- It enables HHS to recover from errant parents the cost of services fraudulently obtained for their children through abuse of the Healthy Kids program, and it establishes greater legislative oversight of that program.

These are each minor policy changes, but in the aggregate they significantly enhance fiscal responsibility in state government, and enact greater controls over the department that consumes 51% of the state non-education budget.

At the end of the day, this is a budget bill, and it is about money. Given the spending spree of the past biennium, where Total Appropriations increased 13.2%, this budget's increase of 5.6% for the biennium represents a 57% reduction in the rate of growth of state spending, and achieves that reduction with responsible cuts to unneeded programs. Is it perfect? No. But it breaks the back on the spiraling spending in state government, and provides us with the coming year to legislatively improve process and policy to gain further control of the budget and process, to produce better fiscal outcomes for the people and businesses of New Hampshire.

Following are the three primary reasons I am supporting this bill, as the "technical details bill" supporting HB1.

First, this bill produces a real reduction in actual General Fund dollars spent to below the current FY2005 level for each of the next two years, even as it provides for necessary services to the needy.

Second, this bill provides the Legislature with significantly better fiscal control of areas that were previously outside our scope of control.

And third, this budget produces Total Appropriation increases of 5.6% over the biennium – well within the TABOR (Taxpayer Bill Of Rights) recommended limit of 8.42% (TABOR limit = population growth + NECPI).

The policy changes contained in HB2 will produce a significant reduction in the rate of increase in government spending in NH state government. It breaks the growth rate and responsibly reduces state spending to sustainable levels which meet the criteria contained in the Republican platform.

OPPOSE HB1-A and HB2-FN-A. (Comments By Representative Mirski)

For those within the HRA who oppose the budget, the principal (though not only) sticking points have to do with inclusion of increases in the cigarette tax and with the inclusion of increases in a host of court fines - for which no public hearings were held in the House. The failure of the House to hold public hearings deprived the public of a say in important court related legislation. Failure to hold hearings in the House violated appropriate legislative process.

Many fiscal conservatives have been adamant on the matter of not voting for increases in taxes and fees. They've communicated this view to their constituents whenever they've had the opportunity. Because they do not care to be cast as representatives not good to their word, its nearly impossible for these fiscal conservatives to even consider the idea of voting for increases in taxes, fees, charges and fines without a concurrent opportunity to pass or support offsetting legislation meant to neutralize the effect of increases in charges for government. There is no offsetting legislation in either HB1 or HB2. Without offsetting options, those who have pledged to hold the line on taxes have no choice but to vote no on HB 1 and HB2.

HB381-FN, relative to special elections, voter lists, and conduct of elections

The Republican party platform states that we promote, “a limited government that is open, responsive and fully accountable to and in touch with its citizens without interfering in their personal, daily lives.” It also states that above all else our government and its elected officials must “preserve and protect individual liberty.”

A government that would compel its citizens to pay taxes that in turn are used, directly or indirectly, to influence how its citizens vote in elections for office holders and on ballot questions is not a limited or open government; it is not a government that is responsive and accountable to its citizens; it is not a government that is preserving and protecting above all else its citizens’ individual liberty. Instead, such a government holds to its own counsel, is principally responsive to its own needs and is accountable to only itself. It is a government that would improperly interfere in the lives of its citizens and tread on their individual liberty.

HB381 makes clear that governmental agencies in New Hampshire cannot, even through quasi-public corporations – which are associations in whole or in part funded through taxes – use taxes to influence elections. It prevents the government and its officials from using the people’s money to influence votes in elections. It will make government more open, responsive and accountable to its citizens. It will promote a government that serves the people rather than a government that is served by the people. **Recommendation Support the Committee Of Conference Report**

HB433-FN-A In reading the blurb, the Committee of Conference report appears to have uncovered a works in progress on a property rights issue in that a person will be allowed to have a boat dock on their property without their neighbor’s consent if good cause is shown. Despite what the Supreme Court says, the rights of property are high among the rights of Americans and should be defended at every chance.

REPUBLICAN PARTY PLATFORM VII. TAXES AND SPENDING

Low Taxes, Low Spending

Republicans realize that low taxes are the result of low spending. We believe that controlling spending and minimizing taxes are the best ways to protect the economic and civic well being of New Hampshire residents. We believe in promoting lower taxes to attract business development and expand economic opportunities by:

Maintaining a locally controlled tax system consistent with our commitment to keep New Hampshire a desirable place for people to live, work, raise their families and locate their businesses.

Supporting local control of spending and taxes designed to support local services.

Tax Free New Hampshire

We reject higher taxes and excessive government spending with the belief that taxes unfairly erode earnings, contribute to the growth of government and provide disincentives for economic growth. To affirm our strong opposition to any broad-based taxes, including an income, sales or capital gains tax, we will:

Support cutting or eliminating taxes which inhibit enterprise, earnings and savings, such as the Interest and Dividends Tax and the Business Enterprise/Business Profits Tax, Oppose taxation of the Internet.

Support a safety net that lowers the property tax for those who can least afford it.

Urge the Public Utilities Commission to work to reduce New Hampshire's electric rates.

Work to limit the growth of state spending to not more than the rate of inflation, taking into account population growth, such as by adopting a Taxpayers Bill of Rights.

Oppose casino and video-lottery gambling as means of raising government revenue

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