

## **HRA Position on Republican Budget Proposals HB 1 & HB 2 June 23, 2021**

The Republican representatives of the 2021 / 2022 term have worked tirelessly to provide a fiscally conservative budget with policy that satisfies the republican membership from top to bottom. This budget cuts every tax that hits the consumer, gives Granite Staters property tax relief and much needed financial assistance to small business owners across the state.

Here is an amazing list of things that the republicans have provided for in this budget:

- o Business Profits Tax Cut 7.7 to 7.6%
- o Business Enterprise Tax Cut 0.6 to .55 %
- o Interest & Dividends phase out begins; 5/4/3/2/1/0%/yr
- o Meals & Rooms Tax cut from 9% to 8.5%
- o Property Tax Cuts through Statewide Education Property Tax: \$100M reduction in property taxes
- o 30,000 business taxpayers now below payment threshold
- o \$100M in PPP loans - non-taxable
- o \$50M in additional R&M Tax returns to local towns/cities
- o \$32M in additional highway funds
- o \$30M to school building fund
- o Improved method for unemployment tax administration during emergency situations
- o Amer Recovery Act funds: greater flexibility in how used by towns
- o Added money back to the Rainy-Day Fund - enhance State's bond rating
- o Additional funds to County Nursing Homes will reduce county share of property taxes
- o Removes Merrimack tolls

Additional policy:

- HB544 - Divisive concepts - modified by Senate, added enforcement, goes into effect 1 July, can strengthen next year
- SB 130/ HB 20 - Education Freedom Accounts
- HB 417 - Limited Governor's Powers in the Emergency Orders - legislative oversight every 90 days (future emergencies), fiscal oversight of funds, advanced notice to Legislature, cannot impact Legislature's meetings, eliminated all previous fines
- HB 625 - Ban on abortions after 24 weeks
- FMLI - Family Medical Leave - enabling legislation for a benefit to be managed private companies, voluntary program for employees, cost to State: \$1.5M, effective 1 Jan 2023
- Some constraints on Planned Parenthood funding - facilitates incremental action
- Bans compliance with US HB-1/SB-1 for non-federal elections
- Bans State compliance with any Fed anti-2<sup>nd</sup> Amendment action
- Creation of Dept of Energy from Public Utility Comm and Site Eval Comm, reduces admin costs, enhances Exec control

- Closes Sununu Youth Services center in favor of creation of local area centers
- Provides grants for Off Road Vehicle trails - supporting tourism
- Increases Vet Center appropriations

While there is a long list of important pieces of policy packed into HB2, we should note some concerns that balance our recommendation. Although it may seem trivial on its face, the policy included in the Family Medical Leave Insurance (FMLI) section of HB2 can be viewed as an unconstitutional delegation of authority to the executive branch. This might go by unnoticed in other years but when it is combined with the issue of State of Emergency powers, it gives reason to pause.

The emergency powers put in place after 9/11/2001 gave broad authority to the executive branch. Now that those powers have been applied, many have questioned the constitutionality of such broad delegation of authority to the executive branch. In fact, there are concerns that the sections of HB2 addressing emergency powers is insufficient.

We would further note an issue in the proceedings of the Committee of Conference. One need not be a careful observer to see that the conference of the legislative branch received substantial input from the executive branch. No doubt such involvement would have been greatly reduced if the parties were not in 'perfect' alignment.

Part I, Article 37:

*In the government of this state, the three essential powers thereof, to wit, the legislative, executive, and judicial, ought to be kept as separate from, and independent of, each other, as the nature of a free government will admit, or as is consistent with that chain of connection that binds the whole fabric of the Constitution in one indissoluble bond of union and amity.*

The House Republican Alliance recommend a “vote your conscience” position so that representatives can represent their constituents in the appropriate manner for their districts.

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