

Bill as Introduced

SB 461 - AS INTRODUCED

2010 SESSION

10-2909

10/01

SENATE BILL **461**

AN ACT requiring a 2/3 vote for the general court to adopt legislation incurring indebtedness.

SPONSORS: Sen. Bragdon, Dist 11; Sen. Barnes, Jr., Dist 17; Sen. Bradley, Dist 3; Sen. Carson, Dist 14; Sen. Gallus, Dist 1; Sen. Letourneau, Dist 19; Sen. Roberge, Dist 9

COMMITTEE: Finance

ANALYSIS

This bill requires that any legislation which incurs indebtedness not funded by revenues during a biennium be adopted only by a 2/3 vote of both the house or representatives and the senate.

Explanation: Matter added to current law appears in **bold italics**.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Ten

AN ACT requiring a 2/3 vote for the general court to adopt legislation incurring indebtedness.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 New Section; Budget and Appropriations; Adoption of Legislation Incurring Indebtedness;
- 2 Vote Required. Amend RSA 9 by inserting after section 8-a the following new section:
- 3 9:8-b Adoption of Legislation Incurring Indebtedness; Vote Required. No legislation which
- 4 incurs any indebtedness or liability on behalf of or payable by the state for the operation of state
- 5 government, in any manner, which exceeds in that biennium the income and revenues provided for it
- 6 within such biennium, shall become law without a 2/3 approval of each house of the general court.
- 7 2 Effective Date. This act shall take effect 60 days after its passage.

Amendments

Fails

Sen. Bragdon, Dist. 11
February 11, 2010
2010-0657s
10/03

Amendment to SB 461

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT requiring a 2/3 vote for the general court to adopt legislation authorizing
4 borrowing upon the credit of the state.
5

6 Amend the bill by replacing section 1 with the following:

7

8 1 New Section; Budget and Appropriations; Adoption of Legislation; Borrowing Upon Credit of
9 State; Vote Required. Amend RSA 9 by inserting after section 8-b the following new section:

10 9:8-c Adoption of Legislation; Borrowing Upon Credit of State; Vote Required. No legislation
11 enacted after the effective date of this section that authorizes borrowing upon the credit of the state
12 shall become law without a 2/3 approval of each house of the general court.

Amendment to SB 461
- Page 2 -

2010-0657s

AMENDED ANALYSIS

This bill requires that any legislation which authorizes borrowing upon the credit of the state be adopted only by a 2/3 vote of both the house of representatives and the senate.

Committee Minutes

Finance Committee

Hearing Report

To: Members of the Senate

From: Sonja Caldwell
Legislative Aide

Re: **SB461** – *requiring a 2/3 vote for the general court to adopt legislation incurring indebtedness.*

Hearing date: January 28, 2010

Members present: Sen. D’Allesandro, Sen. Janeway, Sen. Larsen, Sen. Hassan, Sen. Sgambati, Sen. Odell

Members absent: Sen. Gallus

Sponsor(s): Sen. Bragdon, Dist 11; Sen. Barnes, Jr., Dist 17; Sen. Bradley, Dist 3; Sen. Carson, Dist 14; Sen. Gallus, Dist 1; Sen. Letourneau, Dist 19; Sen. Roberge, Dist 9

What the bill does: This bill requires that any legislation which incurs indebtedness not funded by revenues during a biennium be adopted only by a 2/3 vote of both the house or representatives and the senate.

Who supports the bill: Sen. Bragdon, Sen. Roberge, Sen. Carson

Who opposes the bill: Sarah Dustin

Taking no position: Cathy Provencher (State Treasurer)

Summary of testimony received:

Senator Bragdon

This bill requires a 2/3 vote to pass any legislation that incurs indebtedness. It came up at local town meetings. Future generations have to pay bill. He said it’s easy to spend other peoples money. This puts a threshold in that we have for local town and school districts. The intent is just to cover long term borrowing situations. He said isn’t this the kind of stuff that got CA in trouble. CA needs a 2/3vote to pass their budget. This is just restricted to those capital projects that require long term borrowing. Its money paid by future generations and we need a higher threshold.

Senator Janeway asked him if he's noticed the difficulty of the U.S. Senate with their 60 vote rule.

Senator Bragdon replied that he has noticed. This is his 13th year as school board member. With long term projects that need a supermajority, it requires people to work together. You have to work with those who vote no to get them on board. He said the biggest impact would be on capital budget.

Senator Janeway said he was thinking of building aid and DOT funding.

Senator Bragdon said there was only one instance of borrowing that had any difficulty and that was borrowing for building aid money.

Senator Larsen said that it appears from Senator Bragdon's own statements that we have, in fact, had a cooperative agreement working through capital budgets, never exceeding our limits and being fiscally conservative with our bonding to keep our rating healthy. She said it seems like this is a bill in search of a problem that doesn't exist. She asked why we would require this of ourselves.

Senator Bragdon said if you feel that the same protections that exist at local level should exist at state level, what better time to do it than a time of peace. He added that he only looked back at last 8 capital budgets.

Senator Hassan agreed that this is a non-existent problem. She is concerned that parts of state that have less representation because of their population might have their hands tied by requiring them to get 2/3 vote on infrastructure they need.

Senator Bragdon said he had no comment.

Senator Sgambati asked if you couldn't get 2/3 would you not have a capital budget or would you take items apart.

Senator Bragdon said typically what happens, at the local level, is they ask what they have done wrong and come back with an alternate proposal. He said if the votes weren't there to start with, you go back and talk with each other to regroup and make changes to get it passed.

Senator Sgambati asked if he is concerned about the potential for people requiring earmarks for their district hanging up the vote if they don't get it.

Senator Bragdon said he really doesn't think state senators would do that.

State Treasurer - Cathy Provencher

Our state has historically maintained low debt burden. We're at the bottom of the list in debt per capita. The past practice of a simple majority vote has worked well. She pointed out that many liabilities go out beyond the current biennium. We might require 2/3 vote that would add to liabilities going out beyond. She also noted that a 2/3 roll call vote in MA that is required by their constitution hasn't kept them from having one of the highest debt loads in country. It's really a public policy question and she's not weighing in.

Senator Janeway asked if this bill would make any difference to rating agencies.

Treasurer Provencher answered – no.

Senator Larsen asked if our bonding of school building aid caused any change to our rating.

Treasurer Provencher said no not specific to those 3 years that we bonded. She doesn't believe that's a prudent fiscal policy to continue bonding that into the future but those 3 years did not cause a change to our rating.

Senator Odell asked why CT's debt is \$4,000 per person.

Treasurer Provencher said CT did a sizeable pension obligation bond that could be pushing up their debt per capita.

Sarah Dustin

Testified in opposition to the legislation. She said the purpose of this bill is to shrink state government and it' based on faulty economic logic.

Speakers

Testimony

Howard L. Wilson
57 Agony Hill Road
Andover, NH 03216
stoneanarch@tds.net
603-735-5427

Finance Committee
January 28, 2010 100 State House 11:10 AM


Re: HB 461

Given the current political make-up of the NH Legislature, at the moment, a 2/3 vote would not be too difficult to arrange, to do as legislation suggests, of incurring debt. And any change to party numbers, relevant to the upcoming General Election, would still permit a vote to increase debt, by the State, just that the justification requirement would need more work, by interested parties.

I would suggest to committee & sponsors, that the required number as a percentage of the body as a whole, be by Unanimous consent. And that the sole reason for not voting be complete absence from the State House, at any point in time, where indebtedness is to be voted.

As such, and pending modification, I could support HB 461. If no modification takes place, I would urge a vote of Inexpedient to Legislate.

For Liberty,



Howard L. Wilson
Libertarian for US House

Voting Sheets

Senate Finance Committee

EXECUTIVE SESSION

Bill # SB461

Hearing date: 1-28
 Executive session date: 2-18
 Motion of: ITL

Room: State House - Room 100

VOTE: 4-1

Made by D'Allesandro
Senator: Janeway
 Larsen
 Hassan
 Sgambati
 Odell
 Gallus

Seconded D'Allesandro
by Senator: Janeway
 Larsen
 Hassan
 Sgambati
 Odell
 Gallus

<u>Committee Member</u>	<u>Present</u>	<u>exc</u>	<u>YES</u>	<u>NO</u>	<u>Reported out by</u>
Senator D'Allesandro	<input checked="" type="checkbox"/>	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator Janeway	<input checked="" type="checkbox"/>	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Janeway</u>
Senator Larsen	<input checked="" type="checkbox"/>	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator Hassan <u>left</u>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
Senator Sgambati	<input checked="" type="checkbox"/>	✓	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator Odell	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
Senator Gallus	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

*Amendments: 0657 ITL 4-1

NOTES:

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: February 18, 2010

THE COMMITTEE ON Finance

to which was referred Senate Bill 461

AN ACT requiring a 2/3 vote for the general court to adopt
 legislation incurring indebtedness.

Having considered the same, the committee recommends that the Bill:

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 4-1

AMENDMENT # {Type 4-digits here}s

Senator Harold Janeway
For the Committee

Sonja Caldwell 271-2117