

Bill as Introduced

SB 78-FN-A-LOCAL - AS INTRODUCED

2011 SESSION

11-0931

03/10

SENATE BILL **78-FN-A-LOCAL**

AN ACT relative to motor vehicle registration fees.

SPONSORS: Sen. Sanborn, Dist 7; Sen. Bragdon, Dist 11; Sen. Forsythe, Dist 4; Sen. White, Dist 9; Sen. Bradley, Dist 3; Sen. Groen, Dist 6; Sen. De Blois, Dist 18; Rep. T. Keane, Merr 13; Rep. Cohn, Merr 6; Rep. Kreis, Merr 6; Rep. Jennifer Coffey, Merr 6; Rep. Bettencourt, Rock 4

COMMITTEE: Ways and Means

ANALYSIS

This bill eliminates the motor vehicle registration fee increases enacted in 2009, effective upon passage of the bill.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to motor vehicle registration fees.

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

1 1 Department of Safety Motor Vehicle Registration Fees. RSA 261:141, III(g)-(o) is repealed and
2 reenacted to read as follows:

3 (g) For all motor vehicles other than those in RSA 261:141, I:

4	0-3000 lbs.	\$31.20 (\$2.60 per month)
5	3001-5000 lbs.	\$43.20 (\$3.60 per month)
6	5001-8000 lbs.	\$55.20 (\$4.60 per month)
7	8001-73,280 lbs.	\$.96 per hundred lbs. gross weight.

8 (h) Truck-tractors to be used in conjunction with a semi-trailer, gross weight shall
9 include the weight of such tractors, the weight of the heaviest semi-trailer to be used therewith, and
10 the weight of the maximum load to be carried thereby: up to 73,280 pounds \$.96 per 100 pounds
11 gross weight, over 73,280 pounds--\$1.44 shall be charged for each 100 pounds gross weight or portion
12 thereof in excess of 73,280 pounds.

13 (i) Each additional semi-trailer used in conjunction with such truck-tractor--\$24.00.

14 (j) For semi-trailers or automobile utility trailers (the weight of the trailer shall include
15 the maximum load to be carried thereby):

16	0-1000 lbs.	\$ 3.00
17	1001-1500 lbs.	6.00
18	1501-3000 lbs.	12.00
19	3001-5000 lbs.	24.00
20	5001-8000 lbs.	36.00
21	8001-up	.60 per hundred lbs. gross weight.

22 (k) For each semi-trailer not registered in connection with a truck-tractor, the gross
23 weight shall include the weight of such trailer and the weight of the maximum load to be carried
24 thereby. The registration fee shall be \$.60 per hundred lbs. gross weight and such trailer shall not
25 be registered for less than 10,000 lbs.

26 (l) For equipment mounted on trucks of which the equipment is an integral part of the
27 unit and the truck is not capable of carrying freight or merchandise, the registration fee shall be 1/3
28 of the regular fee charged as determined by the corresponding weight chart specified in
29 subparagraph (i).

30 (m) For each farm truck or combination of motor type tractor and semi-trailer used only
31 for transportation of agricultural products produced on and meant to be used in connection with the

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- Page 2 -

1 operation of a farm or farms owned, operated, or occupied by the registrant, for the first 16,000
2 pounds--\$24, for any additional weight above 16,000 pounds--\$.74 per hundred weight.

3 (n) For each additional or extra semi-trailer used in connection with a motor type tractor
4 registered for farm purposes--\$24. (In the event that a farm truck registered under the \$24 fee as
5 provided in this subparagraph and thereafter registered for general use during the same registration
6 year, such fee shall be applied toward the fee for such general registration.)

7 (o) For each motorcycle--\$15.

8 2 Fee for Transfer of Motor Vehicle Registration. RSA 261:141, VII(b) is repealed and reenacted
9 to read as follows:

10 (b) For the transfer of the registration of any motor vehicle, trailer, semi-trailer or
11 tractor for that of another motor vehicle, trailer, semi-trailer or tractor previously registered
12 pursuant to this chapter--\$10.

13 3 Repeal. 2009, 144:247-248, relative to motor vehicle registration fees, is repealed.

14 4 Effective Date. This act shall take effect upon its passage.

LBAO
11-0931
01/27/11

SB 78-FN-A-LOCAL - FISCAL NOTE

AN ACT relative to motor vehicle registration fees.

FISCAL IMPACT:

The Department of Safety states this bill will decrease state highway fund revenue by \$6,595,926 in FY 2011, and decrease state highway fund expenditures and local revenue by \$791,511 in FY 2012. There will be no fiscal impact on county and local expenditures or county revenues.

METHODOLOGY:

This bill eliminates the motor vehicle registration fee increases enacted in 2009, effective upon passage of the bill. The Department of Safety notes the fee increases enacted in 2009 are currently set to expire on June 30, 2011 and states the proposed legislation will reduce FY 2011 state highway fund revenue by the amounts associated with the fee increases from the date of passage through June 30, 2011. For the purposes of estimating the fiscal impact of the proposed legislation, the Department assumes the proposed legislation would be passed on May 1, 2011. Based on a FY 2010 monthly revenue average of \$3,297,963 attributable to the motor vehicle registration fee, the Department estimates state highway fund revenue would decrease by \$6,595,926 ($\$3,297,963 \times 2$) in FY 2011. In accordance with RSA 235:23, this would result in a subsequent reduction in state highway fund expenditures and local revenue of \$791,511 (12% of \$6,595,926) in FY 2012.

Amendments

Rep. O'Brien, Hills. 4
Rep. Bettencourt, Rock. 4
Rep. Weyler, Rock. 8
Rep. Stepanek, Hills. 6
Rep. Renzullo, Hills. 27
April 21, 2011
2011-1519h
03/09

Amendment to SB 78-FN-A-LOCAL

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

2

3 AN ACT reducing the rate of the road toll.

4

5 Amend the bill by replacing all after the enacting clause with the following:

6

7 1 Road Toll; Rate Reduced. For the period beginning on the effective date of this section and
8 ending June 30, 2011, the road toll imposed pursuant to RSA 260:32 shall be \$.13 per gallon.

9 2 Effective Date. This act shall take effect upon its passage.

2011-1519h

AMENDED ANALYSIS

This bill reduces the rate of the road toll from \$.18 per gallon to \$.13 per gallon through June 30, 2011.

Committee Minutes

HOUSE COMMITTEE ON FINANCE

WORK SESSION ON SB 78-FN-L

BILL TITLE: relative to motor vehicle registration fees.

DATE: April 26, 2011

LOB ROOM: 210-211 **Time Work Session Called to Order:**

Time Adjourned:

(please circle if present)

Committee Members: Reps. Weyler, L. Ober, Umberger, Kurk, Emerton, Rodeschin, Belvin, Elliott, Vaillancourt, Allen, Garcia, R. Barry, Cebrowski, Wm. Smith, Sova, Keane, D. McGuire, Simard T. Twombly, Worsman, Foose, Nordgren, Baroody, Benn, Lerandeau and Rosenwald.

Bill Sponsors: Sen. Sanborn, Dist 7; Sen. Bragdon, Dist 11; Sen. Forsythe, Dist 4; Sen. White, Dist 9; Sen. Bradley, Dist 3; Sen. Groen, Dist 6; Sen. De Blois, Dist 18; Rep. T. Keane, Merr 13; Rep. Cohn, Merr 6; Rep. Kreis, Merr 6; Rep. Jennifer Coffey, Merr 6; Rep. Bettencourt, Rock 4

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Work Session replacements:

Rep. R. Ober replaced Rep. E. Hogan
Rep. Comerford replaced Rep. Balboni
Rep. Itse replaced Rep. Kurk
Rep. Gagnon replaced Rep. W. Smith
Rep. Hoell replaced Rep. Garcia

Rep. Candace Bouchard: Only people making money in big oil – not good for the State.

Rep. Gus Lerandeau: Same.

Rep. Steve Vaillancourt: Not sure if it is good, or not.

Rep. Bernard Benn: Support Bouchard's position.

Rep. Mary Allen: (No comment given.)

Rep. Sharon Nordgren: Fast tracked process person calendar – won't happen until June.

Rep. Timothy Twombly: Save money.

Rep. Dan McGuire: Tax charged at wholesale level.

Rep. Paul Simard: Not going to have much.

Rep. Daniel Itse: Constitutional issue – must be fair to all.

Rep. Sharon Nordgren: Asked if business manager could speak. Patrick McKinnon provided handout.

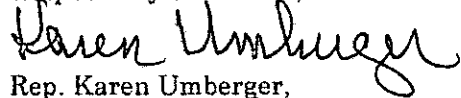
Rep. Larry Emerton: Eliminate registration surcharge.

Rep. Robert Elliott: Spill over effect.

Rep. Randy Foose: Can't vote for it.

Rep. Dan McGuire: Questions on capital budget.
Rep. Daniel Itse: Reduce tax rate 5 cents gas in May – Cigarette Tax 10 cents in July – see reaction.
Rep. Candace Bouchard – Garvey Bonds – paid off the top.
Rep. Lynne Ober: Understands how highway funds are used, plus high funds less.

Respectfully submitted,



Rep. Karen Umberger,
Clerk

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Work session replacements

Hogan - R. Ober

Balboni - Comerford

Kirk - Otse

Smith - Hayon

Garcia - Hoell

Bouchard - only people making money is big oil
not good for state

Landreue same

Dallencourt - not sure if good or not

Bunn - support Bouchard's position

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Morgan - fast tracked process person
calendar - won't happen until June

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Simard - not going to have much

Itse - Const. Issue - must be fair to all

No^dyn - asked if Business manager could
speak Patrick M^s Kinnon - provided
handout

Emerton - criminal registration surcharge

Elliot - spill over effect

Foote - can't vote for it

M^s Guire - Questions on Capital Budget

Itse - reduce tax rate 5¢ gas¹¹ May - Cig tax 10¢ in July
senation

Bouchard - Harney Bonds - paid off the top

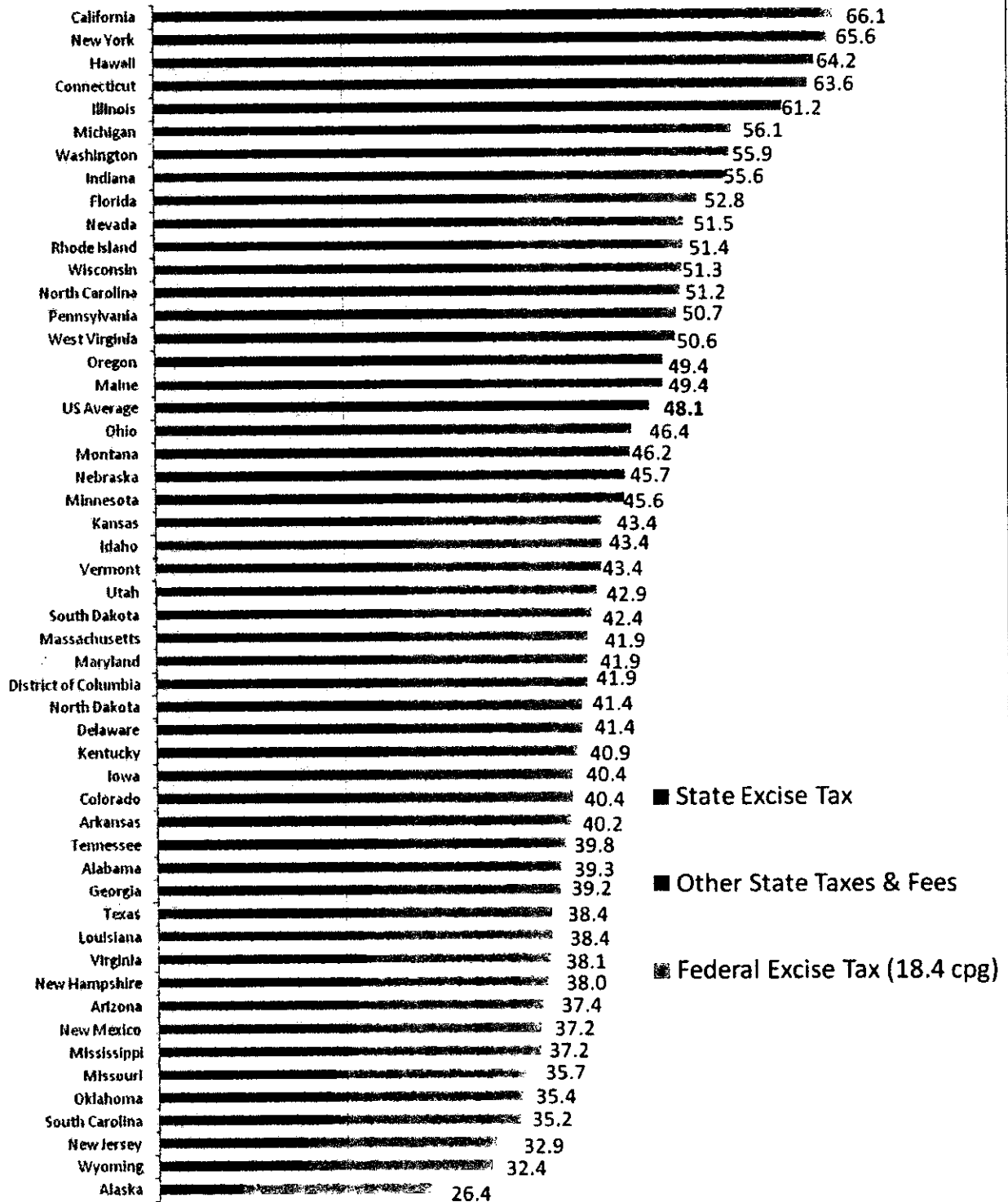
Ohu - understand how highway funds
are used

Expenditure

Bouchard

x high fund
less high fund

Gasoline Taxes as of January 2011



Source: API, <http://www.api.org/statistics/fueltaxes/index.cfm>

Rep. O'Brien, Hills. 4
Rep. Bettencourt, Rock. 4
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- Page 2 -

2011-1519h

AMENDED ANALYSIS

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HOUSE FINANCE COMMITTEE

Legislative Office Building, Rooms 210-211

Concord, NH

Tuesday, April 26, 2011

SENATE BILL 78-FN-A-L, AN ACT relative to motor vehicle registration fees.

TESTIMONY OF:

Sen. Andy Sanborn.	Pg. 1
Speaker William O'Brien.	Pg. 6
Paul Worsowicz	Pg. 21
Alex Koutroubas.	Pg. 24
Rep. Kevin Waterhouse.	Pg. 25
Larry Major.	Pg. 31
John Bousquet.	Pg. 32
Gary Abbott.	Pg. 39
Michael Pillsbury.	Pg. 45
Rep. Timothy Horrigan.	Pg. 60
Judy Silva	Pg. 62
Rep. David Campbell.	Pg. 63

VICE-CHAIRWOMAN OBER: If people could take their seats. Going to call the public hearing for Senate Bill 78 to order. If you plan to speak this morning, you will be called to the table when it's time for you to speak. You do need to turn in a pink card. We do not have a pink card, you will not be called to the table to speak. I do not have a pink card. Are you Senator Sanborn?

ANDY SANBORN, State Senator, Senate District # 07:
Good morning.

VICE-CHAIRWOMAN OBER: Good morning.

SEN. SANBORN: Are you Representative Ober?

VICE-CHAIRWOMAN OBER: I am. I was trying to give you

a hint we need a pink card.

SEN. SANBORN: It will be my pleasure to give you a pink card this morning.

VICE-CHAIRWOMAN OBER: Thank you so much, Senator. I would like to call the prime sponsor of Senate Bill 78 which is relative to motor vehicle registration fees, Senator Sanborn, to testify. Welcome.

SEN. SANBORN: Vice-Chair Ober, good morning. Thank you so much for having me here, and Members of the Committee, again, thank you so much for giving me the time this morning.

For the record, my name is Senator Andy Sanborn. I represent the amazing people in Senate District number seven which is the 19 towns in Merrimack, Hillsborough, and Cheshire County. I sit here before you this morning asking you for a vote of ought to pass on Senate Bill 78. This bill was introduced to keep a promise to the residents of New Hampshire. In 2009, the Legislature adopted HB 2 which contained several motor vehicle fee increases. The motor vehicle surcharges, by the previous Legislature, was a way to temporarily raise the motor vehicle registration tax to balance the budget. This tax was presented to the people as a temporary tax and was promised to sunset this coming July. Unfortunately, our State government has a poor history of keeping its promises in sunseting taxes. This bill deliver on that promise. We have to show the people of New Hampshire that we can and will keep our promises on sunseting taxes.

As many of you know, this 30 to \$75 increase in the motor vehicle registration tax affected virtually every single resident in our state, raised approximately \$90 million. Unfortunately, only about \$30 million actually went back to increase or support construction and improvements to our roads, and the balance of \$60 million went into DOT to pay for things like a 10% pay increase.

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Ladies and Gentlemen, I submit to you that is taxation without representation. I ask today that you support Senate Bill 78 and ensure that the promise that we gave to the people of New Hampshire that this tax would sunset actually will sunset.

With that, I thank you so very much for your time, and I'm happy to answer any questions you may have.

VICE-CHAIRWOMAN OBER: Senator, we are always happy to have you. I think this is your first time with House Finance, isn't it?

SEN. SANBORN: This is and I'm honored to be here, Ma'am. Thank you so very much.

VICE-CHAIRWOMAN OBER: Nice to have you. Are there questions? Representative Vaillancourt, followed by Representative Bouchard.

REP. VAILLANCOURT: Thank you. Can you tell me what the vote was for passage in the Senate?

SEN. SANBORN: I apologize, Representative Vaillancourt. I think it was a voice vote.

REP. VAILLANCOURT: Thank you.

REP. OBER: Do you have a follow on? Representative Bouchard.

REP. BOUCHARD: Thank you. Can you tell me, you're sunsetting it immediately, effective upon passage. What would be the impact on this Fiscal Year on DOT?

SEN. SANBORN: On this Fiscal Year? Representative, thank you so much for asking the question. I appreciate it. Between six and a half and seven and a half million dollars depending upon bonding.

CHAIRMAN WEYLER: Further follow-up?

REP. BOUCHARD: So six and a half million dollars of revenue would not go to DOT and so that is jobs, contracts, monies to cities and towns, the Betterment Program or Block Grant Aid, all of that would not get done. We'd be not doing \$6.6 million worth of work. Is that what you're saying?

SEN. SANBORN: Representative, thank you very again for the question. I appreciate that. Actually, if you remember, of the \$6 million only about 30% of it actually went to road Betterment projects and the balance went to cover pay increases and expenses over -- over at DOT. And one of the challenges we have with this legislation when we talk about taxation without representation, there is a report, and if any members of this Committee are desirous to see it, in the Senate Finance we actually have a report that specifically indicates how much money this tax raised by town for each of your communities, and then how much the road Betterment projects were. On the top of my head I don't remember a single town actually receiving the financial benefit of the tax that we imposed on people.

REP. BOUCHARD: Follow-up?

CHAIRMAN WEYLER: Follow-up.

REP. BOUCHARD: Thank you. And besides the Betterment Programs, you are aware in the aggregate all cities and towns get 12% right off -- the first 12% goes to cities and towns of the total that's in the Highway Fund, which includes the gas tax and the registration fees. So in the aggregate the Highway Fund would be less due to the 6.6 million. So all cities and towns would be receiving less money from their Block Grant Aid so we would be downshifting the cost. And even though cities and towns might have received, I haven't seen the list, the Betterment might have been less than maybe what the registration fee was, but I would think you would agree we

all benefit from a transportation system, especially communities that live along an interstate.

SEN. SANBORN: Representative, again, thank you so much for the question. I appreciate it. Although with all due respect, I disagree on your suggestion of downshifting. Remember, the proceeds from this went to Block Grants specifically to help local communities. And what's more important to me as a legislator is keeping the promise that we gave the people to ensure this gets sunset. And on top of that, if we are going to promise people that when we raise taxes on them and are going to use the money for the Betterment of our roads, we should be using all of it, not just 30% of it.

REP. BOUCHARD: Follow-up. I'm just curious, the House Budget does not include the registration fee. Why -- why do it before -- why not just go and have it sunset July 1 as the House Budget is moving forward?

SEN. SANBORN: Representative, again, thank you so very much for your question. Remember, when we propose legislation, we proposed this legislation in November way before either budget was actually presented. And in the Governor's Budget specifically this tax remained which was even more reason for us to continue to go forward with ensuring that we deliver on the promise to sunset our taxes.

CHAIRMAN WEYLER: Thank you.

SEN. SANBORN: Mr. Chairman, thank you. Whoops!

CHAIRMAN WEYLER: Representative Foose.

REP. FOOSE: Welcome to your first appearance. The -- I think what I am struggling with is the answer to Representative Bouchard's question about if we cut the registration fee immediately upon passage, wouldn't we be shorting this year's budget by 6 or \$7 million?

SEN. SANBORN: Thank you for the question. And yes. Just as coming with reduced revenues we know where our April numbers are at this point. This year's budget would receive less funds. Yes.

REP. FOOSE: Thank you.

CHAIRMAN WEYLER: Further questions from the Committee? Thank you, Senator.

SEN. SANBORN: Ladies and gentlemen, thank you so very much for your time today. I really appreciate it.

CHAIRMAN WEYLER: I'll next call on Speaker Bill O'Brien. What?

REP. NORDGREN: I have a procedure question, Mr. Chair, please. It's interesting, one of the cards that was submitted says Ways and Means as the Committee. I was just wondering why this bill didn't go to Ways and Means first? Or is it going to Ways and Means after? I thought if we read the descriptions of the committees that Ways and Means probably should have been the Committee that got this bill. I was just wondering if it's going there after this Committee.

CHAIRMAN WEYLER: I guess that's a question that you may be able to ask the Speaker.

SPEAKER WILLIAM O'BRIEN, State Representative, Hillsborough County, District #04: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Good morning, Speaker. Welcome to Finance.

SPEAKER O'BRIEN: Thank you. For the record, I'm Representative William O'Brien. I represent Hillsborough District #4 which includes the towns of Mont Vernon, New

Boston, Lyndeborough, Wilton and Temple. During my discussion, I will be discussing an Amendment I'd like to offer to Senate Bill 78. Mr. Chairman, with your permission, may I hand it out to the Committee Members?

CHAIRMAN WEYLER: Please do.

REP. OBER: Mr. Speaker. You will have some assistance.

CHAIRMAN WEYLER: Committee will pass it out.

SPEAKER O'BRIEN: May I proceed, Mr. Chairman?

CHAIRMAN WEYLER: Please do.

SPEAKER O'BRIEN: Chairman, as you know, by far the top issue on the minds of most of our citizens is the soaring price of gasoline. While we work away inside the bubble of Concord, we tend to get bogged down in minutia and even some issues that are terribly meaningful to us and to the state, such as the budget, but when you walk around on the streets of New Hampshire, and you ask what's on people's minds, what they're going to tell you is that gas is approaching and now exceeding \$4.00 a gallon. Many working families, and especially retirees on fixed incomes, have told me that they've had to cut way back because of this increase and have limited their driving because of the high cost of gas right now. This shouldn't be a surprise because gas prices have increased 37% in just the past six months. That means the paychecks, retirement pay, just doesn't go as far as it once did, and the small businesses have fewer resources available to create jobs. All of this is having a ripple effect, a very negative ripple effect, across our economy, especially as the tourist season rapidly approaches. That's why we took steps to look at a new way to help get relief to drivers under Senate Bill 78. And, first of all, I want to thank Senator Sanborn for bringing forward the current version of the bill. I think it addresses the need to, as he stated, keep our promises to the people of New Hampshire, and to give some relief to

the drivers and the people of New Hampshire.

Indeed, over time when I've talked to many of my constituents about the 101 new and increased taxes and fees that were put in place over the last several budget cycles, by far the most negative feedback that I've received from them has been the car registration surcharge, adding a \$30 or more annual cost to register vehicles has been incredibly unpopular, and I think helped galvanized the support against any new taxes and fees.

While that surcharge was sold as temporary, it's important to note that the Governor put it back into the budget, sought to reimpose what would be a \$90 million tax increase. And the House and Senate, fortunately, have made a commitment to not go along with the Governor's request for yet another tax increase on the people of New Hampshire. However, in reducing it early before the new budget takes effect, what we would be doing, assuming that it goes into effect at the end of this month, is we would be providing a great benefit to those individuals who have their birthdays in May and June, and therefore, register their cars in that month. But it would be doing nothing for the people who were born in the other ten months of the year. So at the same time we, again, to look at ways that we could help out everyone through Senate Bill 78, while not assuming any greater tax impact than the Senate has assumed in passing Senate Bill 78. The same amount of lost of revenue to the Highway Trust Fund would be realized if we put in place a 28% decrease for the two months on the gasoline tax. If we reduced it by 5-cents a gallon, in other words.

Now we all wish we were back in 1998 when gas cost 99-cents a gallon; and indeed, we wish we were back at the point of the last president taking -- the current president taking office when gas was \$2 less a gallon. But, unfortunately, that doesn't seem to be possible right now and steps aren't being taken even on the national level to address the high price of gasoline, other than some

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ill-thought out attempt to discover speculators rather than what we all know which is that we're running out of gas because in particular this country, we are not allowing gas to be pumped and oil to be pumped when we know it is. But what can we do in New Hampshire? And I think what we can do in New Hampshire is provide some relief now, and the relief we can provide now is a 5-cents a gallon tax decrease.

Now, we believe that the -- if you just look in raw terms, the loss of revenue to the Highway Trust Fund will be no greater than that proposed in the Senate version of Senate Bill 78 as it came to us. Indeed, I think, and others think, that it will be less, because there will be greater sales of gas.

You know, I went down, as I mentioned, to some of you, three weeks, four weeks ago, and spoke to a function down in Massachusetts in which part of the audience there were seven or eight Massachusetts State Representatives. And I gave the talk on the subject that was part of the conference there, but we spoke afterwards. And their message was you folks in New Hampshire are killing us. We are going to lose our business to you. You're reducing taxes; indeed, we once again are still increasing taxes. This is going to send a fine message and appropriate message to the people in our bordering states that New Hampshire is open to business again.

I looked at a weekend news report in which the commentator talked about the reduction in the gas tax and her response to it at the end was, well, yet another reason to do your shopping in New Hampshire. And yes, it will be another reason. And indeed, I think the end result is that there'll be much less loss of revenue than would be if we just sunset early the motor vehicle registration surcharge. But, more importantly than that, our people need help. Our State employees who would be put on projects don't need as help as much as the person who is driving up at the gas tank -- a gas pump and saying, I just can't fill up but

I've got to put some money in to go to work. And to the extent we can help out that person and the retired person, we ought to do that.

So I offer to the Committee Amendment 1519h to Senate Bill 78 and I recommend that with it Senate Bill 78 ought to be exec as ought to pass with Amendment. Thank you.

CHAIRMAN WEYLER: Thank you. Questions of Representative O'Brien. Representative Vaillancourt.

REP. VAILLANCOURT: Thank you, Mr. Chairman. Mr. Speaker, I paid my car registration in December which is my birthday. If this Amendment does not pass, will it mean that I'm paying \$30 more than somebody who is born June 3rd?

SPEAKER O'BRIEN: Well, it would mean that you wouldn't get any relief, tax relief, under Senate Bill 78. What it would mean is that you paid your car registration for your vehicles in December. Most of my vehicles the registration would be paid in May. In my case, it's going to be three vehicles. I get a \$90 benefit for those three vehicles that I think would be better shared with the people of New Hampshire, particularly those people who are having trouble getting to work and getting to the grocery store and going about their day. It's not a lot of money but it will help. You know, for those who say 5-cents a gallon is not a lot of money, perhaps they're not living up against financial limits the way some of us do.

CHAIRMAN WEYLER: Representative Benn for a question.

REP. BENN: Thank you, Mr. Chairman. Mr. Speaker, if you permit me, two questions.

SPEAKER O'BRIEN: Up to your Chairman.

REP. BENN: Do you have -- can you describe the mechanism by which we could guarantee that this 5% or

5-cent reduction in tax will actually get to the consumer? It is my understanding and belief that it will get lost in the commercial shuffle and that the gas companies, the wholesale distributors, will never get it to the pump. It will just be put into their bottom line.

SPEAKER O'BRIEN: The efforts of those in government that seek guarantees has resulted in many dislocations in the economy over time. There's no guarantee if you have a free market system. There is a guarantee if you have a collective system where you can just issue on from high what the price of anything would be. There's no guarantees. That being said, you will hear from dealers following me who will say I'm going to pass this on to the consumer. I have spoken with the president from -- for the marketing division of a large distributor in New Hampshire, and his -- his response is we are going to pass this right down. So listen to the dealers. Understand that in the free market system, if you can get a little bit of an advantage over your competitor down the street, you're going to take that advantage and have trust in the free market system. I think we understand that this will work out the way it should.

CHAIRMAN WEYLER: Second question.

REP. BENN: Follow-up? Thank you, Mr. Chairman. I will wait and hear from the dealer and how they plan on making this work. I have my reservations. However, there is another aspect of the pumps which we've seen from the Department of Agriculture. And we have a bill that's on our calendar this week dealing with weights and measures and the loss of inspectors of the -- of gas pumps and it is brought to Division I's attention that during the -- this process if we lose these -- that the inspectors have discovered that there -- a large number of gas pumps aren't meeting the accuracy regulations. And that, in fact, some were reported to deliver five -- deliver three gallons of gas when they say they were delivering five. At that rate, that would be a 65% increase and you'd be paying \$6.25 a gallon based on current prices. Do you -- do you see a

conflict in not supporting these inspectors who are creating an environment in which the accuracy will help consumers and this -- your proposed Amendment seems like they're in conflict. If you really want to have a reasonable playing field where consumers are getting the fair -- the fair count on gas, then I can't understand how we're moving toward probably, you know, this week's calendar we'll vote to get rid of these inspectors. Do you have a comment on that?

SPEAKER O'BRIEN: I do and thank you for the question. I don't see a conflict. I don't think returning to a system of inspection that prevailed for decades in New Hampshire is abandoning our effort to ensure that proper quantities are being delivered at the pump, and I think that it will workout just fine with the privatized system. That being said, your question seems to assume that because there might be some fraud in the industry, we shouldn't give any relief to the consumer at the pump. And I -- there's fraud everywhere. Your argument seems to be analogous to one that says we shouldn't have banks because there's bank robberies. The fact of the matter is that the inspection system is there and most business people are honest. And they are worried much more about what the guy down the street is charging for his gallon of gas than they are about whether or not an inspector is showing up.

CHAIRMAN WEYLER: Got a lot of pink cards. I'm going to move on. Representative Nordgren for a question.

REP. NORDGREN: Thank you, Mr. Chair. Mr. Speaker, thank you. I just had a question and maybe you heard it earlier on the assignment of this bill to this Committee. If I look at the Ways and Means definition of what bills they're supposed to receive, it says to examine and consider State Treasury, to consider any report on all bills, resolutions relating to raising money by state tax and appropriation of -- appropriation of the same. Matters relating to taxes and fees. So I was just wondering why it came here and maybe is it going to Ways and Means after

it's here or --

SPEAKER O'BRIEN: The answer to your last question is no. The answer to the first question is because I saw an impact on the budget, therefore, I sent it to this Committee.

CHAIRMAN WEYLER: Further questions? Representative Bouchard.

REP. BOUCHARD: Thank you, Mr. Chairman. Thank you for taking my question. My question has to do with -- I'm also a City Councilor for the City of Concord. And you've mentioned how popular the surcharge is. And I have had constituents really reflect that to me. I don't think anybody likes paying more of a tax. But I think when they understand that it goes to the betterment and safety of the roads and bridges, in and outside of the City of Concord. But what would be really unpopular to, I think, the citizens of Concord is reducing this gas tax by a nickel would probably save most citizens 75-cents to a dollar a week. What would be very unpopular here in Concord is our Sewalls Falls Bridge which connects two parts of the city over the Merrimack River. The City has their match, but it's our understanding the State because of the budget cuts, and especially with this gas tax, will have difficulty coming through with their end. And I think that will be very unpopular with the City, with our citizens. And that follows along with the business stability. Our businesses not only in Concord but throughout the state. I mean, our businesses and we have heard this when we were doing HB 2 Commission in our Highway Fund, we need a transportation system. We need a transportation system that works, that's safe, that can move goods and services. It seems to me we are going backwards here, that we're not showing business that we have this ability for economic growth. And then once again, I might be saving a dollar a week, but hit one pothole and I don't know what front-end alignment is going to cost me.

We had some studies saying that bad roads cost a consumer over \$250 a year. So I think as a consumer and when I'm looking at my constituents, and good public policy, I don't see this as good public policy as far as business, economic growth. We'll have contracts that won't go out. We know most of our Betterment projects and other projects are 75 to 80% contracted out.

CHAIRMAN WEYLER: Is there a question here?

REP. BOUCHARD: I just -- yes. I just -- the business piece of it, the stability, the economic growth, how are we actually helping business when we don't have a transportation system that's going to be working without potholes?

SPEAKER O'BRIEN: My town, Mont Vernon, we realize it's not good a deal to pay \$85,000 to the State in motor vehicle surcharges or the amount of money that would be realized from this and get back \$21,000. So I talked to my constituents, perhaps they see things a little bit differently than they do in Concord. Your concerns are speculative and I don't believe that they represent reality. Bridges won't fall. The transportation infrastructure won't come to a disastrous end. None of these things will happen if we just give people a little bit of relief in the gas tax for a short time while it seems prices are spiking. Government doesn't have to take all the money all the time. Sometimes it can realize there's a period of economic stress and it should respond to that economic stress. That's what this Amendment proposes.

REP. BOUCHARD: Follow-up?

CHAIRMAN WEYLER: Committee Members, let's be clear. Questions are to clarify something that a person speaking before us has made, not for an opportunity to make a speech before the camera or to debate the person. If you have testimony that you think is counter to that person you have

to step away from the table, put in a pink card, and go up to the table yourself. This is not a question for us to berate the witness and go on with repeated question, after question, after question, and making long speeches to make the question. Short questions, short answers. We have ten more pink cards and we have limited time. You have one more follow-up.

REP. BOUCHARD: A question and it's to clarify. I'm not -- if I was -- if you thought I said bridges would be falling down, I'm not saying that. Our bridges will not be falling down. But some bridges may be closing. And the closing of having to take the long way around would certainly cost our consumers more than a dollar. That's what I was trying to say. I don't want the people of New Hampshire thinking that bridges are unsafe. But as red listed bridges start failing inspection there is a possibility we'll start taking the long way around. With that, thank you --

SPEAKER O'BRIEN: Thank you --

REP. BOUCHARD: -- Mr. Chairman.

SPEAKER O'BRIEN: -- for the question. The results that I'm bringing to this Committee are real results. People will pull up at the pump and get 5-cents less a gallon in cost. What I hear in response is a bunch of speculation, and again, that's not from you, it's bridges closing, bridges not falling down, but a lot of speculation. No specific bridge that will close. No specific bridge that will fall down. No pothole that won't be filled. It's temporary and something that the people need.

CHAIRMAN WEYLER: Representative Rodeschin for a question.

REP. RODESCHIN: Thank you. Good morning, Mr. Speaker. I think it's morning.

SPEAKER O'BRIEN: Good morning.

REP. RODESCHIN: I have a quick question. Do you see an increase of revenues in the border cities and towns -- I live in a border town -- such as shopping, restaurants, and other things that they do when they come over to New Hampshire because we are tax free? Has that been in your consideration on this Amendment?

SPEAKER O'BRIEN: We have -- thank you, Representative, for the question. We haven't modeled what the decrease in the amount of impact would be as a result of additional business coming into New Hampshire. So I can't say here's what it is. We believe, based upon some of the evidence that I've told you, that there will be more out-of-state residents coming into the border towns to buy gasoline. I talk to any number of people, people live along the Vermont border, who talk about already folks coming across the Connecticut River to take advantage of what are already some lower prices in New Hampshire compared to a high tax state like Vermont.

Similarly, we are told by individuals who have businesses along the Massachusetts border, border with another high tax state, that there is -- our people are coming in and this would just give them all that much more incentive to do that.

REP. RODESCHIN: One last question.

CHAIRMAN WEYLER: Follow-up.

REP. RODESCHIN: Do you think that this is going to be acceptable to all the citizens in New Hampshire, plus how are the dealers going to deal with this? Are they going to jack up their prices or are they going to listen to us?

SPEAKER O'BRIEN: Well, thank you for the question. You know, one of the citizens, Representative Bouchard, I don't think is going to be acceptable to her, but I think most

people will like it. And I think it will, again, if the question was will it be passed down to the pump? I certainly think it will be. The business of selling gas is a business of pennies. And if you can get some advantage over your competitor down the street by being a little bit less -- a little bit lower price, then you're going to take advantage of that. Again, listen to the dealers who will speak to.

REP. RODESCHIN: Thank you.

CHAIRMAN WEYLER: Representative McGuire for a question.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you, Mr. Speaker. You said this is a 28% reduction in the tax. Is it possible that the effect on revenues will be less than 28% because you've said that this will attract more people from out-of-state, more tourism to come in and take advantage of this lower tax. And, therefore, if somebody's taken advantage of it, they'd be paying the 13-cents that otherwise they would be paying in their own state, right? So is it possible that the revenue loss would be much less than 28%?

SPEAKER O'BRIEN: Thank you, Representative, for the question. It is possible. I think it's likely because what we read is how vacations are going to be shorter distances away from where people are living. And certainly, if that's a consideration, you understand, well, New Hampshire has use reduced its gas tax. That's the direction you're going to head.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Representative Belvin.

REP. BELVIN: Thank you, Mr. Chairman. Welcome, Mr. Speaker. Relative to the issue of accuracy of pumps, et cetera, as Chair of Division I, this issue came before us

as part of the Department of Agriculture's budget. But are you aware of the Amendment, the good Amendment that has been placed on Senate Bill 157 by ED&A which will be on the -- before the House tomorrow, in which the Department of Agriculture, the Commissioner thereof, is required to make a yearly report to the House and to the Senate and that this includes the number of consumer complaints, the number of inspections, the number of audits done during the prior Fiscal Year for meter scales and other devices such that there will be accountability for anyone who's in the retail businesses, because I think we all do seek equity in the marketplace. I was just curious whether or not you were aware of that proposed Amendment?

SPEAKER O'BRIEN: Thank you for the question, and thank you for reminding me of the Amendment. And I think it should alleviate any concerns whatsoever. But I still return to what I think has to be a thesis which is most business people are honest. And they're not going to undercut by fraud their customers. What they're going to be doing, again, is wondering about what the fella down the street is selling his gas for or her gas and trying to make sure they don't become uncompetitive. If we lower the tax, many dealers are going to get -- try to get that competitive edge or eventually have to respond to the others getting a competitive edge and price will go down.

REP. BELVIN: Thank you for your remarks. Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Representative Worsman.

REP. WORSMAN: Thank you, Mr. Chairman. Thank you, Speaker, for taking my question. Being from the Lakes Region and very, very reliant on tourist industry, and it being a period of time that includes Memorial Day, do you see this as an opportunity for New Hampshire to hang out a banner to tourists to say we've reduced our tax for gas, along with other taxes, come and visit?

SPEAKER O'BRIEN: Thank you for the question. I do see the opportunity. As I recounted the one anecdote which was the news report this past weekend in which the commentator said, you know, here's another reason to do your shopping in New Hampshire. The message will get out there that New Hampshire's open for business.

REP. WORSMAN: Thank you.

CHAIRMAN WEYLER: Representative Nordgren for a question.

REP. NORDGREN: Thank you, Mr. Chair. Thank you, Mr. Speaker, for taking my question. I was just looking at my calendar and following up with the latest question. And by the way, I didn't know Newport was a border community. That is such news.

REP. RODESCHIN: Why don't you come over to Wal-Mart and see all the Vermont cars we have.

REP. NORDGREN: Anyway, I was just wondering when I look at my calendar and think about the process, maybe come to the House floor next week. It then would have to go back to the Senate because we've amended a bill or substituted a bill. Then it would have to go to the Governor for signature. So it would probably be a very big rush if it even got through the process by Memorial Day. And then all the gas station owners have to change their pumps, which I think is a more difficult task than the daily thing they do. So I'm thinking it might not even happen until June, if I turn the page. Do you have any thought process of how you thought it might go as far as a schedule or --

SPEAKER O'BRIEN: Yes. Thank you for the question. If it passes today, if it's exec today, we'll have it on the House floor tomorrow through an addendum to the calendar. If it passes in the House, we'll have a Senate message within the next day or two thereafter. And the Senate will have an opportunity when it meets next week to vote it. If

they adopt it, we can have it to the Governor at the end of next week.

CHAIRMAN WEYLER: Representative Foose for a question.

REP. FOOSE: Thank you. Thank you, Mr. Speaker. You mentioned that the bill came here out of your concern for budget impact. And as I think about a \$6 million, \$7 million reduction to the Department of Transportation budget, over the course of the next two months, I can also imagine phone calls to cities and towns saying projects that we thought we were going to be able to get to at the beginning of the summer are just not going to happen now. The figure was 30%. We used 30% of the dollars would go directly to Betterment. Even at the 30% level you're talking about another couple of million dollars of downshifting onto communities. And I wondered if it's worth placing that kind of pressure on communities at the last minute to -- to move in the direction of such a small change in the price per gallon that we're all going to continue to pay.

SPEAKER O'BRIEN: Thank you for the question, Representative. Representative, you said that I had testified that I had a concern about impact on the budget. I believe my testimony was it might have impact on the budget. Concern is one of those words that can be interpreted various ways so I was careful not to use it. The pressure that you speak about is speculative and unknown and may not result. What is real is the benefit now to drivers. There will be a benefit now. And again, for some of us may sit in Concord and we think, well, it's not so important. For those pulling up at the pump, it's going to be important. For those who drive around the corner to get 5-cents lower price on gasoline, it's going to be important. It's an important, real, non-speculative benefit now when it's needed.

CHAIRMAN WEYLER: Committee, I'd like to move on. There's ten more people. Everybody had the question has had

a chance to ask one or two. Thank you.

SPEAKER O'BRIEN: Thank you, Mr. Chairman. Thank you Committee Members.

CHAIRMAN WEYLER: I will ask those testifying to please hold the microphone, the one that's on the stand very close because it's not picking it up if it's more than a couple inches away. Let's see. Representative Waterhouse isn't back yet. Next call on Paul Worsowicz from the Aggregate Manufacturers Association.

PAUL WORSOWICZ, Gallagher, Callahan and Gartrell, Concord, NH: Chairman and Members of the Committee, my name is Paul Worsowicz from Gallagher, Callahan, and Gartrell today representing the Aggregate Manufacturers Association. I'm here to -- to -- I'm here today testifying against Senate Bill 78 and the proposed Amendment. One, the bill discontinues the motor vehicle surcharge prior to July 1st and will reduce funds allocated to the Betterment Fund. The Betterment Fund was set up in 1991 and allocated the 3-cents of our gas tax to fixing local state roads that go through various municipalities. Last year when the surcharge was put into place, \$2 million was put in Fiscal Year 2010 and \$15 million was put in 2011. The reason I handout the sheet is that we've had reference to the surcharges, was collected by communities. And then what monies were going to be returned based on the additional funds in the block grant. And yes, you will look and see that the communities are putting in more than they get back in -- technically in their block grant. But many of our communities also get additional funding from the Betterment Program, from specific projects for their communities, and it varies year by year. Unless we are going to become a system of individual municipalities, utilizing only the funds that they raise to take care of their infrastructure, I say that we have to look at the aggregate, no pun intended, over the various years.

We also have a paving program that goes through our

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various municipalities and towns specifically and fixes up State roads that are maintained by the State that go through various towns. And so then you have to look at the aggregate what goes back out of the Betterment account back to these communities in addition to the block grant. Again, this betterment account is for the non-interstate, non-turnpike road system. Again, the Speaker of the House, the Chair of the House Public Works Committee receives an Annual Report on where these funds are spent. And it's been -- you can go back to 1992 to get an actual report from the Department of Transportation to see where all these dollars have been spent. I just did the last two fiscal years.

The -- again, people say, well, it's a couple dollars here, what does it do to the average person? You have a front-end alignment, you're going to be costing you \$300, \$350. So by maintaining our roads, we are preserving and protecting the pocketbook of our citizens.

Again, this legislation, you know, if it passes, Senate Bill 78, and I'll talk about the allocation on the -- or re-allocation of the gas tax reduction, if -- if -- if funds aren't allocated to the preventative maintenance, the highway and bridge maintenance deficit rapidly increases. I mean, we are increasing our maintenance deficit if we do not re-allocate funds to our state roads and town roads. Repaving program that is on a 20-year cycle, which is the current situation, without these funds will lead to major reconstruction of sections of roads that will be two to four times expensive. Again, increasing deficit. Again, doing nothing is doing something and New Hampshire winters alone with freeze and frost cycles damage our roads and bridges. We ask you really not to increase our deficit for our road -- future road users of our highway system.

Regarding the, you know, the Amendment. There will be others here that will go through the numbers. But I was here when this was attempted when I believe it was Senator Bob Dole was running for President. We had a situation where gas taxes were going up. Governor Merrill came in and proposed a chance -- a gas holiday similar to this. The Chair -- the current Chair was then a

Representative, fully explained to the then Budget Director, Doug Scamman, why this proposal would not work. It would not bring in additional revenue. And the bill -- the proposal went down to defeat. Now, and say well, won't happen again. I'm just going to look at some differentials on gas taxes today. I'm just going to use the State of Maine. State of Maine is 11.4-cent difference between gas taxes. There should be stories about people from Maine flocking to New Hampshire because of the differential. That's not happening. You run GasBuddy.com and you'll see why. Same with if you look at Vermont, 5.4-cents today. Again, look at the GasBuddy.com. Look at the prices. Pretty well stable between both states. Same in Massachusetts, 3.9-cent differential. Again, we should be seeing people coming over the border on gas tax. We should be looking at -- there should be stories about the price differential between Mass. and New Hampshire today. That isn't happening. Again, look at GasBuddy.com and you will see why. They stay very similar. And I say another 5-cents reduction, one, I don't -- I don't believe it will have an impact. And I believe if that's why maybe if the Department of Safety was here they could give you an analysis why it's not happening. Why is our gas tax revenue going -- decreasing? It should not be because of our preferential tax status in the State of New Hampshire versus our surrounding states. We're not seeing the increase. And if you really looked at Connecticut 25.6 and Rhode Island is 13.4. There should be a great increase in revenue. It's not happening. And I say that by reducing it 5-cents it will be a reduction that won't be passed onto the consumers and with that be glad to answer any questions.

CHAIRMAN WEYLER: Representative Ober for a question.

REP. OBER: Thank you very much. And thank you for taking my question. Appreciate you coming. I really appreciate you bringing this. I wish I knew what it said.

MR. WORSOWICZ: I would be glad --

REP. OBER: You have nine columns here. The first column is obviously towns and projects. Then for the next eight columns, the first one is labeled description. The last one is labeled total. In-between the columns are

labeled D-1, D-2, D-3, et cetera, through D-6. Could you starting with D-1 just tell us what that column is so we can write a header in?

MR. WORSOWICZ: In the State of New Hampshire, the Department of Transportation has six highway divisions, and I don't have that map with me, but it's divided -- the State of New Hampshire is divided into six transportation divisions and each one has a district engineer that proposes projects. It's based on geography.

REP. OBER: We don't know really what those tables are.

MR. WORSOWICZ: I can get a map for you and it would show you the towns.

REP. OBER: It would have been helpful if there been a legend doing that. Most of us -- and this Committee is very good at reading stuff and I know you've been in before. So you know we do read and that would be helpful. Thank you.

MR. WORSOWICZ: Thank you for that suggestion.

CHAIRMAN WEYLER: Further questions for Mr. Worsowicz? Seeing none; thank you for your testimony. Next call Alex Koutroubas. Good morning.

ALEX KOUTROUBAS, Executive Director, American Council for Engineering Companies of New Hampshire: Good morning. Thank you, Mr. Chairman, and Members of the Committee. For the record, my name is Alex Koutroubas and I'm the Executive Director of the American Council for Engineering Companies of New Hampshire. ACEC is a national organization with chapters in nearly every state. Locally we represent 46 engineering firms throughout the state who employ over 800 individuals. Many of these firms handle the planning, design, construction, and operation of highways, roads and bridges in New Hampshire. Our firms analyze traffic volumes for safety and capacity. We also use civil engineering principles to improve the transportation system. Our Board

of Directors voted unanimously to oppose Senate Bill 78 because reducing Highway Fund revenue will hurt New Hampshire's economy and negatively impact public safety. State and municipal highway projects all help improve New Hampshire's economy on a daily basis. New Hampshire engineering companies are concerned that a loss of highway fund revenue will mean a cut in state and locally funded projects. This could result in lay-offs, further hurting the economy. We are also concerned that a loss of revenue to the Highway Fund will hinder the State's ability to properly maintain our transportation infrastructure, which keeps the travelling public safe. ACEC believes that user fees are the appropriate way to fund transportation needs in New Hampshire. Therefore, we support the current vehicle registration fees and the current rate of the road toll or the gas tax. We do not believe that these fees should be reduced or repealed as the loss of highway funds will negatively affect many in the engineering industry in New Hampshire. With that, I thank you.

CHAIRMAN WEYLER: Thank you for your testimony. Any questions for Mr. Koutroubas? Seeing none; thank you. I next call Representative Kevin Waterhouse.

KEVIN WATERHOUSE, State Representative, Rockingham County, District #04: Good morning, Mr. Chairman, Members of the Committee.

CHAIRMAN WEYLER: Good morning.

REP. WATERHOUSE: I am Representative Kevin Waterhouse, Rockingham District 4, from the Town of Windham and I own Waterhouse's Country Store. We sell gas and grocery. I'm a Sunoco distributor.

I came here this morning to say that the vehicle registration tax was onerous and a bad idea. So I came to say it's a good thing that the Senate's trying to get rid of that. I also came to speak about the amendment I heard was coming. Because I think it would be a more fair way of

returning these funds to the consumer. The gas tax is, after all, one of our better user fees. It's the most fair way to tax the users of the road, and it's most fair way to get the money back rather than just rewarding those people that were lucky enough to be born in the right month. But I would like to caution the Committee that if Ways and Means looked at this, it would probably be a better idea in the long run to look at some threshold that if gasoline got up to a really painful, that was going to really stall the economy, say \$5 a gallon, to completely take the gasoline tax off while it was higher than that threshold. It would be a more significant decrease for the consumer. And it would actually assure everybody it was being done in an emergency. But since that would be the work and long-term process of Ways and Means, right now, this Amendment is, in my opinion, the most fair way of returning these funds to the people that have been paying it. And I think it is a benefit to the state. We're attempting with the work that's been done in this Committee to show that New Hampshire is the place to shop, the place to come to, and by adjusting any taxes in fees that we can lower, we're putting out a sign that said New Hampshire is open and we want your business. If we can decrease a cigarette tax here, a gas tax there, a rooms and meals tax in another position, we're going to be the "go to" destination for tourists, for shoppers that we're looking for a good deal. And it's going to do New Hampshire and its reputation nothing but good. I know you folks have an awful lot of work trying to balance the budget. And I know this is taking money away from Betterment. It's taking money away from the towns. And in the long-term, we need to look at adjusting the gas tax up, not down, to do the work that's necessary. But in these economic times, anything we can do to show the consumer that we care about them and that we're going in the right direction, will pay benefits in the long-term. We'll get more people buying New Hampshire gasoline because we are going in the right direction. Thank you.

CHAIRMAN WEYLER: Thank you, Representative. Questions for Representative Waterhouse? Representative Benn.

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REP. BENN: Thank you, Mr. Chairman. Representative Waterhouse, welcome. And since the Speaker I know --

CHAIRMAN WEYLER: Please make your question less than a minute.

REP. BENN: I'll make it as precisely as I possibly can, Chairman. The Speaker mentioned in response to my question that you would be able to respond to this notion of how do we know whether -- how will the consumer know that this nickel reduction in tax actually -- that the consumer will actually see that amount because we do see gas by a nickel will go up and down by a nickel every, you know, every other day it's possible, as you know. So how do we know that that nickel will actually get to the consumer?

REP. WATERHOUSE: Nothing in life is guaranteed but market forces are very powerful. When I'm selling gas today my regular is 3.869. I make 8-cents profit on that because the difference what I pay my distributor is 12-cents, but 4-cents gets eaten up in credit card fees. Please, the Federal government has to do something about credit card fees. But for persons here today, my gas bill comes in itemized. My contract says I know exactly how much the rack price was down in Everett. I know how much the transportation cost to get it from the Everett terminal to my store, and I know the itemized list of taxes. That will come off my bill immediately. It will only be an opportunity in my case with my contract for the retail outlet to decide whether to keep that 5-cents or to pass it on to the consumer. And believe me, my first inclination would keep -- would be to keep that 5-cents. I don't believe it will be possible. I know the kind of businesses surrounding me. It's not like we can go and talk to each other about it. But you would think that rather than buying gasoline for \$2 and trying to make 8-cents that if it was up to \$4 I'd try to make 16-cents, but I can't because the market forces won't allow it. I'm going to be stuck passing that on to the consumer, not only because it's the right

thing to do for New Hampshire, but it's also -- it's the only thing I can do to keep my business selling the same amount of gallons. I have to be competitive with the people around me.

REP. BENN: Thank you.

CHAIRMAN WEYLER: Representative Bouchard for a question.

REP. BOUCHARD: Thank you, Mr. Chairman. Good to see you again. I'm sure you are aware that New Hampshire already has the cheapest gas prices in New England. Significantly cheaper. But my question has to do with the comment you made about the citizens benefitting from saving approximately 75-cents, a dollar a week. As the citizens do you think they would see a bigger benefit by having the potholes fixed, not having to get their vehicles realigned because of potholes? Having the roads painted as you can see the striping is faded. I would think the citizens when they're weighing saving 75-cents to a dollar a week would consider the public safety aspect if they were just paying that. Do you see any kind of correlation between that? What we're taking away and not only the jobs that will be lost because contracts aren't going forward, but also the public safety piece of having safe roads, transportation?

REP. WATERHOUSE: If this were a question of eliminating part of the gas tax permanently, I would not be able to support it because I do think that the quality of New Hampshire roads and the safety of New Hampshire roads is our most important job. However, we are at a distinct advantage because Massachusetts roads are so bad. Everyone that crosses from Massachusetts and they pay ten times more to maintain their roads than New Hampshire does, and they can't hold a candle to the work that our DOT and our towns do. Now, unfortunately, in this case, DOT might have done too good a job because, you know, like I say, people automatically compare us favorably with the surrounding states. Well, we have Maine, Vermont, and Massachusetts.

So, of course, they're going to compare to us favorably. I don't think in the short-term this is going to hurt our image or make anything safe or I could not support it. But in the long run, I think the gas tax is a hard thing to tamper with because there's already more than enough work with the cost of construction work getting so high to take every dollar that we can raise and the Feds don't look like they're in a good mood for raising more money for us either. But for the sake of this bill, I think it's the right thing to do because it is being done in conjunction with other small tax adjustments that just make us look better as a more friendly state to consumers. So I think it's a good deal.

REP. BOUCHARD: Question.

CHAIRMAN WEYLER: One short follow-up. Don't take more than a minute to ask this question. You exceeded a minute the last time.

REP. BOUCHARD: Twenty seconds.

CHAIRMAN WEYLER: We are going backwards on the cards. I have more now than when I started.

REP. BOUCHARD: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Please keep these questions short and to the point. You've repeated yourself three times in the last question.

REP. BOUCHARD: I have. Thank you. So you don't see the DOT and Safety, the 6.6 million being lost in the highway fund for the shorter period of time as a detriment to the fund?

REP. WATERHOUSE: I can't say I don't see it as a detriment to the fund. I do think that every dollar that we raise for road improvement is necessary. But I am trying to look at this as a benefit to the state overall. And

it's certainly better than only rewarding those people born in the lucky two months. So this would be certainly more fairer than that. I do believe, as the Senator spoke, that there were raises given out that probably shouldn't have been done in these economic times. And I do believe that the State can reward DOT by giving those raises, then we can probably do without the two months tax increases that we would have seen if they stayed the same. I am just very hopeful that we are going to be a much better destination for the consumer and that we will not lose as much as we would lose by enacting the registration decrease.

CHAIRMAN WEYLER: Representative McGuire for a question.

REP. MCGUIRE: Thank you, Mr. Chairman. Thank you, Representative. Do you have a sense of how much your volume of business will change by as a result of the widening, a 5-cent widening in gas price differential between New Hampshire and Massachusetts as a result of this law?

REP. WATERHOUSE: No, I honestly can't say that I could come up with an increase based upon any percentage. I just -- I look at this as the same way I looked at tobacco tax decrease when I testified in front of the Senate, is that it's good for perception. It's good to see we are going in the right way. And it reminds people of what a wonderful tax haven New Hampshire is, not only to work and live, but to play.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Further questions from the Committee? Seeing none; we'll next call Larry Major from Pike Industries.

REP. WATERHOUSE: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Thank you, Representative Waterhouse.

LARRY MAJOR, Pike Industries, Belmont, NH: Good morning, Representatives. My name is Larry Major with Pike Industries. We oppose both the SB 78 and this new Amendment. Pike employs over 400 people currently in New Hampshire. That's down 20% from 2007 levels and any decreases in funding would further hinder our ability to maintain our staffing levels.

CHAIRMAN WEYLER: Can you move the microphone a little closer?

MR. MAJOR: Which one?

REP. OBER: The silver one.

MR. MAJOR: Is that better?

REP. BENN: No. You have to put it right in front of you.

MR. MAJOR: Okay. How about that?

CHAIRMAN WEYLER: Two, three inches away.

MR. MAJOR: Can you hear me? Yep. Okay. I would just like to speak both of these -- both of these -- the bill and the amendment both estimated about a six and a half million dollar reduction in funds. So I'm going to just give you one quick example of a \$6.2 million project that we did in New London. We did -- it's a DOT project. We did an informal survey of our vendors and suppliers and asked how many jobs did people create or preserve through that project. The number was 174, and that does not include Pike Industries. Those are people that supply guardrail and install guardrail. That is people that do concrete work. That is people that supply jersey barrier. Individuals who own their own trucks. A single guy or father who has a truck and hauls materials for us.

I would point out that the registration fee increase

on our trucks was about a hundred dollars per truck. When we measure that by the mile, by the hour, or by the ton, it's less than a penny. So I -- I would, you know, I think all the citizens of New Hampshire when they really figure out what that \$30 increase and they divide that by their mileage, and put it into that context, they would probably be more than happy to pay for it. New Hampshire citizens are frugal and we like getting value for our money. And we do have some of the best roads in New England. And I don't think the citizens of this state minds paying for that.

When you look at the gas prices, and I get around the state quite a bit, when I go to Massachusetts or Maine or Vermont and see gas stations right across the river from each other, those prices are generally pretty close. And what that says to me is in New Hampshire we're giving up 11 and a half cents to the fuel company, where if you cross the river and go to Maine they're putting that into their roads. So I don't think reducing either of these through SB 78 or the Amendment is right for New Hampshire. In fact, I would agree with the Representative who spoke just ahead of me that we need to be talking about increasing gas taxes or finding some other acceptable method of funding our roads. I think to not do that isn't fair to future generations. It's not fair to municipalities who currently rely on DOT funds and this will get passed down to property owners. And with that, I will take any questions.

CHAIRMAN WEYLER: Questions from the Committee. Seeing none; thank you for your testimony. I'll next call upon John Bousquet from New Hampshire Good Roads.

JOHN BOUSQUET, Vice-President, R.M. Piper, Inc., Plymouth, NH: Thank you, Mr. Chairman, and Members of the Committee.

CHAIRMAN WEYLER: Very close with that mic.

MR. BOUSQUET: Very good. My name is John Bousquet. I'm Vice-President of R.M. Piper, Inc., from Plymouth, and

we're a highway and bridge construction company. And I'm a Director of the New Hampshire Good Roads Association. Thank you for the opportunity to present my testimony today in opposition of SB 78 and the attached Amendment.

SB 78 will eliminate vital revenue needed for the highway fund that was put in place in 2009 as a compromise between supporters of a gas tax increase and those for aggregation. This additional revenue from the registration surcharge was intended to be temporary while a more sustainable source of funding was explored. The problem then, and more so now, is that the current gas tax no longer meets the needs of the Highway Fund. Simply put, we have a funding problem, not a spending problem. If these registration fees are allowed to sunset, the Highway Fund will be short by approximately \$86 million in the next biennium. Because some of this money is used as matching funds for Federal dollars, the impact to the highway and bridge construction could be far more than that amount. The Highway Fund provides money for highway construction, repairs, winter maintenance, and law enforcement. These are basic services that government must provide in adequate level for all people to conduct their business and go about their everyday life safely. The fact is that our bridge and roads across the state are in need of repairs, upgrades, and in some cases replacement.

In the early 1990s, over 500 bridges in New Hampshire are identified as "red listed" bridges. Work has been ongoing to repair or replace these structures but almost 20 years later for every bridge that's been taken off the list, another one goes on and we still have over 500 bridges on the "red list" today. Now we are faced with a combination of a down economy, an inadequate Highway Funding to even maintain the status quo. The lack of action and Band-Aid approach to our highway funding issues of the past has brought us to a point where further cuts and inactions may put some road and bridges beyond repair and put the travelling public's safety at risk.

Spending money on highway and infrastructure projects not only creates jobs, but it does create business as well. The money initially spent from Highway Funds for a project in Keene, Rochester, or Berlin is spent several times over in that local economy because contractors tend to hire local labor, subcontractors purchase their materials near these job sites. Also, the completed projects provide safer, more reliable, infrastructure for that community to build and grow on. Furthermore, the construction prices are down so there is a savings to the state to move forward with these projects in this down economy. The Amendment to increase the gas tax by 5-cents for a two-month period has been called a lot of things already this weekend in the local papers in the comment sections, but I'd like to present here as a learning opportunity. Some critics say that it won't -- won't cut -- won't be enough to help the individual, while others say it will be devastating to the Highway Fund and they are both right.

A person that drives 20,000 miles per year with a vehicle that gets 18 miles to the gallon will save about \$4.60 per month, provided that all the 5-cent tax cut gets passed onto the consumer. This kind of savings to the individual is hardly enough to make a difference to anyone -- most anyone, I'll say.

Meanwhile, the \$3.3 million per month loss of revenue for the Highway Fund will have a profound and noticeable impact on the conditions and safety of our highway system, as well as cost jobs across the state. I do want to say I personally believe that in most situations tax cuts -- tax cuts increase business activity, and therefore, do help the economy overall. Why does it not work in this case? Because the gas tax works. The impact to the individual is minimal, but it escalates based on roadway usage. On the other hand, it benefits the public a great deal. The money goes right back into the local economy, creating jobs, improving infrastructure and providing a safe transportation system. Those who use our transportation system the most, pay the most.

With the registration fees sunseting, along with the discussions fueled by the 5-cent gas tax cut, this has provided a solid argument for what we really should be discussing here today and that is an increase to the gas tax, not a decrease. For example, the same 5-cents, an increase to the gas tax or road toll as properly referred to would add a dollar thirty-five to my recent \$102 fill-up in my Ford pickup, but it would result in an additional \$3.3 million per month to the Highway Fund. That would be a huge economic boost for our State's economy; and in fact, we could, given those numbers, we could pay for the entire widening of Route 93 from Salem to Manchester in six years without any matching Federal funds.

In closing, the Legislature's not currently looking at new funding sources for the Highway Fund. So to allow the sunset of these fees without providing additional funding mechanisms for the highway fund is counterproductive to New Hampshire's economic health. Thank you very much. Any questions?

CHAIRMAN WEYLER: Representative Vaillancourt for a question.

REP. VAILLANCOURT: Thank you, Mr. Chairman. I was shopping at Shaw's or Stop & Shop or one of those supermarkets the other day, and I want you to react to the psychological impact. Because they do this little program where if you spend so much or if you buy certain boxes of cereal, you are going to get a pittance, 5-cents off a gallon of gas. Apparently, that psychological impact is greater than you lead us to believe because a lot of people are taking advantage of that pittance at the grocery store or am I wrong?

MR. BOUSQUET: Well, the psychological impact, to be honest, I'm going to speak out of line maybe, but I think that's probably what we are talking about is more than anything else is psychological impact to have been debating whether this 5-cents is even going to go to the consumer,

and it is a small amount of money. You're correct. There would be a psychological impact certainly. But there's also a huge impact to the Highway Fund and I think that's really more the issue here. Did I answer your question?

REP. VAILLANCOURT: If I might just follow-up. So if, in fact, you acknowledge there's a psychological impact for me shopping at a grocery store, might there not be a psychological impact for somebody living in Massachusetts and saying I'm going to save this whopping sum if I come to New Hampshire and the psychology will drive people here.

MR. BOUSQUET: If they see that. But again, as we've -- as other people have testified, the price of gas along the Massachusetts border right now there is a difference in the gas tax. And it's -- the gas prices are the same on each side of the border. I think that if it could go back to the consumer, maybe there would be -- there would be some benefit. But again, given the numbers, it's very, very little. My tank is a \$102 fill-up and would have been a dollar thirty-five in savings.

CHAIRMAN WEYLER: Representative Benn for a question.

REP. BENN: Thank you, Mr. Chairman. Thank you for your testimony. You mentioned twice the matching funds and your concern about matching Federal funds. Could you just describe for us what the match is and what the impact of this might be on Federal match?

MR. BOUSQUET: Okay. And given that I'm a contractor and not representing the New Hampshire DOT, I don't know exactly what the breakdown or how they would determine what this \$3.3 million per month, how they're going to take that out of their budget. But with a standard Highway Fund, there's a 20% from the State matches 80% of the Federal funds in most cases. Some of the Stimulus projects were 100% funded and some of the typical Federal projects right now are 100% funded from the Federal government. But a typical match is 80/20.

CHAIRMAN WEYLER: We'll have someone from the DOT speak later.

REP. BENN: Thank you.

MR. BOUSQUET: That's the best I know.

CHAIRMAN WEYLER: Representative Bouchard for a question.

REP. BOUCHARD: Thank you, Mr. Chairman. Projects -- you do highway bridge construction. Are projects that are delayed, routine maintenance that are delayed because we are not funding them now, how much would it cost the citizen? How much does that delay in the project a year or two down the road?

CHAIRMAN WEYLER: That may also be a question you want the DOT to answer.

REP. BOUCHARD: Just because he's a contractor and they bid on jobs, I didn't know --

MR. BOUSQUET: Right. As far as a number, I couldn't say. But the cost of -- even over the last couple years, the cost of materials, steel, concrete, and things like that have gone up drastically. Even with the price of gas, is what we are talking about today, we are paying surcharges on materials deliveries for every truck load of material of concrete and steel. So the cost is escalating, you know, as we speak and it does continue to go up over the time.

The other issue is in my business in the bridge repair business, the longer you delay the repair of a bridge, the more rot and unsound concrete you will find. Whereas if you get it sooner, you'll seal it up tighter and it will last longer. We're also dealing with a 20 to 30-year difference in materials technology. So the older membranes

are out there right now and bridge deck resurfacing, those older materials are rotting and they're inferior to the new materials. The quicker you get that down, the longer the bridge decks will last. And there is a big benefit to that, too, between going now and then waiting, you know, 5 to 10 years.

CHAIRMAN WEYLER: Representative Elliott for a question.

REP. ELLIOTT: Thank you, Mr. Chairman. Thank you for your testimony. I'm concerned about this false statement on the last page that you made about the Legislature not currently looking at new funding sources to the Highway Fund. And I say false statement because we did look at three possibilities of new revenue which would help the Highway Fund as well as other areas. And the first one, of course, was the prospect of gambling which the Republican platform is opposed to. The second thing that we looked at was more taxes, which I personally feel as the Democratic platform is built on whether or not that's true or not, and thirdly, we did consider avoiding both of those alternatives and making horrendous cuts. Now my question to you, sir, is since we did look at new funding sources, what new funding did you have in mind to solve this problem?

MR. BOUSQUET: Okay. Thank you, Representative Elliott. I apologize if that was incorrectly stated. I probably what I should have said is I'm unaware there are any bills, any proposals on the floor right now to -- to offset the sunset of the registration fees is what I actually meant to say. To me, the gas tax makes the most sense. The example that I gave, I was using a 5-cents increase only because the Amendment that we've heard this morning is a 5-cents gas tax cut. I think the numbers that we talked about two years ago were a little bit more than that. All I'm saying is that the gas tax, and it's a road toll, it's called a road toll, and the reason is, is because it's fair based on the usage of the road per person. It's paid at every gas pump across the state. If

-- you know, you can always get a better vehicle for gas mileage, but the money goes back into the highway system and goes to the repairs of, you know, the heavier trucks and heavier roads and things like that.

CHAIRMAN WEYLER: Thank you. Further questions from the Committee? Seeing none; call the next person.

MR. BOUSQUET: Thank you very much.

CHAIRMAN WEYLER: Thank you, Mr. Bousquet. Next have Gary Abbott. A lot of what -- you have five minutes. A lot of what you're going to say has probably been said. So if you could shorten it up, we'd appreciate it. Thank you, Mr. Abbott. Always happy to see you.

GARY ABBOTT, Executive Vice-President, Associated General Contractors of New Hampshire: Thank you. Thank you, Chairman Weyler, Finance Committee. For the record, my name is Gary Abbott. I'm the Executive Vice-President of the Associated General Contractors of New Hampshire. I'm distributing some materials. I'm not going to read all of the materials I'm distributing, but I do want to kind of pickup on our Association was opposed to the original Senate Bill 78. That was the compromise for the budget for the Highway Fund in the last cycle and that was to balance that budget. And, therefore, to go back and start to take that money away that was part of that balancing, we still as of today haven't quite understand where that money is going to come from. What pocket it's coming out of. We are also opposed to the current Amendment that you heard this morning. It really just tries to spread out that where we're going to take the money. But I want to start a little bit from the beginning.

The Highway Fund is a different kind of budget item than you normally have in front of Finance. Usually you've got general fund money funding some kind of agency or effort. The Highway Fund is a user-fee fund in which it's self-supporting based on those user fees. That's how it's

supposed to work. There's really only three sources of funding. Road tolls/gas tax, motor vehicle fees, and the tolls that are on the Turnpike System. And even within the Highway Fund, the Turnpike System is separate.

I'm going to tell you about last time's budget. Even with the \$30 registration fee, the fund was short. We did a swap with I-95 for some one-time money. So there's no doubt in our opinion we still don't have enough to meet the needs. Let me try -- it wasn't on, Chairman.

CHAIRMAN WEYLER: That makes a difference.

MR. ABBOTT: So what we bring forward to you is the concern. And let me give you the guidepost. The guidepost is the ten-year highway program that's passed by the Legislature. You have responsibility on two ends. You have responsibility on the income side and you have responsibility on the expense side. And we recognize that, say, the Department of Transportation has a role in putting those projects out. It takes staff and personnel. It takes the Department of Safety to have the roads protected with police officers, and it's all under the Constitution. And the other third wheel is the actual expense for construction projects. And I looked at this bill and said okay, we are going to lose 6 to \$7 million. Okay. What pocket is it coming out of? I still don't know if it's coming out of the general fund. I don't think so, because the gas tax and how it's related. It will come out of the Highway Fund. Is it coming out of DOT operations? Snowplowing next year? I think I know where it's coming out of. Less projects. Therefore, you're not meeting the obligation of the ten-year highway plan. It took years to get the ten-year highway plan to be a plan that wasn't a "wish list" to something that the state said it could fund. But what I'm finding here today is it's continually getting reduced.

So with that, I brought you a couple of charts that I know I always get asked when I come before this Committee.

One is printed out yesterday from the API, is this one, which is the total gas tax cost for each state, whether it's Feds, whether it's other fees, or whether it's the state gas tax. I think what I did is also I made sure I highlighted New Hampshire. You can see we're at the bottom. All the other New England states are higher than us. I think previous testimony talked about Maine. If you look at Maine, it's above the U.S. average. We're low. We're low when you look at this countrywide. I think that's very important because there's been a lot of philosophy today that reducing the gas tax people are going to flock here. We're already low. We already can wave that banner that we're low. Some of -- the Legislature's always been proud that we're low. At the same time you have the responsibility of funding.

Now the reason we did the swap with I-95 is because we needed to take -- the Executive Council did the right thing. When the Turnpike needed more projects, it raised the rates of the tolls. And one of the things is that we had to do is take some money from it. That was the swap. So what I bring forward to you, and I think we'll go to this report, what I'd really like to go to the inside of the second page and -- but the two charts that you really should look at when you're talking about the Highway Fund, because I think you have to look at it in totality. The first chart shows the revenue of the gasoline tax. Since 2005 we're on a decline. And trust me, I believe that we're on a decline for this year with the prices the way they are. People are going to cut down their mileage. There's been an awful lot of cars sold that get higher mileage. And there's no doubt this trend is going to continue. So to have a program like the ten-year highway plan that's pretty much level funded with some estimates of inflation, I don't see construction costs going to go down and those were estimated in the ten-year highway plan. So you have a revenue problem.

The next chart is the bottom chart which is really the resurfacing program. It's a good program to show

maintenance and needs. You can see all the way back in 1995 the State agreed that they needed to pave -- repave approximately 500 miles a year. And you can see in the early 2000s it dropped to 400. It recently started to drop to 350. So the amount of miles we're actually going out and maintaining, it's almost like you need to change your oil in your car, otherwise you're going to have an engine failure and it's going to cost you a lot more. This program just shows it goes down.

Now, I did put in dotted lines for Stimulus money, because we got a lot of money in Stimulus. It helped us out for a short period of time. I can tell you in Washington, they're going through this same exercise. They have been borrowing from their general fund to send us money on the highway side. It's -- if they cut that out, we're going to lose another 20% from the Feds.

Now, the other decisions that the House made this year was to no longer hard match the program for the upcoming years, which means less construction projects. What really bothers me is construction is really the guidepost and it was talked about by the Speaker, if it went to construction or I'd like to see it all go to construction. At the same time, I have a reality that I know the Departments have to do their things to get the projects out. But it's clear we're heading in the wrong direction. And then on top of it, here you have a bill that's going to take more money away from that income stream. Just doesn't make sense to us. When, in fact, there's been Commissions talking about how are you going to in the long-term save the Highway Trust Fund, and no one has come up with that income side of the ledger. We're talking mostly today about the expense side. We don't talk about the income side.

So today, I'm telling you looking at these kind of numbers and anybody who's really analyzed the Highway Trust Fund as a separate fund, not part of the regular budget, knows we need to do something to match the projects just to maintain our infrastructure.

I think the last point I want to make and it really was on the last side I have a lot of charts about the average driver. If you

take the average motorist, they travel about 12,000 miles a year. That's a thousand miles in a given month. I came out if they only get 20 miles to the gallon, which many cars get over that, they're going to save \$2.50 a month. That's my stop at Dunkin Donuts with a donut and coffee once a month. I think in reality we have to look at the Highway Fund and what are we doing for the entire program. And I think this takes a hit at it, which it shouldn't. And with that, I will end my testimony, but I think it's very clear from where I sit, is that if we reduce it, we are just going to be at this earlier discussion of what are we doing about the declining revenues of the Highway Fund. We'll just be here sooner than later the more we take away this money. And with that, I would hope this Committee would really look at it and say is this really worth the one or two months that it might save somebody versus the entire system and long-term health of the program? And with that I would end my testimony and hope that this Committee votes inexpedient to legislate.

CHAIRMAN WEYLER: Thank you. Questions. Representative Rodeschin.

REP. RODESCHIN: Thank you. I wish we could have -- I'm asking you, will you give this passion to Article 6-a? In case you don't know what 6-a is, all gas tolls go to the Highway Fund, and how many siphon off from that.

MR. ABBOTT: Well, I think Representative Weyler actually did a great job many, many, years ago putting in percentages that would only allow a limited amount to be off. And I think I've looked at a chart. The diversion is very limited today compared to what it was and that was through the legislative action of looking at those numbers. The Constitution, though, does allow for Department of Safety for maintenance of highways and the DOT to receive money. Some people get confused over that. But there's a very limited amount the courts get and a few others, and I think it's under 4%. So when I look at the bigger picture and how big this fund is and how important it is for our infrastructure, I think the diversion question has been addressed as far as it can be, unless you're willing to

take more out of the general fund.

CHAIRMAN WEYLER: Representative Vaillancourt.

REP. VAILLANCOURT: Thank you, Mr. Chairman. I understand that you're against the entire bill. That you'd like us to keep the \$30 surcharge forever. But I want to focus on the particular Amendment. Is it fair for me having been born in December to having paid the \$30 extra, and then if the Senate Bill passes without the Amendment, somebody born in June would not. Is that fairness? In other words, would you support the Amendment as opposed to the original bill?

MR. ABBOTT: I wouldn't because I'm born in October, and I won't be able to see any of the benefit of either whether it's the two months or whether it just sunsets.

CHAIRMAN WEYLER: Representative Foose for a question.

REP. FOOSE: Just following up on the testimony from Pike. Am I correct in understanding that for a \$6 million project, dollars that we are talking about aborting, we could expect about 180 jobs in the state?

MR. ABBOTT: There's no doubt that there are statistics that I think it's for every dollar spent you get about a \$5 return in economic benefits for spending in construction. So I think that's what he's relating to with jobs. Because you spend the money, it goes back into the economy. It's not sent away and you're doing projects in New Hampshire. So it helps everyone associated with it, even -- even the local businesses around wherever construction projects are. So there is an economic benefit to the dollars going out for the state as well.

REP. FOOSE: Thank you.

CHAIRMAN WEYLER: Representative Bouchard for a question.

REP. BOUCHARD: Thank you. Mr. Abbott, the question about the diversion, are you aware that this Committee, that the House Budget eliminated the cap on that RSA you were referring to and about 2, 3% of the Highway Fund will be coming out and crossing over, I believe, to Safety for non-highway projects?

MR. ABBOTT: I am aware of it. I really liked it when the cap was in there because it gave confidence to me and the citizens that less diversion would happen in the future.

CHAIRMAN WEYLER: Thank you. Thank you for your testimony. I'll next call on Diana Lacey from the State Employees Association.

JUDY SILVA, New Hampshire Municipal Association: She left.

CHAIRMAN WEYLER: She left? All right. Call on Deputy Commissioner Michael Pillsbury from Department of Transportation. Good morning, Commissioner.

MICHAEL PILLSBURY, Deputy Commissioner, Department of Transportation: Good morning, Mr. Chairman. Thanks for allowing me to be here today. For the record, my name is Michael Pillsbury. I'm the Deputy Commissioner at the Department of Transportation. Commissioner Campbell greatly desired to be here this morning. He had a long-standing appointment that was previously scheduled and is not available, but he asked if I would present his testimony that is being passed out at this point in time. And should I begin or would you like me to wait until everybody has a copy of that?

CHAIRMAN WEYLER: You can begin, Commissioner.

MR. PILLSBURY: Okay. Thank you. In response to both Senate Bill 78, as well as the Amendment, the Commissioner

asked that this letter be put into testimony in his behalf. He writes that as Commissioner of Department of Transportation, I am writing in strong opposition to this or any proposed state gas tax decrease amendment which I believe would actually hurt New Hampshire's residents, economy, highways and bridges at a critical time. The Department of Transportation is facing unprecedented budgetary challenges in meeting the needs of the New Hampshire Highway System. The House approved budget reduces funds available to the Highway Funds by \$110 million over the next biennium, making the New Hampshire DOT's FY2012 budget less than the FY2010. These cuts will significantly impact both our Department's capital and operating budgets. They will also reduce block aid -- Block Grant Aid to cities and towns in Fiscal Year 2012. For example, in the House approved budget, the New Hampshire DOT is forced to reduce paving work by 240 miles a year, and this Amendment would be the equivalent of reducing road resurfacing by another 90 miles. The American Automobile Association, which represents many thousands of drivers in New Hampshire and throughout the region, has said it is vehemently opposed to a gas tax decrease as serving no measurable or worthwhile benefit. An estimated savings of \$2.50 per month does not stack up well against the 6 million plus that would be lost for maintaining our roads and bridges. New Hampshire's 18-cents gas tax is the 41st lowest in the country and the lowest in the region. For example, it is less than half that of Connecticut at 41.9-cents. The proposed 5-cents reduction in the gas tax would harm the very highway and bridge system that New Hampshire counts on for a healthy economy. It would accelerate damage to roads and increase costs incurred by those who depend on this system for daily personal and commercial needs. Charlie Arlinghaus, Director of the Josiah Bartlett Center said, "It ends up being symbolic and doesn't help anyone. Just costs the state a lot of money. It won't affect prices a bit and consumers won't save a nickel at the end of the day."

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their roads and bridges. And this approach providing taxpayer relief will do just the opposite. It will only add to the cost of operating the vehicles while failing to maintaining and improve our transportation system.

With that, Mr. Chairman, I'm available to answer questions that the Committee may have.

CHAIRMAN WEYLER: Thank you. Representative Umberger for a question.

REP. UMBERGER: Yes, my question is can you divide out \$6 million as to how much would physically have gone to projects, and how much physically would have gone to Safety, and how much would have gone to the Courts, and how much would have gone to paying people because I've heard some interesting comments about how the money from the surcharge has been spent. So just focusing on that six million, what projects aren't you going to be able to do in May and June or in July and August?

MR. PILLSBURY: There were perhaps a couple questions in there. I think initially it's difficult at this point in time to say exactly knowing the Amendment came forward just today reducing the road toll to what exactly where it's taken out of. If it is taken out of projects, if it comes out from there, it would equate to approximately 90 miles of resurfacing. It costs approximately -- we did about 15 miles of resurfacing for a million dollars. So at \$6 million you're close to that 90 million.

CHAIRMAN WEYLER: Follow-up.

MR. PILLSBURY: Yes.

REP. UMBERGER: The Senate Bill that we're actually talking about has been around for awhile.

MR. PILLSBURY: Yes.

REP. UMBERGER: And so what did you testify in the Senate that this would eliminate? I mean, it's the same question. It's no different.

MR. PILLSBURY: Okay. All right. And to that end we were looking at the testimony at that point of Senate Bill 78 was still in the budget -- excuse me -- motor vehicle surcharge was still in the budget. So we were expecting it to go away for continuing. That looked at \$30 million a year that was in the motor vehicle surcharge that would go to the Betterment. And -- I'm sorry is there a problem? And that -- those projects there, and I apologize I did not bring that list because I was looking at the short-term, but that list of large projects, I think, was put around looking at what projects would have to be delayed. Most of them were the Betterment projects and some matching to the capital program.

REP. UMBERGER: Thank you.

CHAIRMAN WEYLER: Representative Lerandean for a question.

REP. LERANDEAU: Thank you, Mr. Chairman. Welcome, Commissioner. When you talk about the paving we are going to cut roughly 90 miles out. And so you've just gotten this information.

MR. PILLSBURY: Yes.

REP. LERANDEAU: So you probably -- how would you do this? Would you go through the Districts or would you tell us what the Districts are or how that goes?

MR. PILLSBURY: We would have to perhaps look at what our plan for the resurfacing was coming up on the projects are going and if it was directly at the projects we would be reducing and limiting the amount of mileage in each of those Districts. We would perhaps be delaying putting out further projects on coming on the summer as the Betterment

account came forward.

REP. LERANDEAU: Follow-up.

CHAIRMAN WEYLER: Follow-up.

REP. LERANDEAU: So we have six Districts.

MR. PILLSBURY: Yes, sir.

REP. LERANDEAU: Really it's about 15, 20 miles per district we would lose.

MR. PILLSBURY: Yes.

REP. LERANDEAU: So it be equally shared, all grief would be shared.

MR. PILLSBURY: That would be an approach. Yes.

REP. LERANDEAU: Thank you.

CHAIRMAN WEYLER: Representative Ober for a question.

REP. OBER: Thank you. We've had a lot of testimony this morning, including some testimony from R.M. Piper that clearly indicates people do not know the breakdown of money that's collected from Highway Fund. So this is very simple. If you get a thousand dollars, what percentage goes to the Highway Fund and what percentage goes to other funds, such as we know it goes into Judicial, we know it goes various places. Just what's the breakdown that goes into the Highway Fund. Out of a thousand dollars, how much would you actually get, 'cause I know it's not a thousand?

MR. PILLSBURY: As the Highway Fund comes there's 12 and a half percent of the money goes to Block Aid, goes to communities from the Highway Fund. Also out of the Highway Fund then there's 3-cents goes to the Betterment account from the Highway Fund. And --

REP. OBER: That would be 3% out of a thousand.

MR. PILLSBURY: Three cents.

REP. OBER: Out of a thousand?

MR. PILLSBURY: Three cents out of 18-cents.

REP. OBER: 'Cause I asked for a percentage.

CHAIRMAN WEYLER: Is it 70%? Is it 60%? How much do you get for highways?

REP. OBER: I don't need to know where it goes. I just know what percentage actually goes to road maintenance.

MR. PILLSBURY: The amount of percentage that actually goes to road maintenance of a percentage. 'Cause we -- it's -- I will have to ask if it's all right if I just sit down with pencil and paper on that. I cannot do that on the top of my head on percentage.

REP. OBER: Could you get that back to us. Because I know there's a lot of money. It's always been one of my complaints. But a lot of money is siphoned that is in theory for the Highway Fund, siphoned to a variety of other places and last year when the Commissioner wanted to take money from the Highway Fund to do DNA testing of prisoners, House Finance voted no. So I would appreciate getting that back. Thank you.

MR. PILLSBURY: Okay.

CHAIRMAN WEYLER: Representative Rodeschin for a question.

REP. RODESCHIN: Nice to see you, Mr. Pillsbury. I see you every now and then.

MR. PILLSBURY: Good to see you.

REP. RODESCHIN: Would you tell me, has DOT ever looked at all the different grades of fuel and tried to get rid of some of them because that cost us money?

MR. PILLSBURY: Grades of?

REP. RODESCHIN: Fuel for your automobile. How many different grades do we have now?

MR. PILLSBURY: Of the different types of fuel?

REP. RODESCHIN: Yeah.

MR. PILLSBURY: That -- the collection of that is done with the Department of Safety. And so we're -- we're -- the statute I don't think makes a difference between the road toll on a different grade of fuel other than gasoline and diesel.

CHAIRMAN WEYLER: Follow-up.

REP. RODESCHIN: If there's these different grades of fuel, each one of them must cost differently. Have you any idea what that is? Why do we need so many grades?

MR. PILLSBURY: That's -- that would be a question for the fuel manufacturers and the users of those that I believe that whatever the grade of the gasoline is, it's the same road toll tax on that per gallon. So it's not based on the cost. It's not based on the cost of the fuel. It's a road toll on the gallon.

CHAIRMAN WEYLER: It's higher on diesel.

MR. PILLSBURY: And diesel, yes.

CHAIRMAN WEYLER: Representative Worsman for a question.

REP. WORSMAN: Thank you, Chairman. And perhaps this is just clarification. I'm looking at the second paragraph of your sheet which says that the funds that the House has allocated is equal to a little less than 100 -- than what we allocated in 2010. That was a year in which we received a significant amount of Stimulus money. It looks like from a previous chart we received we did an extra 400,000 miles minimum of paving, some of which may or may not have needed to be done or been on the high priority list. So my question is, if we have perhaps not used the -- did we not use the money quite as wisely, spend this money quite as wisely, and how is that difference going to be any different than how you would use this additional six and a half million dollars that we're discussing now?

MR. PILLSBURY: I think perhaps the difference is that the Stimulus funds came not as a budgeted and appropriated amount to the Department. So they came in on top of our budget. What referred to here is what was allocated to Department through the budget process. So exclusive of the Stimulus funds that came, this statement is being made. The Stimulus funds that came were put into -- completely into projects on the roadway.

REP. WORSMAN: Follow-up, please?

CHAIRMAN WEYLER: Follow-up.

REP. WORSMAN: And I recognize that. The difference is, however, that the Stimulus money came from the same taxpayer that the general fund money comes from. The people of New Hampshire sent money to Washington and it came back to us. So bottom line is the taxpayer money was used to do an additional 400 -- 400 miles minimum based on some of these charts of roads. So if we were able to do that, then how is this very small pot of money, six and a half to \$7 million, truly going to make a difference setting us back in the magnitude of what I heard, both in your testimony and in others?

MR. PILLSBURY: And that is coming to that short-term, the \$6 million, which goes to an earlier question of how do I implement that. If I implement it to the projects, it's a small portion of the larger projects. If I'm placing that \$6 million onto my operating expenses when we've been working on a two-year budget for an operating expense, and you're asking me to step back now and have that amount of money not available for the last two months, at this point in the budget cycle, there's not a lot of places that I have availability in the operating places to make those cuts. Some that come right to mind that we would see immediate impact I don't want to do it. But we are in the process of purchasing our paint for the center line and the white line. That alone is about a \$2 million purchase. If you said you do not have \$6 million I may have to delay painting. I may also -- we are already starting to say we need to put off the purchasing or the hiring of rented equipment that we often do this time of year, specialized things, the sweeping, the tree trimming, trees that are damaged and overhanging the road, we'll be putting them off, things of that sort that hits the operating side of the budget. If I take the operating side and you said what does \$6 million do for you in the number of employees that you could lay-off, by the time we go through the lay-off process, and payouts and things, I don't see that -- I'm not able to makeup that amount of money. So it's still to go to some other questions, is it all in projects, is it all in operations, the reality is it's in a mix of places. Some of them are going to see immediately. In operations setup I'll have to delay.

REP. WORSMAN: Thank you.

CHAIRMAN WEYLER: Representative Benn for a question. Short question.

REP. BENN: Thank you, Mr. Chairman. Go back to the matching funds. How would the \$6 million affect the match in that if it were all put to the match we'd be talking

about \$35 million of construction. How do you work this?

MR. PILLSBURY: What we have been doing in currently the ten-year plan program that we've spoken of earlier was put forward with an expectation that we would match Federal funds with highway dollars, with State dollars, the 20% match. Through the budget cycle there's been a determination to use -- utilize turnpike toll credits and so there has not been in this budget cycle to be used a actual State Match to those. What that does though is that does not allow -- the Federal government does not give you additional funds. It just allows you to use all of their funds on a project which effectively reduces the amount of money available for construction by the amount that the match would be. So here that's why I think when we're saying there's \$6 million that would not be necessarily available, either for a match or into the Betterment Program, our actual State monies that would be used on those types of projects.

CHAIRMAN WEYLER: Representative McGuire for a question.

REP. MCGUIRE: Thank you, Mr. Chairman. Hi, Mr. Pillsbury.

MR. PILLSBURY: How are you today?

REP. MCGUIRE: Good. What's the total size of the budgeted highway fund in Fiscal Year '11, and is it adequate for doing maintenance and operations?

MR. PILLSBURY: In 2011?

REP. MCGUIRE: Yes.

MR. PILLSBURY: Currently I do have that. In highway operations, which is the maintenance and operations, currently our agency budget is \$140 million in Division of Operations. And in -- currently in the House passed budget,

it's at 124 million and that results in a number of lay-offs throughout the Department of about 96 employees. So --

CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: Sorry.

MR. PILLSBURY: Yeah.

REP. MCGUIRE: I think you're talking about Fiscal Year 12-13.

MR. PILLSBURY: Yes.

REP. MCGUIRE: My question is in Fiscal Year '11 --

MR. PILLSBURY: '11.

REP. MCGUIRE: -- what is the total size of the highway fund because we're talking about here \$6 million. I want to see what's the comparison to the total size of the highway fund in Fiscal Year '11 because this is about Fiscal Year '11, not 12-13.

MR. PILLSBURY: Okay. If I'm not mistaken -- Pat, is the total 240? With me is Patrick McKenna who's the Director of Finance.

REP. MCGUIRE: I know him well. Yes, how are you, Patrick.

PATRICK MCKENNA, Director of Finance, Department of Transportation: Pardon me. All funds for Fiscal Year 2011, not including the Turnpike Funds, is approximately \$500 million. That's including all source of Federal funds. Highway -- Highway Fund dollars from the state, just over approximately 207,000 -- \$207 million. Excuse me.

REP. MCGUIRE: Thank you. Follow-up?

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CHAIRMAN WEYLER: Follow-up.

REP. MCGUIRE: Yes. Thank you. So I just asked Mr. Murphy for the current state of the Highway Fund for Fiscal Year '11 based on the surplus statement. And he told me that the current projected surplus is \$16 million. So wouldn't it be the case that if Senate Bill 78 passed, and it cost us \$6 million roughly, that what would actually happen is we would not cut any budgeted items, but instead we would -- we would only spend an extra \$10 million over the Fiscal Year '11 budget instead of an extra \$16 million over the Fiscal Year '11 budget?

MR. PILLSBURY: And what you're saying then is that currently at the lapse, or the amount of money that's -- that is there, that there would be funds available to cover of this lapse.

REP. MCGUIRE: Yes.

MR. PILLSBURY: I need to look at that. I don't know if, Patrick, you had a chance to look into that.

MR. MCKENNA: Yeah. The LBA projected Highway Fund Surplus for Fiscal '11 is \$16 million. That's correct.

REP. MCGUIRE: Thank you.

CHAIRMAN WEYLER: Thank you. Representative Sova for a question.

REP. SOVA: Thank you, Mr. Chairman. I had the same question about the Highway Fund balance on July 1st of this year. And the Governor's Budget showed an operating balance of 45.8 million. That doesn't jog with the 16 million that I just heard.

MR. MCKENNA: There's a deficit in the capital side of that and those two are combined.

REP. SOVA: I'm just talking operating side.

MR. MCKENNA: Operating, that's correct.

REP. SOVA: 45.8.

MR. MCKENNA: That's correct.

REP. SOVA: If this passed, we would essentially bring it down to about 38 million.

MR. MCKENNA: Yeah, and it is combined with the capital component for the total amount for the Highway Fund.

REP. SOVA: Thank you.

CHAIRMAN WEYLER: Representative Simard for a question.

REP. SIMARD: Thank you, Mr. Chairman. Thank you, Deputy Commissioner Pillsbury. With each increase in fuel prices we see a decrease in usage. And we sit here and we are discussing Senate Bill 78 which is eliminating a temporary charge for registrations, and we are talking about a 5-cents a gallon break in fuel prices. My big problem is that with the devaluation of the dollar, due to China now investing in European debt with American dollars, with increased competition for petroleum, a limited amount of petroleum product in the world, I've seen projections that say by the end of the decade we will be paying \$10 a gallon for gasoline.

My question to you is, we are bickering over pennies. What is your long-term plan for events that are going to occur that are going to cause some drastic dislocation in our whole economy? How do you -- are you guys looking into this? That's the question. Are you looking into this?

MR. PILLSBURY: It certainly was a point of discussion

with the Commission that met last year on sustainable funding for the transportation system. There was also a Commission that was looking at funding hybrid and electrical vehicles and their use of the system and how do we provide a transportation system that allows people to continue to use it when folks are not driving or they are utilizing vehicles that have such a high gas rate. The findings of that Commission, I think, are well known and have been supplied, I believe, to this Committee as well. In the long-term, that's going to be -- that's going to be a challenge. What will the transportation system look like when fuel is at that point? Will it be telecommunicating? Will it be teleworking? Will it be the use of transit vehicles? Will it be car pooling, things of that sort, which obviously, again, when we are relying totally upon a gas tax and motor vehicle fees and those vehicles not being used is a challenge to the state as a whole on providing those services. Do I have an answer? Not at this time.

REP. SIMARD: Would you keep me informed of that if you have any reports. I'd be interested in reading that.

MR. PILLSBURY: Yes.

REP. SIMARD: Thank you, Mr. Chairman.

CHAIRMAN WEYLER: Representative Bouchard for a question.

REP. BOUCHARD: I just wanted to follow-up on the paving that was mentioned earlier. Is it true that New Hampshire was hundreds of miles behind on their paving schedule of 500 miles a year and by using the surplus, the Stimulus money to catchup on our paving, not only did we save the citizens money by getting the work done, but also got jobs out there in the private sector?

MR. PILLSBURY: Absolutely. What occurred because of the finite allotment or allocation to the Betterment Fund, our dollars had stayed the same year after year to the

Betterment Fund. But the cost of paving, the materials, the cost of placing them down, it continued to increase dramatically. So the number of miles that was being done each year went down. The Stimulus Funds allowed us to catchup, gave us kind of a boost, gave us a year time where I think the most dramatic from an engineering standpoint savings was on I-89. If anybody drove that during that paving period of time, we had nearly the entire interstate, it seemed, under construction being resurfaced. A number of bridges on that were addressed at the same time. And I-89 was very close to failure from a pavement -- structural pavement capacity. It just the loads it was carrying and the length of time getting around to paving those sections of roadway it was rather harrowing.

CHAIRMAN WEYLER: Representative Sova.

REP. SOVA: Yes. I was looking at the Commissioner's input, on paragraph three, it says in the final sentence, this amendment would be the equivalent of reducing road surfacing by another 90 miles. \$7 million for 90 miles?

MR. PILLSBURY: We do about 15 miles of paving for a million dollars. So \$6 million is about 90 miles worth of paving.

REP. SOVA: What is your total budget for surfacing?

MR. PILLSBURY: Currently, we've been budgeting around 12 to \$15 million out of the Betterment and then there's some Federal funds that we use on the interstate as well as some other Federal. So it's -- it's close to -- well, the 240. We use about 90 million -- Whoops! Excuse me. I'm looking at wrong notes here. The total resurfacing project is about -- it's total of around 20 million. Twenty million. Thank you.

REP. SOVA: Thank you.

CHAIRMAN WEYLER: Representative Benn for, hopefully,

the last question.

REP. BENN: Thank you, Mr. Chairman. Commissioner, I'm sorry, I didn't quite understand the answer to the Federal match question.

MR. PILLSBURY: Sure.

REP. BENN: Just simply this 6 million, how much money -- how much Federal money will this cost us by reducing our -- reducing the 6 million?

MR. PILLSBURY: Under the current budget this year, it will not reduce the Federal monies that are coming because we are using the Turnpike Toll Credits. So it comes totally out of either the Betterment Funds where we use State monies to resurface or the operating where we're maintaining the roadways or as someone pointed out services.

CHAIRMAN WEYLER: Thank you very much, Commissioner. Committee, we are coming up on your lunch time. I have three more people left to speak. I will -- hopefully, they will not repeat things that have already been said. I will call first on Representative Horrigan.

TIMOTHY HARRIGAN, State Representative, Strafford County, District #7: Thank you. Thank you very much, Mr. Chair. My name is Representative Timothy Horrigan. I represent Strafford County District 7 which is the towns of Durham, Lee and Madbury. And in the interest of full disclosure, I should confess that I took the chart that the New Hampshire Republican party put out which the Speaker may or may not have alluded to in part of his testimony. I came in the middle. He may have mentioned beforehand. My town actually has the lowest vehicle surcharge cost per capita. It's \$11.53. Statewide average is a little more than \$30. That's because we actually have -- well, we have a large number of residents who are able to walk to work. But also we actually have a functioning public

transit system which doesn't exist in most parts of the state. But anyway, I'm opposed to both the -- I favor keeping the vehicle surcharges in place as passed in 2009. Even though -- I mean, it was somewhat unpopular. I think a flat fee based on vehicle weight may not be the perfect way to charge vehicle owners for their fair share of the cost of maintaining highways but it's not bad. And even though electrical vehicles don't pay the road toll, with the gas tax, the combination of weight base fee, plus a vehicle, plus additional fee per gallon, I feel is still a very workable approach. I also oppose the reduction of the gas tax. And I'm -- I think our Highway Fund needs revenue. We have Pike Industries came and mentioned \$6.2 -- \$6.2 million project that they did last year. They have a \$6.25 million contract in my area which actually they just began a few days ago. And that -- I was glad to hear last year's project paid 174 jobs, not including the Pike Industry employees, that would be another 174 jobs in my area. I think that's a good thing. We have a ten-year highway plan which I say here in my testimony take 25 years completing at the current funding levels. I'm sure Representative Bouchard is here who may have a different exact number but it would take -- there's a lot of worthy projects that need to be done.

We have a highway system that doesn't just need maintenance, although it needs a lot of that, just about to fall down. It also needs to be updated. So we don't need less money in the Highway Fund. We need more. And the Highway Funds' revenues have been described as wasted money. Well, I'm not sure the local aid been described as wasted money, but even that ironically that just offsets the one tax which apparently is not as objectionable as the others which is local property tax. So if we take what's been said to logical conclusion, supposedly our highways would have no value. The labor of our highway workers would be worthless and nothing could be farther from the truth. I might also add it isn't just the local streets that the local aid, Page 4, which are of value. For example, in my commute, I commuted from Faculty Road in

Durham to the Storrs garage. I travelled about one mile on local roads in Durham, and then about 33 miles on highways. All paid for by the State Department of Transportation, and then probably about additional mile on local streets in Concord. I am not sure whether North Main Street is paid for by the state or the City of Concord. Anyway, so that's -- so it's not just your own towns, local streets, that are of value to a typical driver like myself. I suppose I'd be happy to answer any questions if there are any.

CHAIRMAN WEYLER: Any questions for Representative Horrigan? Seeing none; thank you for your testimony.

REP. HARRIGAN: Thank you very much.

CHAIRMAN WEYLER: Next call on Judy Silva from New Hampshire Municipal Association. It says one minute.

MS. SILVA: One minute. Yes, thank you. Good morning or good afternoon. Sorry, Mr. Chairman.

CHAIRMAN WEYLER: Good afternoon.

MS. SILVA: Members of the Committee, I am Judy Silva from the New Hampshire Municipal Association. As I'm sure you're not surprised to see me here. You heard the testimony from others about the effect that either the underlying bill, Senate Bill 78, or the Amendment would have on funds returned to municipalities through the Highway Fund. We, our members, supported in the last budget cycle and currently have a policy to support an increase in the gas tax to fund the Highway Fund. But that was not how the Highway Fund was funded last year or last session. It was the surcharge. So we brought the issue of the repeal of the surcharge to our members, to our Municipal Advocacy Committee, which gives us policy guidance outside of our regular policy process. And they, while not necessarily enamored with the motor vehicle surcharge, their guidance to us was to oppose the repeal of the surcharge until such time as there is a more sustainable source of funding

determined to fund the Highway Fund. Their concern, obviously, is with the effect that the reduction of funds to the Highway Fund will have on local, the Betterment projects that are done locally and specifically on the 12% of Highway Fund grants or the gas tax money grants that go to municipalities.

We are experiencing the same budget crunches at the local level as the State is and these block grants are funds that we rely on locally to keep our local roads in repair. And for that reason, we would oppose the underlying bill, Senate Bill 78, and the Amendment and I thank you for the opportunity.

CHAIRMAN WEYLER: Any questions for Ms. Silva? Seeing none; thank you for your testimony.

MS. SILVA: Thank you.

CHAIRMAN WEYLER: Last call on Representative David Campbell.

DAVID CAMPBELL, State Representative, Hillsborough County, District #24: Thank you, Mr. Chairman, Honorable Members of the Finance Committee. Thanks for letting me back-cleanup. I am here to oppose both the underlying bill and the Amendment because of the -- two reasons. Because of the impact on the Highway Fund, they both have the same impact, and it's not going to have the desired effect that we've been led to believe by some.

First off, I want to give you some numbers I think you've been looking for as far as the breakdown of the 7 million and how it works. This comes from working with the DOT chief here just in the back. Say it's \$7 million, \$6.6, roughly \$7 million. Twelve percent comes off the top and that goes to the cities and towns. So that's roughly \$700,000. Then you've got 2.1 because it's allocated to go right to Betterment. \$2.1 million to Betterment. Roughly \$2.1 million goes to Safety and other agencies. And then

about \$2 million goes into the DOT general budget. So that's how that is going to breakdown. Now the reason I'm here --

CHAIRMAN WEYLER: Say that last figure again?

REP. CAMPBELL: Roughly 2 million. These are round figures. Two million to DOT budget, 2.1 to Safety, other agencies, 2.1 to Betterment, and \$700,000 to Block Grant to the towns and cities reducing their amounts. So, you know, I'm here to say that I'm against this for -- basically for the impact on the Highway Fund. We are going the wrong way, folks. We are taking money away from a system that badly needs to be funded. Let's look at just -- talk about timing. This may be good timing for political reasons, but in terms of what it does to the Highway Fund, timing couldn't be worse. The budget we just passed reduces \$5 million for Highway Block Grant Aid to the towns and cities. We just found out last week New Hampshire now ranks 11th worst in bridges. Eleventh worst. We are not getting better, we are getting worse.

As far as the condition of our roads, I said I had a little handout in the back of the hall here a few weeks ago that showed that where 40% of our roads used to require no work, now 40 to 50% require major work and that's over a ten-year period. We are going the wrong way. And make no mistake about it. If you think you're doing the taxpayers a favor here, you are not. When you reduce monies in the Highway Fund, you are kicking the can down the road and it's going to be more expensive, and it's going to cost more, just in terms of fixing the roads and it's going to cost more in terms in the delayed cost. You can beat your chest and believe you're doing great things for the taxpayers. I'm telling you right here, right now, you're costing the taxpayers more money every time you reduce any funding on the towns -- on our towns' roads and bridges.

We have another study that came in last year, last year they came in and said the average New Hampshire

motorist is going to pay \$259 a year in added cost to their cars because of conditions of the roads. Well, the conditions -- the conditions of the roads get worse, that number is going to go up. And we are talking about, you know, nickels, literally here. But here's the second half of this is just as important. It's not going to have the desired effect. Not just because you're hurting the taxpayer because you're hurting the roads and bridges, it's also not going to get passed through to the consumer. That's just not going to happen in a two-month period. We have all seen how gas prices are. Let me give an example.

Between Kittery and Somersworth, we watch this all the time, Maine has a 10-cents higher gas tax than New Hampshire. But if you go to Kittery, and go to Somersworth, the price of gasoline per gallon is the same or sometimes even less in Maine. Now why is that? Because the oil companies -- the oil companies set the price and they don't do it by what your gas tax is. There's enough fluff in the line right now. Do you know the gas companies, oil companies are going to report this year and reporting right now profits of over \$35 billion? That's billion with a "B" over last year which is a record year, over the year before which is a record year, and that's all -- and that's what you're doing. What you're doing, you're taking 6.6 out of our meager, badly depleted, Highway Fund and you're putting \$6.6 million into the pockets of the oil companies. I mean, this is -- this is just the way it's going to happen. It doesn't pass-through. I talked to one of the -- a Representative, I won't mention his name, but Representative who has a gas dealership, and he says they itemize gas tax on his bill. But he says if the guy across the street doesn't put his down, I'm not putting mine down. It's not going to get passed onto the consumer. So what you're going to do is you're going to put more money to the oil companies and you're going to hurt the taxpayer at the same time. I can go on and on about this, but I think you've heard enough today and I will --

CHAIRMAN WEYLER: Please do.

REP. CAMPBELL: -- I'll end it there, but I'll be happy to answer any questions.

CHAIRMAN WEYLER: Representative Rodeschin.

REP. RODESCHIN: Nice to see you, Representative Campbell.

REP. CAMPBELL: Thank you.

REP. RODESCHIN: Would you give me a copy of those figures that you started out with in the beginning of your testimony?

REP. CAMPBELL: They're just handwritten notes but I will.

REP. RODESCHIN: I can make a copy.

REP. CAMPBELL: We'll get somebody from DOT to do that for you. Yes, we'll get that from DOT. They'll break it down for you.

CHAIRMAN WEYLER: Further questions.

REP. UMBERGER: Yes.

CHAIRMAN WEYLER: Representative Umberger.

REP. UMBERGER: Yes. I was -- I went to look to see what HB 2 indicated from two years ago as to how the \$90 million of the surcharge is supposed to be spent. And, you know, part of normal block grants accounted for about 5.5 million and that's just because it's attached to the --

REP. CAMPBELL: Off the top.

REP. UMBERGER: Right, off the top. And it says in 2010, 2 million, and 2011, 15 million, to Highway and

Bridge Betterment Account. So that's what it -- that's what it said here. And so if I add that up roughly that 15 and 17 and five is 23. And so that was out of \$90 million. So I would assume that -- I don't know what the remainder of that money was used for. Okay. And so if we are looking at the 2011 business here and I assume that we've already scheduled out the \$15 million that was allocated in HB 2 two years ago, one would think, so the 6 million is coming out of the 90 million and not out of any Betterment that was planned or any road repair or whatever else they might be doing. And, you know, I just -- that's just mostly a question that says I don't see --

REP. CAMPBELL: The breakdown I just gave you was based on that same allocation about how the surcharge was allocated and that's what that was based on. You know, one thing I want to just say about the gas tax and why some of us in the past have supported it and probably will necessarily need to do it again, but the converse is true. If you cut the gas tax, it doesn't necessarily go back to the consumer. Well, think about it. That means if you raise the gas tax, doesn't necessarily get passed on to the consumer. I mean, this is -- this is why the villain in this is the oil companies. They are the ones who can profit. When we don't raise our gas tax, that just means the oil companies get what, you know, if we raise it, that's less -- that's less out of their pocket and we get to fix our roads and bridges. At some point we got to fix our roads and bridges. The budget we just passed, and I think I misspoke on the House floor, I said it was 151 miles. That's the State funded portion. With Federal funds it's going to be more than that. It's mostly on interstate highways, by the way, but it still is more than that. So say we were even at 300 miles, divide it 4300 miles of road by 300, you're on a 14, 15 year repaving schedule and your roads are going to get worse and worse and worse and your children and your grandchildren and all of us if we're still around are going to pay a lot more to fix them.

CHAIRMAN WEYLER: All right. Follow-up.

REP. UMBERGER: Yes. I appreciate where you went with that comment, your comments, but it still doesn't answer the question.

REP. CAMPBELL: I wasn't clear on the question, I guess.

REP. UMBERGER: No. The question is that in 2010 they scheduled 2 million additional Betterment based on the surcharge.

REP. CAMPBELL: Yes.

REP. UMBERGER: In 2011, they based 15 million in Betterment on the surcharge, because that's what it says in the bill for implementing the surcharge. So what my comment is, is that all of the Betterment money should have been programmed and ready to be spent and we still have roughly \$70 million from the 90. Okay. Or half of that, 30 million, 35 million, that went into operations, whether it's Safety or -- okay. And so what I'm trying to get to is that we're looking at out of the \$30 million roughly that went into operations, I assume this year, that we're talking 6 million. We are not affecting Betterment out of -- in this. We're affecting the extra operations money that wasn't there and is only there because we raised the surcharge.

REP. CAMPBELL: I would respectfully disagree with that. The proposed 2011 District list is right here as advertised. They have \$12 million for Betterment.

REP. UMBERGER: I'm only talking about the surcharge Betterment.

REP. CAMPBELL: I understand, but it's based on the revenues including the surcharge. And when you reduce those amounts, that proportional breakdown is the same. Ultimately, it's something you need to work-out with the

finance people at DOT. They can give you a better breakdown.

CHAIRMAN WEYLER: Representative Garcia for a question.

REP. GARCIA: Thank you, Mr. Chair. Thank you, Representative Campbell for taking my question. You've mentioned a number of times the long-term impact, the impact of road maintenance and damage. So assuming a correlation between road usage and road damage, and then also assuming a correlation between increased fuel prices, and road usage, is it possible that given, you know, the steady increase by cents, you know, three, five, something like that, in fuel prices, that there would, in fact, and sadly, possibly be less road usage, and therefore, less road damage so that over the long-term the road maintenance cost wouldn't be quite as high as you might estimate right now?

REP. CAMPBELL: Thank you. I understand the question. You know, as -- as the price of gas goes up, and as vehicles become more efficient, definitely gas tax revenue or gallonage goes down but it doesn't go down sharply. It goes -- it goes down like this. There's still a lot of money that can be raised that way. However, there's a direct relationship between how much you drive and how much gas you use. And that's why I won't say the founding fathers, but the founding fathers and mothers, I guess it was just fathers in those days, of the gas tax when they put it in, they call it the road toll and call it the road toll for the very reason is the more you use the roads, the more you could pay. That's the way you could tie it.

Long-term we are going to need to go something like vehicles miles travelled, but that requires odometer readings and you have to some kind of technology so it can't be broken. I'm sensitive to what you're saying as far as the inverse relationship of gas prices and that on the gallonage; by the same token, there's a lot -- I mean, the only way to get around right now is gasoline still and

people are using a lot of it. So it's the only thing we can tap into to make it work and to fix our bridges and roads, which is our responsibility, and we are abdicating it by doing things like this.

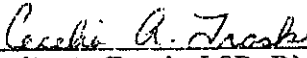
CHAIRMAN WEYLER: Thank you. Seeing no further questions, I will close the public hearing on Senate Bill 78.

REP. CAMPBELL: Thank you, thank you.

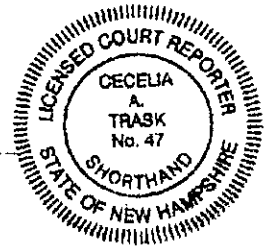
(Concluded at 12:23 p.m.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.



Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire
License No. 47



Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB 78 Date 4-26-11
 Committee FINANCE

** Please Print All Information **

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Sen Tom LeBlond	Manchester		Dist 18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Kevin Waterhouse	Windham		Rock Dis #4	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen White			Dist 9	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen Green			Dist 6	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Timothy Hornum			Stratford 7	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Brian Murphy			Rockingham 18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Bragdon			District 11	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Bradley			District 3	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John Bousquet			R.M. Piper Inc./NH Good Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep John R. Cloutier	Clement	542-6190	Salt #4	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRENDA CLEMONS			NH GOOD ROADS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Maura Cantara			NH Good Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Larry Moran			Pike Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Jessica Michie			Michie Corporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Nic LeBrun			Hills 26	<input type="checkbox"/>	<input type="checkbox"/>
Rep Andy Renzullo			Hills 27	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Carl Siedal			H. 115 20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lizana Lacey			SEANH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BARBARA C. FRENCH			HENNIKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Hearing Minutes

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON SB 78-FN-L

BILL TITLE: relative to motor vehicle registration fees.

DATE: April 26, 2011

LOB ROOM: 210-211 **Time Public Hearing Called to Order:**

Time Adjourned:

(please circle if present)

Committee Members: Reps. Weyler, L. Ober, Kurk, Emerton, Rodeschin, Belvin, Elliott, Vaillancourt, Allen, Marilinda Garcia, R. Barry, Cebrowski, Wm. Smith, Sova, Umberger, Keane, Simard, Twombly, Worsman, Foose, Nordgren, Barody, Benn, Lerandeau and Rosenwald.

Bill Sponsors: Sen. Sanborn, Dist 7; Sen. Bragdon, Dist 11; Sen. Forsythe, Dist 4; Sen. White, Dist 9; Sen. Bradley, Dist 3; Sen. Groen, Dist 6; Sen. De Blois, Dist 18; Rep. T. Keane, Merr 13; Rep. Cohn, Merr 6; Rep. Kreis, Merr 6; Rep. Jennifer Coffey, Merr 6; Rep. Bettencourt, Rock 4

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Temporary Replacements:

Rep. Candace Bouchard replaced Rep. Cindy Rosenwald
Rep. Michael Balboni replaced Rep. Thomas Keane
Rep. Ed MacKay replaced Rep. Ben Barody
Rep. Edith Hogan replaced Rep. John Cebrowski

Senator Andy Sanborn: 6-1/2 – 7 ½ million loss to Department of Transportation and recommends OTP.

* House Speaker Bill O'Brien: Introduced amendment #2011-1519h and recommends OTP/A.

Paul A. Worsowicz, 214 N. Main St., Concord, NH, representing Aggregate Manufacturers Association, spoke in opposition to the bill.

* Alex Koutroubas, 214 N. Main St., Concord, NH, representing ACEC-NH (engineering contractors) spoke in opposition.

Rep. Kevin Waterhouse, 105 Havenhill Rd., Windham, representing Rockingham, Dist. 4, spoke in support of the bill with amendment.

* Larry Major, 3 Eastgate Park, Belmont, NH, representing Pike Industries, spoke in opposition to the bill and submitted written testimony.

* John Bousquet, 152 Upper New Hampton Rd., Meredith, NH representing RM Piper, Inc and NH Good Roads Association, spoke in opposition to the bill and submitted written testimony.

* Gary Abbott, Bow, NH, representing Associated General Contractors, spoke in opposition to the bill and submitted written testimony.

* Deputy Commissioner Michael Pillsbury, Department of Transportation, spoke in opposition to the bill and amendment and submitted written testimony, on behalf of Commissioner Campbell.

12-1/2% Block
3 cents gas tax goes to town

500 million
207 million State

* Rep. Timothy Horrigan, representing Strafford 7, spoke in opposition to the bill and submitted written testimony.

Judy Silva, P.O. Box No, 617, Concord, NH, representing NHMA, spoke in opposition to the bill.

Rep. David Campbell, representing Hills 24, Nashua, spoke in opposition to the amendment.

Diane Lacey, Concord, NH, representing the State Employees Association, spoke in opposition to the bill.

Respectfully submitted,



Rep. Karen Umberger,
Clerk

\$878

Sen. Sandhorn $6\frac{1}{2}$ - $7\frac{1}{2}$ million less to DDT
Recommends OTP

Rosemond D. Bouchard } Temporary
Kane Balboni } replacements
Brody - ~~McKay~~ McKay }
Carrosky }
Cerkosky }
Hogan }

Larcia - Replaces Quant

Speaker O'Brien - Introduced Amendment
2011-1519h - recommends OTPA

Paul Woronowicz - Aggregate Manufacturers
Assoc - opposed

Alex Koutroubas - ACEC-NH represents Engineering
contractors - opposed

Rep Kevin Watershouse - support bill w/amendment

Larry Major's Pike Industries opposes bill +
amendment - written testimony

John Bousquet - RMPiper Inc and NH Local Roads
opposed - written testimony

Mary Abbott - Assoc General Contractors
opposed to bill + amendment written testimony

Michael Pillsbury - DOT opposed
to bill + amendment

1 $\frac{1}{8}$ % Block

3¢ gas tax goes to towns

500 mil

207 mil state

Rep Timothy Harigan opposed written testimony

Judy Silva opposed

Rep Daniel Campbell opposes

Testimony

Highway & Bridge Betterment Program 2010 & 2011

**Submitted to House Finance Committee
Aggregate Manufacturers of NH**

April 25, 2011

Highway & Bridge Betterment Program 2010

Description	D1	D2	D3	D4	D5	D6	Total
Preliminary Engineering (PE)							
Project Name							
Statewide	Consultant Charges	\$ 41,667.00	\$ 41,667.00	\$ 41,667.00	\$ 41,667.00	\$ 41,667.00	\$ 250,002.00
Woodstock	Pavement Rehad	\$ 25,000.00					\$ 25,000.00
Subtotal		\$ 66,667.00	\$ 41,667.00	\$ 41,667.00	\$ 41,667.00	\$ 41,667.00	\$ 275,002.00

PE & ROW Only (P/R)							
Project Name							
Dover	Pile Repair					\$ 25,000.00	\$ 25,000.00
Thornton	Bridge Rehab		\$ 6,526.00				\$ 6,526.00
Subtotal		\$ -	\$ -	\$ 6,526.00	\$ -	\$ -	\$ 31,526.00

Storm Force Account (FA-Storm)							
Project Name							
Belmont	Drainage & Roadway Repairs		\$ 5,000.00				\$ 5,000.00
Belmont	Drainage & Roadway Repairs		\$ 5,000.00				\$ 5,000.00
Concord - Pembroke	Emergency Bridge Repair		\$ 52,884.00				\$ 52,884.00
Gilmanton	Drainage & Roadway Repairs		\$ 120,000.00				\$ 120,000.00
Greenfield - Jaffrey - Peterborough	Repair Washed out Roadway			\$ 50,699.00			\$ 50,699.00
Laconia	Drainage & Roadway Repairs		\$ 5,000.00				\$ 5,000.00
Lee	Signal Mast Arm Replacement					\$ 597.00	\$ 597.00
Subtotal		\$ -	\$ -	\$ 187,884.00	\$ 50,699.00	\$ -	\$ 239,180.00

Force Account (FA)							
Project Name							
Alton	Upgrade Drainage & Guardrail		\$ 120,105.00				\$ 120,105.00
Andover	Reconstruction	\$ 187,144.00					\$ 187,144.00
Auburn	Replace Drainage Pipe				\$ 158,250.00		\$ 158,250.00
Belknap County	Repair & Clean up Roads		\$ 50,000.00			\$ 50,000.00	\$ 100,000.00
Bridgewater Enfield	Drainage Improvements	\$ 35,000.00					\$ 35,000.00
Canterbury	Replace RCP		\$ 25,000.00				\$ 25,000.00
Carrol	Bridge Invert Repair	\$ 15,000.00					\$ 15,000.00
Carrol County	Repair & Clean up Roads		\$ 50,000.00			\$ 50,000.00	\$ 100,000.00
Cheshire County	Repair & Clean up Roads			\$ 100,000.00			\$ 100,000.00
Chester	Drainage Instalation				\$ 25,225.00		\$ 25,225.00
Chesterfield	Deck Replacement			\$ 30,000.00			\$ 30,000.00
Concord	Parking Lot Construction				\$ 45,000.00		\$ 45,000.00
Concord	Roadway Reconstruction				\$ 392,650.00		\$ 392,650.00
Danbury	Install Cut Off Walls	\$ 12,256.00					\$ 12,256.00

Highway & Bridge Betterment Program 2010

	Description	D1	D2	D3	D4	D5	D6	Total
Deerfield	Excavate						\$ 35,000.00	\$ 35,000.00
District 1	Annual Highway Maint	\$ 385,972.00						\$ 385,972.00
District 2	Annual Highway Maint		\$ 418,304.00					\$ 418,304.00
District 3	Annual Highway Maint			\$ 446,181.00				\$ 446,181.00
District 3	Purchase Materails, Rent Equipment			\$ 75,000.00				\$ 75,000.00
District 4	Annual Highway Maint				\$ 500,867.00			\$ 500,867.00
District 5	Annual Highway Maint					\$ 399,909.00		\$ 399,909.00
District 6	Annual Highway Maint						\$ 439,182.00	\$ 439,182.00
District 1	Purchase Materails, Rent E	\$ 50,000.00						\$ 50,000.00
District 1	Purchase Gravel	\$ 50,000.00						\$ 50,000.00
District 3	Purchase Materails, Rent Equipment			\$ 100,000.00				\$ 100,000.00
East Kingston	Replace Drainage						\$ 30,554.00	\$ 30,554.00
Easton	Steel Pipe Repairs	\$ 5,000.00						\$ 5,000.00
Epsom	Remove Culvert						\$ 12,000.00	\$ 12,000.00
Franconia	Remove Right Turn Slip	\$ 30,000.00						\$ 30,000.00
Franklin	Install Catch Basin		\$ 8,500.00					\$ 8,500.00
Franklin, Sanbornton & Salisbury	Drainage Improvements		\$ 25,000.00					\$ 25,000.00
Grafton County	Repair & Clean up Roads	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00				\$ 50,000.00
Greenfield - New Ipswich	Reclaim and Pave				\$ 683,000.00			\$ 683,000.00
Greenville - Lyndeborough	Replace Guardrail				\$ 60,000.00			\$ 60,000.00
Hampton	Replace Sidewalk Rail, Bridge Decking						\$ 8,000.00	\$ 8,000.00
Hampton	Replace Drainage Structure						\$ 25,000.00	\$ 25,000.00
Haverhill	Sidewalk Removal		\$ 20,000.00					\$ 20,000.00
Hebron	Improve Int Platform		\$ 38,000.00					\$ 38,000.00
Hillsborough - Walpole	Crush Asphalt, Concrete, & Debris				\$ 63,266.00			\$ 63,266.00
Hillsborough County	Storm Clean Up and Repairs				\$ 100,000.00	\$ 100,000.00		\$ 200,000.00
Jackson	Pavement Leveling	\$ 20,140.00						\$ 20,140.00
Landaff	Add Drainage, Crush Gravel	\$ 195,000.00						\$ 195,000.00
Lee	RCP Culvert With HDPE Liner						\$ 33,192.00	\$ 33,192.00
Lee	Dredge Drainage						\$ 10,000.00	\$ 10,000.00
Litchfield	Embankment Stabilization					\$ 23,550.00		\$ 23,550.00
Littleton	Remove Loose Ledge	\$ 15,000.00						\$ 15,000.00
Londonderry	Construct Closed Drainage System					\$ 30,000.00		\$ 30,000.00
Lyme	Const & Shape A 1- Foot Lift		\$ 310,000.00					\$ 310,000.00
Lyme	Extend Existing Box Culverts		\$ 10,000.00					\$ 10,000.00
Madison	New Curbs			\$ 20,000.00				\$ 20,000.00
Maine DOT Lab Testing	Various	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Merrimack County	Repair & Clean up Roads		\$ 20,000.00	\$ 10,000.00		\$ 40,000.00		\$ 70,000.00
Milton	Repair Bridge Deck						\$ 10,000.00	\$ 10,000.00
New London	Underdrain and Catch Basin Work		\$ 12,500.00					\$ 12,500.00

Highway & Bridge Betterment Program 2010

Description	D1	D2	D3	D4	D5	D6	Total
Newfields						\$ 30,000.00	\$ 30,000.00
North Hampton						\$ 30,554.00	\$ 30,554.00
Northwood						\$ 11,167.00	\$ 11,167.00
Orford		\$ 47,935.00					\$ 47,935.00
Orford - Piermont		\$ 75,000.00					\$ 75,000.00
Pelham					\$ 105,350.00		\$ 105,350.00
Pittsfield			\$ 10,000.00				\$ 10,000.00
Plymouth		\$ 100,000.00					\$ 100,000.00
Portsmouth						\$ 6,321.00	\$ 6,321.00
Portsmouth - Kittery						\$ 65,610.00	\$ 65,610.00
Portsmouth - Kittery						\$ 40,000.00	\$ 40,000.00
Rochester						\$ 1,121.00	\$ 1,121.00
Rockingham County					\$ 100,000.00	\$ 100,000.00	\$ 200,000.00
Rollinsford						\$ 9,391.00	\$ 9,391.00
Statewide	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 25,002.00
Statewide	\$ 9,600.00	\$ 9,600.00	\$ 9,600.00	\$ 9,600.00	\$ 9,600.00	\$ 9,600.00	\$ 57,600.00
Statewide	\$ 2,357.00	\$ 2,357.00	\$ 2,357.00	\$ 2,357.00	\$ 2,357.00	\$ 2,357.00	\$ 14,142.00
Statewide	\$ 16,667.00	\$ 16,667.00	\$ 16,667.00	\$ 16,667.00	\$ 16,667.00	\$ 16,667.00	\$ 100,002.00
Statewide Districts	\$ 3,159.00		\$ 10,000.00	\$ 76,734.00	\$ 69,425.00	\$ 2,021.00	\$ 161,339.00
Statewide Districts	\$ 103,333.00	\$ 60,333.00	\$ 13,228.00	\$ 133,333.00	\$ 133,333.00	\$ 133,333.00	\$ 576,893.00
Statewide Districts	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ (28,000.00)	\$ 20,000.00	\$ 20,000.00	\$ 72,000.00
Stewartstown	\$ 31,701.00						\$ 31,701.00
Stoddard				\$ 50,000.00			\$ 50,000.00
Strafford County			\$ 50,000.00			\$ 250,000.00	\$ 300,000.00
Sullivan County		\$ 20,000.00		\$ 20,000.00			\$ 40,000.00
Sutton - Bradford		\$ 70,000.00					\$ 70,000.00
Tamworth			\$ 38,803.00				\$ 38,803.00
Wakefield			\$ 50.00				\$ 50.00
Weare					\$ 140,000.00		\$ 140,000.00
Wentworth		\$ 35,000.00					\$ 35,000.00
Westmoreland				\$ 34,000.00			\$ 34,000.00
Subtotal	\$ 977,096.00	\$ 1,577,763.00	\$ 1,081,158.00	\$ 1,855,991.00	\$ 1,815,483.00	\$ 1,435,237.00	\$ 8,742,728.00

Contract (C)

Project Name	D1	D2	D3	D4	D5	D6	Total
Alstead				\$ 60,000.00			\$ 60,000.00
Concord					\$ 457,732.00		\$ 457,732.00
District 1	\$ 1,839,838.00						\$ 1,839,838.00
District 2		\$ 2,885,225.00					\$ 2,885,225.00

Highway & Bridge Betterment Program 2010

Description	D1	D2	D3	D4	D5	D6	Total
District 3			\$ 2,118,326.00				\$ 2,118,326.00
District 4				\$ 2,064,169.00			\$ 2,064,169.00
District 5					\$ 1,530,251.00		\$ 1,530,251.00
District 5					\$ 458,958.00		\$ 458,958.00
District 6						\$ 1,480,839.00	\$ 1,480,839.00
District 6						\$ 735,356.00	\$ 735,356.00
Dummer	\$ 1,032,332.00						\$ 1,032,332.00
Dummer	\$ 350,489.00						\$ 350,489.00
Eaton			\$ 105.00				\$ 105.00
Harts Location	\$ 822,282.00						\$ 822,282.00
Lebanon		\$ 1,049,357.00					\$ 1,049,357.00
Pembroke - Concord					\$ 633,375.00		\$ 633,375.00
Woodstock			\$ 17,000.00				\$ 17,000.00
Subtotal	\$ 4,044,941.00	\$ 3,934,582.00	\$ 2,135,431.00	\$ 2,124,169.00	\$ 3,080,316.00	\$ 2,216,195.00	\$ 17,535,634.00

Contract With Some Force Account (C/FA)

Project Name	D1	D2	D3	D4	D5	D6	Total
New Hampton			\$ 500,000.00				\$ 500,000.00
Subtotal	\$ -	\$ -	\$ 500,000.00	\$ -	\$ -	\$ -	\$ 500,000.00

Contracts Not Advertising (CNA)

Project Name	D1	D2	D3	D4	D5	D6	Total
Statewide	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 136,002.00
Subtotal	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 22,667.00	\$ 136,002.00

Grand Total	\$ 5,111,371.00	\$ 5,576,679.00	\$ 3,975,333.00	\$ 4,095,193.00	\$ 4,960,133.00	\$ 3,741,363.00	\$ 27,460,072.00
DOT Totals	\$5,111,369.00	\$5,576,679.00	\$3,975,332.00	\$4,095,193.00	\$4,960,133.00	\$3,741,361.00	\$27,460,066.00
Difference btwn PII & DOT	\$2.00	\$0.00	\$1.00	\$0.00	\$0.00	\$2.00	\$5.00
							\$ 6.00

Highway & Bridge Betterment Program 2011

Description	D1	D2	D3	D4	D5	D6	Total
Preliminary Engineering (PE)							
Project Name							
Statewide	Supplies for Bridge Related Co	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 19,998.00
Subtotal		\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 3,333.00	\$ 19,998.00
PE & ROW Only (P/R)							
Project Name							
Andover	Bridge Rehab		\$ 27,920.00				\$ 27,920.00
Concord	Bridge Rehab				\$ 51,441.00		\$ 51,441.00
Subtotal		\$ -	\$ 27,920.00	\$ -	\$ -	\$ 51,441.00	\$ 79,361.00
Right Of Way (ROW)							
Project Name							
Statewide	MATS Software	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 300,000.00
Subtotal		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 300,000.00
Force Account (FA)							
Project Name							
Auburn	Replace Failed Culverts				\$ 21,900.00		\$ 21,900.00
Bartlett	Replace Culvert	\$ 13,459.00					\$ 13,459.00
Bethlehem	Repair Expansion Joint Seals	\$ 85,000.00					\$ 85,000.00
Cambridge	Reconstruct 1.8 Miles	\$ 825,000.00					\$ 825,000.00
Campton	Deck Repair, Pave Over			\$ 11,775.00			\$ 11,775.00
Canaan	Replace Deck		\$ 40,000.00				\$ 40,000.00
Center Harbor, Meredith, Sanbornton, Wolfeboro	Replace Guardrail			\$ 200,000.00			\$ 200,000.00
Danbury	Drainage Imp, Replace Guardrail		\$ 60,000.00				\$ 60,000.00
Danville, Epping, Madbury, Milton, Newmarket	Replace Cable Rail					\$ 200,000.00	\$ 200,000.00
District 1	Annual Highway Maintenance	\$ 700,000.00					\$ 700,000.00
District 2	Annual Highway Maintenance		\$ 700,000.00				\$ 700,000.00
District 3	Annual Highway Maintenance			\$ 700,000.00			\$ 700,000.00
District 3	Inmate Maintenance			\$ 50,000.00			\$ 50,000.00
District 4	Annual Highway Maintenance				\$ 700,000.00		\$ 700,000.00
District 5	Annual Highway Maintenance				\$ 700,000.00		\$ 700,000.00
District 5	Inmate Maintenance				\$ 50,000.00		\$ 50,000.00
District 6	Annual Highway Maintenance					\$ 700,000.00	\$ 700,000.00
District 6	Purchase Guardrail Materials					\$ 11,366.00	\$ 11,366.00
District 1	Purchase Gravel	\$ 75,000.00					\$ 75,000.00
District 2	Guardrail Replacement		\$ 200,000.00				\$ 200,000.00
Durham	Grind & Repave					\$ 10,000.00	\$ 10,000.00
Errol	Install Underdrain	\$ 210,000.00					\$ 210,000.00
Errol	Remove Stone Culvert & Repla	\$ 7,500.00					\$ 7,500.00

Highway & Bridge Betterment Program 2011

Description	D1	D2	D3	D4	D5	D6	Total							
Fitzwilliam				\$	80,000.00		\$ 80,000.00							
Franconia	\$	150,000.00					\$ 150,000.00							
Franconia	\$	75,000.00					\$ 75,000.00							
Grantham		\$	45,000.00				\$ 45,000.00							
Greenfield - New Ipswich				\$	183,000.00		\$ 183,000.00							
Greenville - Lyndeborough - New Ipswich				\$	200,000.00		\$ 200,000.00							
Hopkinton - Concord					\$	418,000.00	\$ 418,000.00							
Lempster		\$	12,000.00				\$ 12,000.00							
Lisbon	\$	150,000.00					\$ 150,000.00							
Littleton	\$	20,000.00					\$ 20,000.00							
Nelson				\$	500,000.00		\$ 500,000.00							
Ossipee			\$	93,885.00			\$ 93,885.00							
Ossipee			\$	100,000.00			\$ 100,000.00							
Piermont - Haverhill		\$	25,932.00				\$ 25,932.00							
Pinkhams Grant	\$	200,000.00					\$ 200,000.00							
Pittsfield			\$	11,500.00			\$ 11,500.00							
Rindge - Wilton				\$	300,000.00		\$ 300,000.00							
Rochester						\$	1,300,000.00							
Sandwich			\$	197,139.00			\$ 197,139.00							
Statewide	\$	8,333.00	\$	8,333.00	\$	8,333.00	\$ 8,333.00							
Statewide	\$	8,333.00	\$	8,333.00	\$	8,333.00	\$ 8,333.00							
Statewide	\$	2,500.00	\$	2,500.00	\$	2,500.00	\$ 2,500.00							
Statewide Districts	\$	14,167.00	\$	64,167.00	\$	(10,833.00)	\$ 99,166.00							
Statewide Districts	\$	125,000.00	\$	183,000.00	\$	248,500.00	\$ 278,100.00							
Statewide Districts	\$	152,500.00	\$	152,500.00	\$	(131,500.00)	\$ 152,500.00							
Statewide Districts			\$	8,000.00	\$	8,000.00	\$ 8,000.00							
Tilton - Sanbornton				\$	1,300,000.00		\$ 1,300,000.00							
Wakefield				\$	10,000.00		\$ 10,000.00							
Wakefield				\$	40,000.00		\$ 40,000.00							
Walpole - Charlestown				\$	300,000.00		\$ 300,000.00							
Warren		\$	257,000.00				\$ 257,000.00							
Warren		\$	80,000.00				\$ 80,000.00							
Windham - Pelham					\$	248,375.00	\$ 248,375.00							
Subtotal	\$	2,821,792.00	\$	1,838,765.00	\$	3,131,632.00	\$	2,249,833.00	\$	1,995,207.00	\$	2,490,198.00	\$	14,527,427.00

Forced Account with Some Contract (FA/C)

Project Name

Statewide HWY Rehab	\$	680,000.00	\$	171,000.00	\$	317,000.00	\$	333,625.00	\$	1,501,625.00
Subtotal	\$	680,000.00	\$	171,000.00	\$	317,000.00	\$	333,625.00	\$	1,501,625.00

Contract (C)

Highway & Bridge Betterment Program 2011

<i>Project Name</i>	Description	D1	D2	D3	D4	D5	D6	Total
Conway	Emergency Stabilization of Failed Slope			\$ 295,486.00				\$ 295,486.00
District 1	Resurfacing	\$ 1,739,420.00						\$ 1,739,420.00
District 2	Resurfacing		\$ 1,214,380.00					\$ 1,214,380.00
District 3	Resurfacing			\$ 3,248,582.00				\$ 3,248,582.00
District 4	Resurfacing				\$ 1,242,080.00			\$ 1,242,080.00
Errol	Slope Failure Repair	\$ 131,670.00						\$ 131,670.00
Haverhill	Reconstruct Steep Bankment		\$ 540,000.00					\$ 540,000.00
Keene	Intersection Upgrades				\$ 332,000.00			\$ 332,000.00
Lyme	Repave		\$ 495,000.00					\$ 495,000.00
New Castle	Replace Guardrail						\$ 400,000.00	\$ 400,000.00
Newbury - Bradford	Resurfacing		\$ 513,106.00					\$ 513,106.00
Portsmouth - Kittery	Upgrading Control House						\$ 200,000.00	\$ 200,000.00
Statewide	Chip Seal			\$ 204,501.00	\$ 204,501.00	\$ 204,501.00	\$ 204,501.00	\$ 818,004.00
Statewide	Install Mile Markers	\$ 34,979.00	\$ 34,979.00	\$ 34,979.00	\$ 34,979.00	\$ 34,979.00	\$ 34,979.00	\$ 209,874.00
Statewide	Chip Seal			\$ 360,484.00	\$ 360,484.00		\$ 360,484.00	\$ 1,081,452.00
Statewide Districts	Bridge Painting	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 2,100,000.00
Statewide Districts	Guardrail Replacement	\$ 200,000.00				\$ 200,000.00		\$ 400,000.00
Subtotal		\$ 2,456,069.00	\$ 3,147,465.00	\$ 4,494,032.00	\$ 2,524,044.00	\$ 789,480.00	\$ 1,549,964.00	\$ 14,961,054.00

Contracts Not Advertising (CNA)

<i>Project Name</i>	Description	D1	D2	D3	D4	D5	D6	Total
Manchester To Concord	Install Fiber Optic Cable					\$ 630,000.00		\$ 630,000.00
Andover	Culvert Replacement		\$ 1,005,000.00					\$ 1,005,000.00
Subtotal		\$ -	\$ 1,005,000.00	\$ -	\$ -	\$ 630,000.00	\$ -	\$ 1,635,000.00

Grand Total		\$ 6,011,194.00	\$ 6,243,483.00	\$ 7,678,997.00	\$ 5,144,210.00	\$ 3,853,086.00	\$ 4,093,495.00	\$ 33,024,465.00
DOT Totals		\$6,011,194.00	\$6,243,484.00	\$7,678,998.00	\$5,144,210.00	\$3,853,087.00	\$4,093,495.00	\$33,024,468.00
Difference btwn PII & DOT		\$0.00	-\$1.00	-\$1.00	\$0.00	-\$1.00	\$0.00	
							-\$3.00	\$ (3.00)



ESTABLISHED 1872

PIKE INDUSTRIES, INC.

3 Eastgate Park Road • Belmont, New Hampshire 03220 • (603) 527-5100

AN EQUAL OPPORTUNITY EMPLOYER

SB 78 Committee Members,

Thank you for the opportunity to address you on this important issue related to highway funding. My name is Larry Major and I represent Pike Industries.

Pike employs over 400 people in New Hampshire. Our vertically integrated company is one of a handful of companies within the State qualified to do large DOT projects. We operate the quarries, hot mix asphalt plants, a heavy highway division, paving crews, a fleet of internal and external trucks, and mechanics to keep everything running. Since 2007 our employment numbers are down 20%. And the employees we have retained experience longer lay off periods over the winter.

Our company began in 1872 and has long partnered with the State to build the network of roads and highways that we all depend upon for the high quality of life that we enjoy. In New Hampshire, our constitution clearly charges the government with sole responsibility for construction and maintenance of the highway system.

Over the last year and a half, the increase in motor vehicle registration fees has allowed DOT to advertise and award projects for work that would have otherwise remained undone. This work has added to the safety of our highway network. It has improved commerce by creating more efficient movement of goods, services, and employees. It also improves critically important tourism and recreation for our neighbors in the North Country.

One example of how important these funds are to employment in NH is illustrated through a \$6.2M project on I89 in New London. \$2.4M (39%) was paid to 3rd parties; vendors, sub-contractors, independent truckers, lodging etc. According to a survey of those parties, 174 jobs were either created or saved through this project. At a time when unemployment within the construction industry in New Hampshire hovers near 20%, 174 families did not have to rely on unemployment benefits for the duration of this job at least. There is a critical importance in keeping a well trained and adequate construction workforce in NH. During this project we were able to call on a stable force of sub-contractors and trucking companies to accomplish the work to the standards and specifications of DOT and FHWA.

I also point out that the increase in fees has raised Pike's annual registration by about \$100 per truck. By any measurement - per mile, per ton, per hour; it is pennies per unit.

Failure to do this work now unfairly burdens our future generations as avoidance of simple repairs now translates into more costly and complicated reconstruction down the road. With that in mind, I respectfully suggest that our conversation today should be about extending these fees into the future while finding other long term measures to fund our transportation infrastructure. Passage of this bill will negatively affect the condition of our highway system, employment in the State, local property taxes and our economy as a whole. Our economic and cultural future relies on safe and efficient highways.



An Oldcastle Company

Mr. Chairman and members of the Committee, my name is John Bousquet, and I am the vice president of R.M. Piper Inc. of Plymouth, a highway/bridge construction company, and a director of the NH Good Roads Association. Thank you for the opportunity to present my testimony today in **opposition** to SB 78.

SB78 will eliminate vital revenue needed for the Highway fund that was put in place in 2009 as a compromise between supporters of a gas tax increase and those for aggregation. This additional revenue from the registration surcharge was intended to be temporary, while a more sustainable source of funding was explored. The problem then, and more so now, is that the current gas tax no longer meets the needs of the highway fund. Simply put, you have a funding problem, not a spending problem! If these registration fees are allowed to sunset, the Highway fund will be short by approximately 86 million dollars in the next biennium. Because some of this money is used as matching funds for Federal dollars, the impact to highway and bridge construction could be five times that amount!

The Highway fund provides money for highway construction and repairs, winter maintenance and law enforcement. These are basic services that Government must provide at an adequate level for all people to conduct their business and go about their everyday lives safely.

The fact is that our bridges and roads across the state are in need of repairs, upgrades and in some cases replacement. In the early 1990's, over 500 bridges in New Hampshire were identified as "Red-List" bridges. Work has been ongoing to repair or replace these structures, but almost 20 years later, for every bridge that has been taken off the list, another one goes on, and we still have over 500 bridge on the red list today .

Now we are faced with the combination of a down economy, and inadequate highway funding to even maintain the status quo. The lack of action and band-aid approach to our highway funding issues of the past has brought us to a point where further cuts and inaction may put some roads and bridges beyond repair, and put traveling public's safety at risk.

Spending money on Highway and infrastructure projects not only creates jobs, but it creates business. The money initially spent from the Highway fund for a project in Keene, Rochester or Berlin is spent several times over in that local economy because contractors tend to hire local labor and

subcontractors, and purchase their materials near these jobsites. Also, the completed projects provide safer and more reliable infrastructure for that community to build and grow on. Furthermore, construction prices are down, so there is a savings to the State to move forward with these projects in this down economy.

The recent proposal to decrease the gas tax by 5 cents for a two month period has been called many things in the reader's comments section of local papers, but I would like to call it a learning opportunity. Some critics say that the cut won't be enough to help the individual, while others say that it will be devastating to the highway fund. They are both right!

A person that drives 20,000 miles per year with a vehicle that gets 18 miles per gallon will save about \$4.60 per month, provided that all of the five cent tax cut is passed on to the consumer. This kind of savings to the individual is hardly enough to make a difference to anyone. Mean while, the 3.3 million dollar per month loss of revenue for the highway fund will have a profound and noticeable impact to the condition and safety of our highway system as well as cost jobs across the state.

I believe that in most situations, tax cuts increase business activity, and therefore help the economy over all. Why does it not work in this case? Because the gas tax works! The impact to the individual is minimal, but escalates based on roadway usage. On the other hand, it benefits the public a great deal. The money goes right back into the local economy, creating jobs, improving the infrastructure, and providing a safe transportation system. Those who use our transportation system the most, pay the most.

The discussions fueled by the 5 cent cut proposal have provided a solid argument for what we really should be discussing today, and that is an increase to the gas tax, not a decrease! For an example, the same 5 cents of an increase to the gas tax, or road toll as it is properly referred to, would add \$1.35 to my \$102.00 fill up from this past weekend, but would result in an additional 3.3 million dollars per month to the highway fund!

That would be a huge economic boost to our state's economy. In fact, we could pay for the entire widening of 93 from Salem to Manchester in just six years, without matching federal dollars!

In closing, the legislature is not currently looking at new funding sources for the highway fund. To allow the sunset of these fees without providing additional funding mechanisms for the Highway fund is counter-productive to New Hampshire's economic health.



The Associated General Contractors of New Hampshire, Inc.

48 Grandview Road ▼ Bow, New Hampshire 03304
603/225-2701 ▼ Fax 603/226-3859

In Opposition to Reduced Highway Fund Revenue Senate Bill 78

Presented By Gary A. Abbott, Executive Vice President
April 26, 2011

Senate Bill 78, as introduced, eliminates the motor vehicle registration fee increases enacted in 2009. The Associated General Contractors of New Hampshire (AGC of NH) opposes this bill and is concerned that its passage will result in a significant loss of highway fund revenue. Additionally, AGC of NH opposes the proposed amendment to reduce the road toll by five cents for two months.

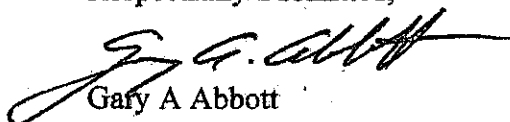
As a representative for the commercial construction industry, AGC of NH understands the role adequate highway funding plays in the maintenance of the state's transportation system and the economy. Adequate funding supports routine maintenance for the system, which is necessary to improve mobility and maintain the safety of citizens. Without adequate funding, New Hampshire faces negative effects to the economy in the form of layoffs, fewer new businesses, and less tourism.

The road toll and registration fee are user fees that sustainably fund the state's highway fund. A sustainable funding method is needed so that the Department of Transportation has a consistent stream of revenue on which to program the Ten Year Transportation Plan and fund necessary projects.

AGC of NH does not believe that the registration fee surcharge should be repealed or be allowed to sunset or the road toll reduced, as there is not another appropriate funding method available. The loss of revenue will affect not only the commercial construction industry, but all businesses in New Hampshire, if we fail to invest in the state's infrastructure.

AGC of NH respectfully asks that the House Finance Committee finds Senate Bill 78 inexpedient to legislate and reconsiders the House's position to let the registration fee sunset.

Respectfully Submitted,


Gary A Abbott
Executive Vice President



**Associated General Contractors
of New Hampshire, Inc.**



STATE CAPITOL

The State Capitol Building of New Hampshire was built in 1816-19 by Stuart J. Park. It is constructed of New Hampshire granite quarried in Concord. The original part was occupied June 2, 1819 and is the nation's oldest State Capitol in which a legislature meets in its original chambers.

Support the Highway Trust Fund, Not Reduction in Revenue

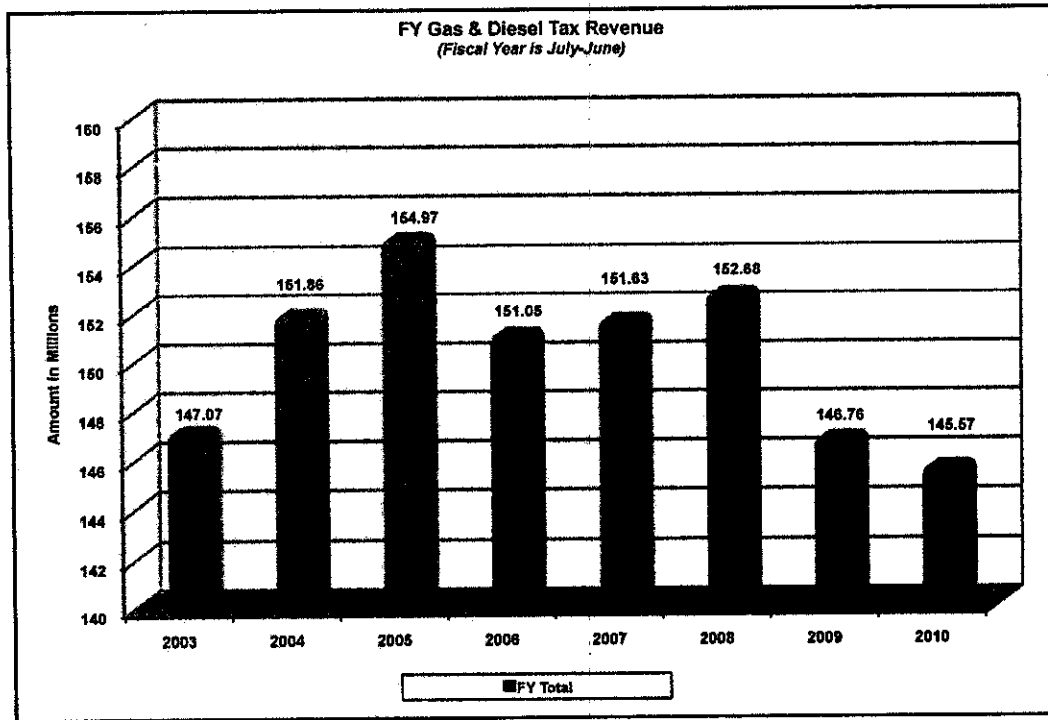
New Hampshire's highway system is the largest public service the state provides. Comprised of interstates, state-highways, municipal roads, and bridges, it is the way citizens commute, businesses operate, and tourism thrives. It is a defining factor in modern day life. However, with each proposal to reduce funding for the system, modern mobility is at risk.

The legislature is responsible for the state's Ten Year Highway Plan, which was passed in 2010. This plan outlines the maintenance schedule for New Hampshire's roads and bridges over ten years. The legislature agreed that the projects listed in the plan are a priority for the state, and necessary to ensure the safety of the citizens and economic viability of New Hampshire. With proposals to reduce the funding by not continuing with the registration fee surcharge and/or reducing the gas tax by five cents for two months, legislators will not be able to meet their responsibility and are jeopardizing the long term plan.

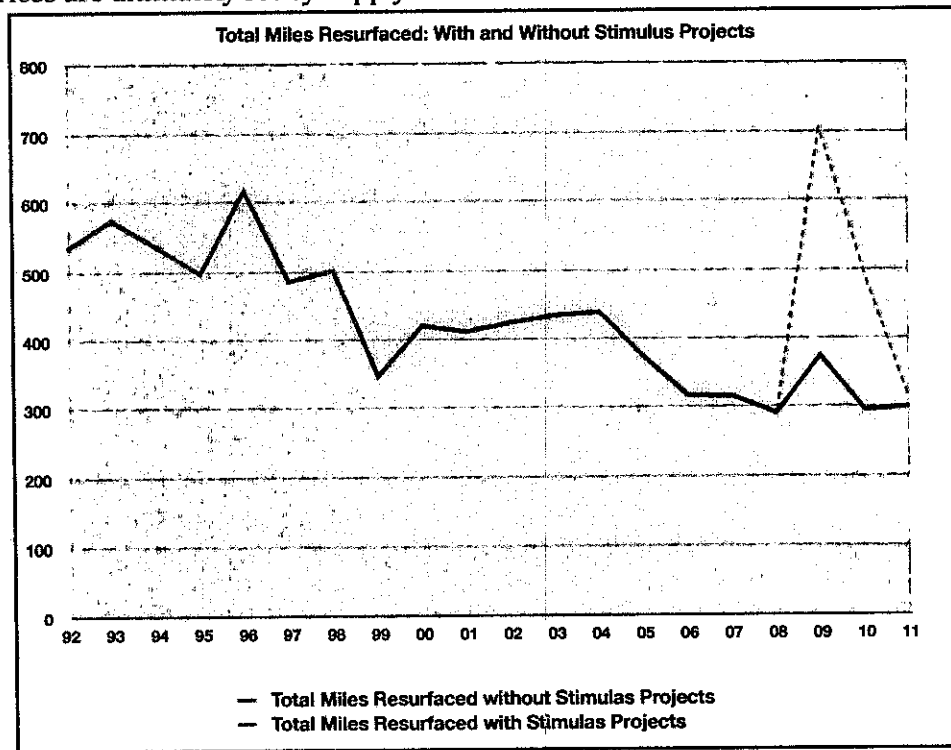
The state has three user fee funding mechanisms for the highway system, the road toll, motor vehicle fees, and the turnpike toll. Turnpike toll revenue solely supports the turnpike system, which leaves the road toll and motor vehicle fees to fund the maintenance of the non-turnpike system. The road toll has faced declining revenues for a number of years, and subsequently routine maintenance has declined as well (please see charts on page 2). Reducing the revenue further will only create larger problems in the future. If the revenue is reduced, how will the state meet the obligations it passed in the Ten Year Plan? Projects may be cut, but rising material prices and inflation will continue. The problem cannot be solved by delaying needed projects, and/or forgoing evaluating the income side of these user fees.

Furthermore, while the proposals to remove the registration fee surcharge and reduce the road toll for two months are meant to boost the economy, there is evidence to the contrary. It has been shown that maintaining the infrastructure creates jobs and boosts the economy. Hundreds of jobs are created by the projects funded from the Highway Trust Fund, not only construction workers, but material suppliers and other indirect jobs as well. Businesses position themselves in locations with the quickest and easiest delivery routes, and states that do not offer this are at a disadvantage.

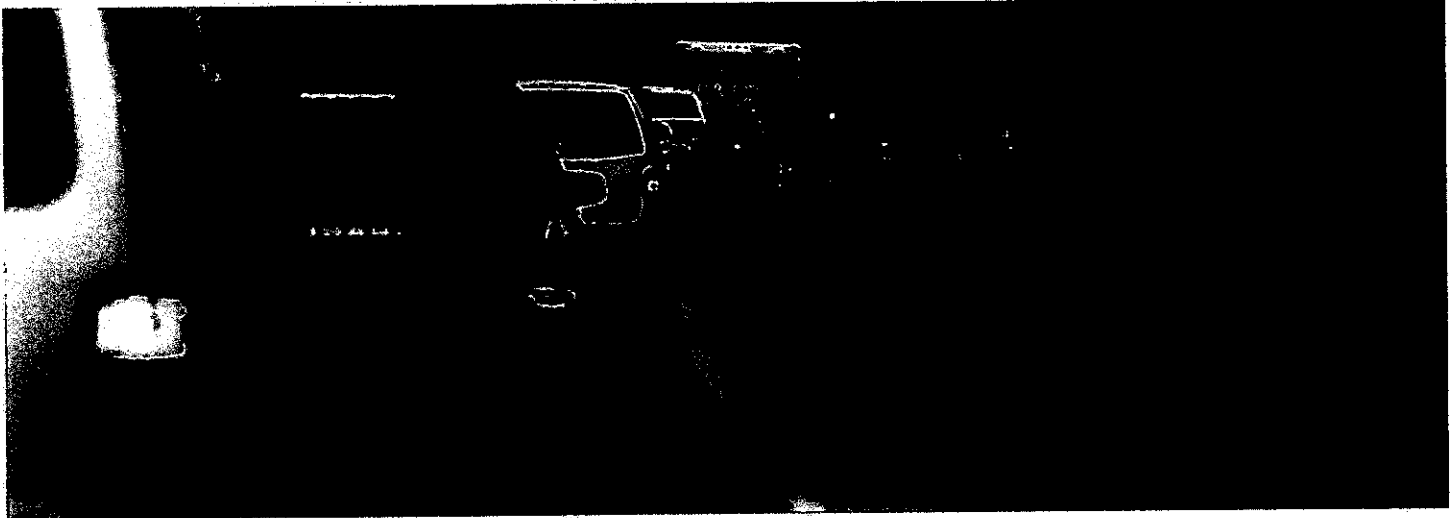
The information on the following pages show what the current funding and maintenance situation of the highway system is, what the consequences will be if revenue is reduced further, and how much the proposed reduction will actually save citizens.



The chart above shows revenue earned from the road toll over eight years. Reduced consumption has caused the revenue to slide over the years. This can be attributed to a number of factors including more fuel efficient cars and higher gas prices. However, it is important to note that reducing the rate of the road toll will not significantly reduce fuel prices, as these prices are ultimately set by supply and demand economics.



The chart above compares paving amounts over 19 years. The ideal re-paving schedule is eight to ten years, or 500 miles each year. Currently the state is working at a 300 mile/year rate, which extends the paving schedule to 14.3 years. The dotted green line in years 2008 through 2011 shows what was repaved using the one-time allotment of stimulus funds. The blue line shows what was completed without the use of stimulus funds. As funds continue to diminish, routine maintenance will continue to diminish. This creates greater obstacles in the future, as the longer the re-paving schedule is extended, the greater the need will be for rebuilding roads. Rebuilding roads is 2 to 4 times more expensive than re-paving.



Consequences of Reducing Highway Funds

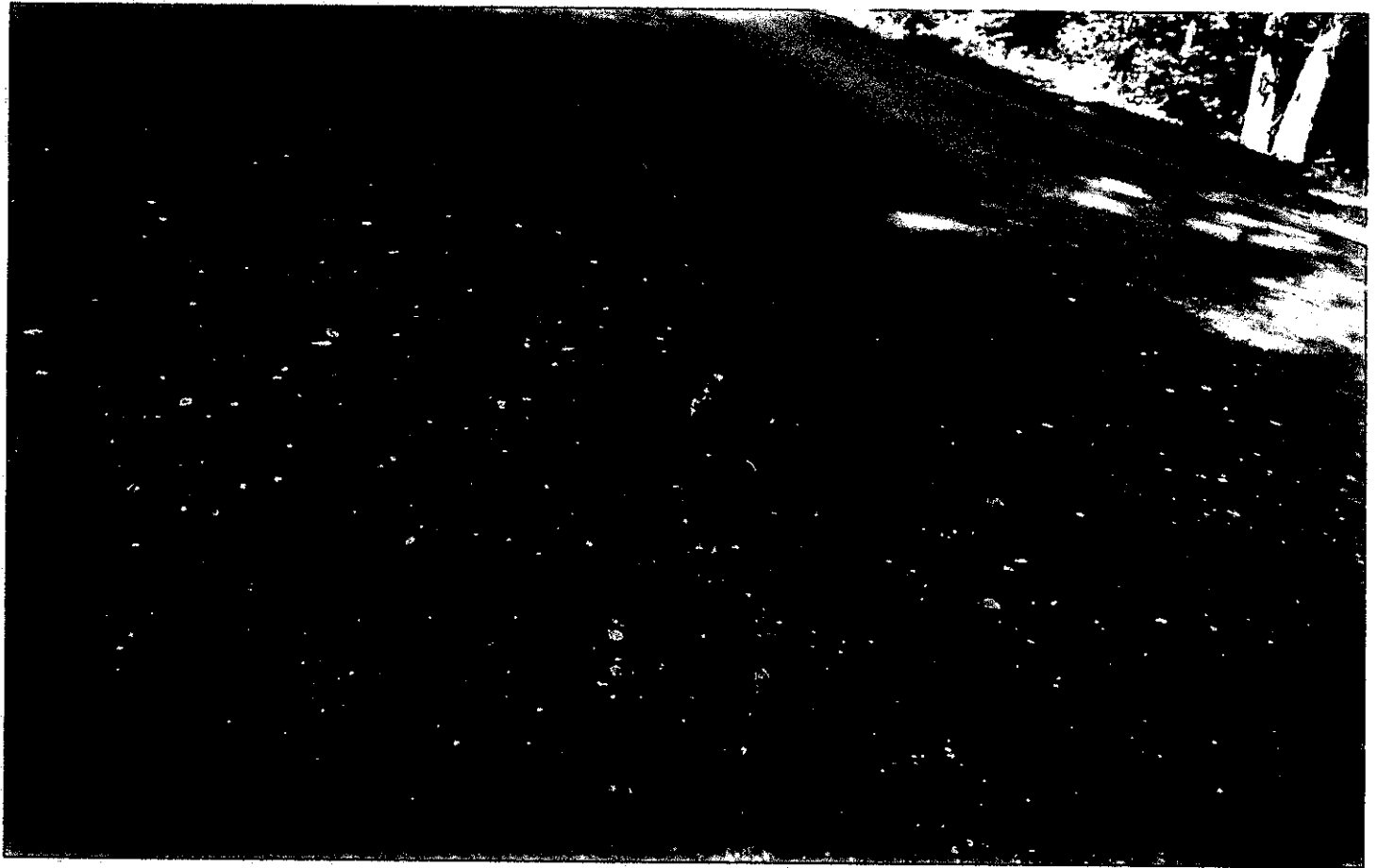
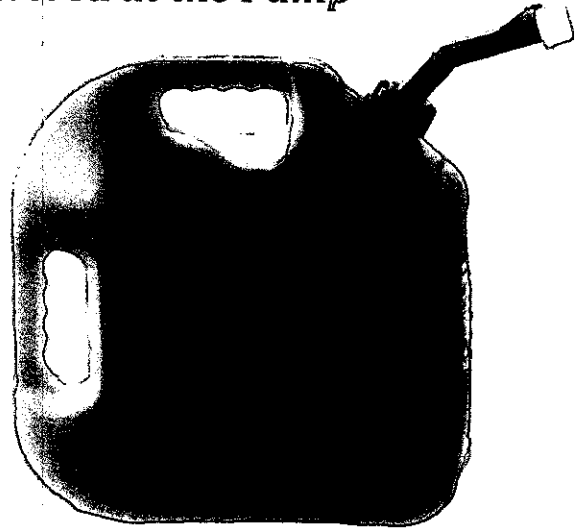
Reducing the road toll by five cents over two months will save the average driver very little at the pump, however it will cost the Highway Trust Fund approximately \$6-7 million. Below are some of the consequences the highway fund will face because of the loss:

- 1 cent of the gas tax equals \$8.3 million over one year. Municipalities receive 12% of the revenue in Block Grant Aids. The reduction in the road toll will amount to a \$415,000 per month loss for cities and towns. *(8.3 million/12 (# of months in a year)= \$692,000 earned each month X 5 (cents being removed)= \$3.5 million lost each month x .12 (municipal share)= \$415,000)*
- According to The Road Information Program (TRIP), driving on roads in need of repair cost New Hampshire drivers an extra \$259 per driver in extra vehicle operating costs. Further reducing the highway fund will only increase these costs to the driving public.
- Highway maintenance supports the safety of citizens, and in fact one-third of fatal and serious traffic accidents can be attributed to roadway design. Intersection improvements, lane widening, rumble strips, and other similar projects can improve safety and reduce the risk of traffic accidents. New Hampshire's Ten Year Plan includes a number of projects that will improve safety in these ways. Will these projects be cut and lives put at risk if the highway funding is reduced?
- 63% of the goods shipped from New Hampshire are carried by trucks. Forgoing routine maintenance means bridge weight limits and restricted roads, increasing delivery times for businesses. Reducing the highway fund will affect the businesses that rely on efficient delivery routes.
- The Transportation Development Foundation estimates that 416,570 full time jobs directly depend on the state's highway system. These jobs are in industries such as tourism, retail sales, agriculture, and manufacturing. It does not take into account the hundreds of construction jobs that are also supported by the highway system. These jobs are placed at risk when highway funding is inadequate or reduced.
- History has shown that tourism increases in New Hampshire as a result of higher, not lower, gas prices due to the fact that people in New England tend to travel within the area, rather than traveling greater distances.
- The average New Hampshire motorist (who drives 12,000 miles per year and gets 20 miles per gallon) would save only a total of \$5 over the two months under the House Speaker's plan. *(12,000/12 (# of months in year)= 1,000 mi/month; 1000/20 (mpg)= 50 gallons used each month; 50 X .05 (cents taken from gas tax)= \$2.50 saved each month)*

What the Savings Would Equal *if the Legislature Could Get the Price Lowered at the Pump*

The savings to the average citizen who travels 12,000 miles per year with a vehicle that gets 20 miles to the gallon from the 5 cent road toll reduction equates to approximately \$2.50 per month. The following is a list of ways citizens can save \$2.50 in their everyday lives:

- Reduce miles travelled by 20 miles each month (saves one gallon of gas)
- Forgo the morning coffee and donut run at the local coffee shop once each month
- Don't buy a happy meal one time each month
- Don't buy bottled water for one week



**Associated General Contractors
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THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



GEORGE N. CAMPBELL, JR.
COMMISSIONER

JEFF BRILLHART, P.E.
ASSISTANT COMMISSIONER

April 22, 2011

NH House Finance Committee
State House
Concord, NH

Dear Members of the House Finance Committee:

As Commissioner of the Department of Transportation, I am writing in strong opposition to this or any proposed state gas tax decrease amendment, which I believe would actually hurt New Hampshire's residents, economy, highways and bridges at a critical time.

The Department of Transportation is facing unprecedented budgetary challenges in meeting the needs of New Hampshire's highway system. The House-approved budget reduces funds available to the Highway Fund by \$110 million over the next biennium, making the NHDOT's FY 2013 budget less than the FY 2010. These cuts will significantly impact both our Department's capital and operating budgets. They will also reduce Block Grant Aid to cities and towns in fiscal year 2012.

For example, in the House-approved budget, the NHDOT is forced to reduce paving work by 240 miles a year. This amendment would be the equivalent of reducing road resurfacing by another 90 miles.

The American Automobile Association (AAA), which represents many thousands of drivers in New Hampshire and throughout the region, has said it is "vehemently opposed" to a gas tax decrease as serving no measurable or worthwhile benefit. An estimated savings of \$2.50 per month per vehicle does not stack up well against the \$6+ million that would be lost for maintaining our roads and bridges. New Hampshire's 18-cent gas tax is the 41st lowest in the country and the lowest in the region. For example, it is less than half that of Connecticut at 41.9 cents.

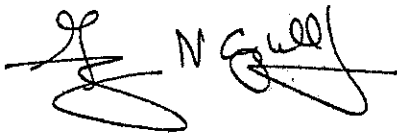
The proposed 5-cent reduction in the gas tax would harm the very highway and bridge system that New Hampshire counts on for a healthy economy. It would accelerate damage to roads and increase costs incurred by those who depend on this system for daily personal and commercial needs.

Charlie Arlinghaus, director of the Josiah Bartlett Center said "It ends up being symbolic, and doesn't help anyone, just costs the state a lot of money." "It won't affect prices a bit and consumers won't save a nickel at the end of the day."

NH House Finance Committee
Page -2-

New Hampshire residents have always been proud of their roads and bridges. This approach to providing taxpayer relief will do just the opposite. It will only add to the cost of operating their vehicles while failing to maintain and improve our transportation system.

Sincerely,

A handwritten signature in black ink, appearing to read "G. N. Campbell, Jr.", with a stylized flourish at the end.

George N. Campbell, Jr.
Commissioner

GNC/dd

cc: House Speaker, William O'Brien

Department Of Transportation
Analysis of Motor Vehicle Registration Surcharge
Sources and Distribution of Funds 2010-2013

	A	B	C	D	E	F	G	H	I	J	K
1		Actual	Actual	Adj Auth	SB-78	SB 78 Adj	SB 78 Adj	Governor's Budget		House Budget	
2	(Numbers in millions)	FY 2009	FY 2010	FY 2011	FY 2011	FY2011	FY2012	FY 2012	FY 2013	FY 2012	FY 2013
3	Revenue (Source of Funds)										
4	MV Surcharge	0.00	44.70	44.70	(6.60)	38.10		44.70	44.70		
5											
6											
7	Expenditure (Non-Discretionary)										
8	1. Betterment (restricted per HB2)		2.00	15.00	(1.98)	13.02		15.00	15.00		
9	2. Block Grant (12% of prior yr Rev)			5.40			(0.79)	5.40	5.40	5.40	
10			2.00	20.40	(1.98)	18.42		20.40	20.40	5.40	-
11	Funding Available for Discretionary)		42.70	24.30	(4.62)	19.68		24.30	24.30	(5.40)	-
12	Funding Allocation per Section 9:9-b										
13	DOT		68.50%	68.50%	68.50%	68.50%		70.75%	70.75%	70.75%	70.75%
14	Safety		30.00%	30.00%	30.00%	30.00%		28.00%	28.00%	28.00%	28.00%
15	Other		1.50%	1.50%	1.50%	1.50%		1.25%	1.25%	1.25%	1.25%
16	Funding Available for Discretionary										
17	DOT		29.20	16.60	(3.20)	13.50		17.20	17.20	(3.80)	-
18	Safety		12.80	7.30	(1.40)	5.90		6.80	6.80	(1.50)	-
19	Other		0.60	0.40	(0.10)	0.30		0.30	0.30	(0.10)	-
20											
21											
22											
23											
24	DOT Non-Discretionary Capital Spending										
25	1. Municipal Highway Aid		12.80	6.80				6.80	6.80		
26	2. Municipal Bridge Aid		1.30	1.70				1.70	1.70		
27			14.10	8.50				8.50	8.50		
28	Total Available to DOT before Debt Svce		15.10	8.10				8.70	8.70		
29	3. Debt Service (2007 Bond + Fund 30)		13.10	14.60				11.30	11.90		
30	Available for DOT Operations		2.00	(6.50)				(2.60)	(3.20)		

	A	B	C	D	E	F	G	H	I	J
1	Department of Transportation									
2	Revised April 12, 2011									
3										
4	State of New Hampshire									
5	Statement of Undesignated Surplus - Highway Fund									
6	(Dollars in Thousands)									
7	March 31, 2011									
8	Revenue Estimates / House Passed HB 1									
9		FY 2009			FY 2010 Actual			FY 2011 Projected		
10		TOTAL	OPER	CAP	TOTAL		OPER	CAP	TOTAL	
11	Balance, July 1 (Budgetary)	(13,691)	1,331	(36,692)	(35,361)		45,837	226,044	271,881	
12	Additions:									
13	Unrestricted Revenue:									
14	Gasoline Road Toll	132,125	123,741		123,741		124,500		124,500	
15	Motor Vehicle Fees	99,312	142,126		142,126		121,700		121,700	
16	Court Fine Revenue		8,032		8,032		7,800		7,800	
17	Miscellaneous	4,451	5,798		5,798		4,300		4,300	
18	Federal OH Billing	11,029	12,927		12,927		12,500		12,500	
19	ROW Property Sales	1,551	4,153		4,153		2,000		2,000	
20	I-95/1.6 mile Sale		30,000		30,000		20,000		20,000	
21	Retro Turnpike Toll Credits		12,719		12,719		2,000		2,000	
22	Bonds Authorized			240,000	240,000					
23	Total Additions	248,468	339,496	240,000	579,496		294,800	-	294,800	
24	Net Appropriations:									
25	Appropriations DOT Net of Estimated Revenues	(207,735)	(197,640)	(21,133)	(218,773)		(229,295)	(8,500)	(237,795)	
26	Appropriations Safety & Other Net of Estimated Revenues	(92,985)	(80,779)		(80,779)		(83,373)		(83,373)	
27	Lapses DOT	28,674	6,259	2,860	9,119		19,477		19,477	(A)
28	Lapses Safety & Other		6,130		6,130		1,667		1,667	
29	Appropriation Adjustment Consolidation 3054 Recon			19,770	19,770					
30	Net Appropriations	(272,046)	(266,030)	1,497	(264,533)		(291,524)	(8,500)	(300,024)	
31	Other Adjustments:									
32	Refunded Road Toll	(2,520)	(2,420)		(2,420)		(2,525)		(2,525)	
33	Increase in Inventory	2,678	1,541		1,541				-	
34	Transfer from General Fund	1,750	(6,842)		(6,842)				-	
35	Reserve for GARVEE (I-93 project)							(80,000)	(80,000)	
36	Miscellaneous (Supplemental Warrants)				-		(3,852)		(3,852)	
37	Total Other Adjustments	1,908	(7,721)	-	(7,721)		(6,377)	(80,000)	(86,377)	
38	Current Year Balance	(21,670)	65,745	241,497	307,242		(3,101)	(88,500)	(91,601)	
39	Transfer to Highway Capital		(21,239)	21,239	-		(8,500)	8,500	-	
40	Balance, June 30 (Budgetary)	(35,361)	45,837	226,044	271,881		34,236	146,044	180,280	
41	GAAP Adjustments	(19,501)	(18,817)	(244,168)	(262,985)		(18,000)	(163,000)	(181,000)	
42	Balance, June 30 (GAAP)	(54,862)	27,020	(18,124)	8,896		16,236	(16,956)	(720)	
43	(A) Legis Lapse \$4.5m, Debt Svce \$7.4m, Retiree Hlth \$2.6m, Other \$5m.									
44	Note: Revenue enhancements include the following:									
45	Retro Turnpike Toll Credits		12,700				2,000			
46	Net I-95 Bridge Sale		30,000				20,000			
47	Net Registration Surcharge (less Betterment)		42,700				29,700			
48	Court Fine Revenue		8,000				7,800			
49	Total		93,400				59,500			

Department of Transportation
Combining Schedule of Balance Sheet Accounts
Highway Fund
FY 2006 through FY 2010

	A	B	C	D	E	F	G	H
1	(Expressed in Thousands)							
2			FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
3								
4	ASSETS							
5	Cash and Cash Equivalents	\$	7,219	\$ -	\$ 29,554	\$ 51,615	\$ 74,171	\$ 112,474
6	Receivables (Net of Allowances for Uncollectibles)		48,571	53,593	32,209	36,799	56,086	42,590
7	Inter-Fund Note Receivable		91,127	-	-	-	-	-
8	Due from Other Funds		30,005	513	513	534	-	-
9	Inventories		10,470	8,928	6,250	7,011	6,948	5,715
10	Total Assets	\$	187,392	\$ 63,034	\$ 68,526	\$ 95,959	\$ 137,205	\$ 160,779
11								
12								
13	LIABILITIES							
14	Accounts Payable	\$	26,779	\$ 29,478	\$ 23,233	\$ 26,053	\$ 27,568	\$ 23,128
15	Accrued Payroll		5,229	4,669	5,327	4,813	4,619	3,933
16	Due to Other Funds		-	9,668	-	-	-	-
17	Deferred Revenue		93,741	7,125	452	4,088	11,959	8,480
18	Other Liabilities		18	-	-	-	-	-
19	Total Liabilities		125,767	50,940	29,012	34,954	44,146	35,541
20								
21								
22	FUND BALANCES							
23	Reserved for Encumbrances		30,591	40,384	42,129	48,062	51,516	54,800
24	Reserved for Inventories		10,470	8,928	6,250	7,011	6,948	5,715
25	Reserved for Unexpended Appropriations		11,668	17,644	18,643	23,813	33,344	57,749
26	Unreserved, Undesignated (Deficit)		8,896	(54,862)	(27,508)	(17,881)	1,251	6,974
27	Total Fund Balances		61,625	12,094	39,514	61,005	93,059	125,238
28	Total Liabilities and Fund Balances	\$	187,392	\$ 63,034	\$ 68,526	\$ 95,959	\$ 137,205	\$ 160,779
29								
30	Source: State of NH CAFR 2005-2010							

Source: State of NH CAFR for Each Year

Testimony against SB 78

“relative to motor vehicle registration fees.”

by Rep. Timothy Horrigan (D-Strafford 7)

April 26, 2011; House Finance Committee

I favor keeping the vehicle surcharges in RSA 261:141 in place, as passed in 2009. A flat fee based on vehicle weight may not be the ideal way for the state to charge vehicle owners for their fair share of the cost of maintaining highways, but it is not bad. Even though electric vehicles don't pay the road toll (aka the “gas tax”), a combination of a weight-based fee on the vehicle plus an additional fee per gallon of fuel is still a very workable approach.

I also oppose a reduction of the gas tax. Our highway fund needs the revenue. We have a ten-year highway plan which would take over 25 years to complete even at the current funding levels. We have tens of thousands of skilled construction workers who need jobs. We have a highway system which doesn't just need routine maintenance: it needs to be updated. We don't need less money in the highway fund: we need more.

The highway fund's revenues have been described as wasted money. The leadership of this House has been implying that our highways have no value, and that the labor of our highway workers is worthless. Nothing could be further from the truth.

Rep. Timothy Horrigan
(Strafford County #7)
7A Faculty Rd; Durham, NH 03824
ph: 603-868-3342
email: TimothyHorrigan@mac.com

CHAPTER 144
HB 2-FN-A-LOCAL – FINAL VERSION
- Page 76 -

1 follows:

2 VII. Every application shall be accompanied by a fee in an amount equal to [~~\$30~~] *\$60* per lot,
3 parcel, unit or interest, except that the initial application fee shall not be less than [~~\$300~~] *\$600* nor
4 more than [~~\$2,000~~] *\$5,000*, and the fee for any application for registration of additional lots, parcels,
5 units or interests shall not be less than [~~\$200~~] *\$400* nor more than [~~\$2,000~~] *\$5,000*.

6 144:241 Department of Justice; Authority to Hire; Appropriation.

7 I. In order to facilitate the state's review and analysis of increasingly complex filings under
8 RSA 356-A and RSA 356-B with the department of justice, consumer protection and antitrust
9 bureau, the department of justice is authorized to hire a part-time paralegal at labor grade 19.

10 II. The sum of \$30,043 is hereby appropriated for the biennium ending June 30, 2011 to fund
11 the position authorized by paragraph I. The governor is authorized to draw a warrant for said sum
12 out of any money in the treasury not otherwise appropriated.

13 144:242 Supplemental Allowance; One-Year Extension. Amend the introductory paragraph of
14 RSA 100-A:41-a to read as follows:

15 100-A:41-a Supplemental Allowances. The following supplemental allowances shall apply only
16 to the state fiscal year beginning July 1, 2008 *and the state fiscal year beginning July 1, 2009*.

17 144:243 Additional Temporary Supplemental Allowances; One-Year Extension. Amend RSA
18 100-A:41-d, I and II to read as follows:

19 I. The additional supplemental allowance in this paragraph shall apply only for the fiscal
20 year beginning July 1, 2008 *and the state fiscal year beginning July 1, 2009*. Any retired member of
21 the New Hampshire retirement system or any of its predecessor systems who has been retired for at
22 least 12 months and whose annual retirement allowance is based on at least 15 years of service and
23 is \$20,000 or less, or any beneficiary of such member who is receiving an allowance, shall be entitled
24 to receive an additional supplemental allowance, in addition to the provisions of RSA 100-A:41-a, on
25 the retired member's latest anniversary date. The amount of the additional temporary supplemental
26 allowance under this paragraph shall be \$1,000, paid from the respective component of the special
27 account.

28 II. The supplemental allowance in this paragraph shall apply only for the fiscal year
29 beginning July 1, 2008 *and the state fiscal year beginning July 1, 2009*. Any retired member of the
30 New Hampshire retirement system or any of its predecessor systems who retired prior to January 1,
31 1993, or any beneficiary of such member who is receiving an allowance, shall be entitled to receive
32 an additional supplemental allowance, in addition to the provisions of RSA 100-A:41-a and
33 paragraph I, on the retired member's latest anniversary date. The amount of the additional
34 temporary supplemental allowance under this paragraph shall be \$500, paid from the respective
35 component of the special account.

36 144:244 Department of Safety; Motor Vehicle Registration Fees Increased. Amend RSA

CHAPTER 144
HB 2-FN-A-LOCAL – FINAL VERSION

- Page 77 -

1 261:141, III(g)-(o) to read as follows:

2 (g)(1) For all motor vehicles other than those in RSA 261:141, I:

3	0-3000 lbs.	\$31.20	(\$2.60 per month)	<i>(plus a \$30 surcharge)</i>
4	3001-5000 lbs.	\$43.20	(\$3.60 per month)	<i>(plus a \$30 surcharge)</i>
5	5001-8000 lbs.	\$55.20	(\$4.60 per month)	<i>(plus a \$45 surcharge)</i>
6	8001- 73,280 10,000 lbs.	\$.96 per hundred lbs. gross weight <i>(plus a \$45 surcharge)</i>		
7	10,001-26,000 lbs.	\$.96 per hundred lbs. gross weight <i>(plus a \$55 surcharge)</i>		
8	26,001-73,280 lbs.	\$.96 per hundred lbs. gross weight <i>(plus a \$75 surcharge)</i> .		

9 (2) *Any surcharge under subparagraph (1) shall be prorated accordingly in the case*
10 *of registrations issued for more or less than a 12-month period.*

11 (h) Truck-tractors to be used in conjunction with a semi-trailer, gross weight shall
12 include the weight of such tractors, the weight of the heaviest semi-trailer to be used therewith, and
13 the weight of the maximum load to be carried thereby: up to 73,280 pounds \$.96 per 100 pounds
14 gross weight *plus a \$75 surcharge*, over 73,280 pounds--\$1.44 shall be charged for each 100 pounds
15 gross weight or portion thereof in excess of 73,280 pounds. *Any surcharge shall be prorated*
16 *accordingly in the case of registrations issued for more or less than a 12-month period.*

17 (i) Each additional semi-trailer used in conjunction with such truck-tractor--\$24.00.

18 (j) For semi-trailers or automobile utility trailers (the weight of the trailer shall include
19 the maximum load to be carried thereby):

20	0-1000 lbs.	[\$3.00] 8.00
21	1001-1500 lbs.	[6.00] 11.00
22	1501-3000 lbs.	[12.00] 17.00
23	3001-5000 lbs.	[24.00] 34.00
24	5001-8000 lbs.	[36.00] 46.00
25	8001-up	[-60] .90 per hundred lbs. gross weight.

26 (k) For each semi-trailer not registered in connection with a truck-tractor, the gross
27 weight shall include the weight of such trailer and the weight of the maximum load to be carried
28 thereby. The registration fee shall be ~~[\$-60]~~ .90 per hundred lbs. gross weight and such trailer shall
29 not be registered for less than 10,000 lbs.

30 (l) For equipment mounted on trucks of which the equipment is an integral part of the
31 unit and the truck is not capable of carrying freight or merchandise, the registration fee shall be 1/3
32 of the regular fee charged as determined by the corresponding weight chart specified in
33 subparagraph (i).

34 (m) For each farm truck or combination of motor type tractor and semi-trailer used only
35 for transportation of agricultural products produced on and meant to be used in connection with the
36 operation of a farm or farms owned, operated, or occupied by the registrant, for the first 16,000

23-entire
90

1 pounds--\$24, for any additional weight above 16,000 pounds--\$.74 per hundred weight.

2 (n) For each additional or extra semi-trailer used in connection with a motor type tractor
3 registered for farm purposes--\$24. (In the event that a farm truck registered under the \$24 fee as
4 provided in this subparagraph and thereafter registered for general use during the same registration
5 year, such fee shall be applied toward the fee for such general registration.)

6 (o) For each motorcycle--~~[\$15]~~ \$25.

7 144:245 Fee for Transfer of Motor Vehicle Registration. Amend RSA 261:141, VII(b) to read as
8 follows:

9 (b) For the transfer of the registration of any motor vehicle, trailer, semi-trailer or
10 tractor for that of another motor vehicle, trailer, semi-trailer or tractor previously registered
11 pursuant to this chapter--~~[\$10]~~ \$25.

12 144:246 Highway and Bridge Betterment Account. From the motor vehicle registration fees and
13 surcharges collected under RSA 261:141 as amended by this act, the department of safety shall
14 dedicate \$2,000,000 for the fiscal year ending June 30, 2010 and \$15,000,000 for the fiscal year
15 ending June 30, 2011 to the highway and bridge betterment account established in RSA 235:23-a.

16 144:247 Department of Safety Motor Vehicle Registration Fees. RSA 261:141, III(g)-(o) is
17 repealed and reenacted to read as follows:

18 (g) For all motor vehicles other than those in RSA 261:141, I:

19 0-3000 lbs. \$31.20 (\$2.60 per month)

20 3001-5000 lbs. \$43.20 (\$3.60 per month)

21 5001-8000 lbs. \$55.20 (\$4.60 per month)

22 8001-73,280 lbs. \$.96 per hundred lbs. gross weight.

23 (h) Truck-tractors to be used in conjunction with a semi-trailer, gross weight shall
24 include the weight of such tractors, the weight of the heaviest semi-trailer to be used therewith, and
25 the weight of the maximum load to be carried thereby: up to 73,280 pounds \$.96 per 100 pounds
26 gross weight, over 73,280 pounds--\$1.44 shall be charged for each 100 pounds gross weight or portion
27 thereof in excess of 73,280 pounds.

28 (i) Each additional semi-trailer used in conjunction with such truck-tractor--\$24.00.

29 (j) For semi-trailers or automobile utility trailers (the weight of the trailer shall include
30 the maximum load to be carried thereby):

31 0-1000 lbs. \$ 3.00

32 1001-1500 lbs. 6.00

33 1501-3000 lbs. 12.00

34 3001-5000 lbs. 24.00

35 5001-8000 lbs. 36.00

36 8001-up .60 per hundred lbs. gross weight.

Shel
Grant
5.5

1 (k) For each semi-trailer not registered in connection with a truck-tractor, the gross
2 weight shall include the weight of such trailer and the weight of the maximum load to be carried
3 thereby. The registration fee shall be \$.60 per hundred lbs. gross weight and such trailer shall not
4 be registered for less than 10,000 lbs.

5 (l) For equipment mounted on trucks of which the equipment is an integral part of the
6 unit and the truck is not capable of carrying freight or merchandise, the registration fee shall be 1/3
7 of the regular fee charged as determined by the corresponding weight chart specified in
8 subparagraph (i).

9 (m) For each farm truck or combination of motor type tractor and semi-trailer used only
10 for transportation of agricultural products produced on and meant to be used in connection with the
11 operation of a farm or farms owned, operated, or occupied by the registrant, for the first 16,000
12 pounds--\$24, for any additional weight above 16,000 pounds--\$.74 per hundred weight.

13 (n) For each additional or extra semi-trailer used in connection with a motor type tractor
14 registered for farm purposes--\$24. (In the event that a farm truck registered under the \$24 fee as
15 provided in this subparagraph and thereafter registered for general use during the same registration
16 year, such fee shall be applied toward the fee for such general registration.)

17 (o) For each motorcycle--\$15.

18 144:248 Fee for Transfer of Motor Vehicle Registration. RSA 261:141, VII(b) is repealed and
19 reenacted to read as follows:

20 (b) For the transfer of the registration of any motor vehicle, trailer, semi-trailer or
21 tractor for that of another motor vehicle, trailer, semi-trailer or tractor previously registered
22 pursuant to this chapter--\$10.

23 144:249 New Subdivision; Taxation of Gambling Winnings. Amend RSA 77 by inserting after
24 section 37 the following new subdivision:

25 Taxation of Gambling Winnings

26 77:38 Definitions. In this subdivision:

27 I. "Commissioner" means the commissioner of revenue administration.

28 II. "Department" means the department of revenue administration.

29 III. "Gambling winnings" means winnings from lotteries and games of chance including, but
30 not limited to bingo, slot machines, keno, poker tournaments, and any other gambling winnings
31 subject to federal income tax withholding.

32 IV. "New Hampshire entities" means establishments the purpose of which is to engage in
33 any gaming regulated by the racing and charitable gaming commission and the sale of lottery tickets
34 as permitted by the lottery commission.

35 77:39 Imposition of Tax.

36 I. A tax of 10 percent is imposed on:

Voting Sheets

HOUSE COMMITTEE ON FINANCE
EXECUTIVE SESSION on SB 78-FN-A-L

BILL TITLE: relative to motor vehicle registration fees.

DATE: April 26, 2011

LOB ROOM: 210-211

Amendments:

Sponsor: Rep. O'Brien	OLS Document #:	2011	1519h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Candance Bouchard

Seconded by Rep. Randy Foose

Vote: 6-19 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Karen Umberger

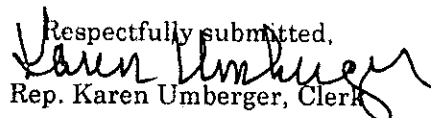
Seconded by Rep. Lynne Ober

Vote: 20-6 (Please attach record of roll call vote.)

REGULAR or CONSENT CALENDAR (Please circle one.)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Karen Umberger, Clerk

HOUSE COMMITTEE ON FINANCE
EXECUTIVE SESSION on SB 78-FN-A-L

BILL TITLE: relative to motor vehicle registration fees.

DATE:

LOB ROOM: 210-211

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL Retained (Please circle one.) 15

Moved by Rep. *Bouchard*

Seconded by Rep. *Fosse*

Vote: (Please attach record of roll call vote.)

Motions: OTP OTP/A, ITL, Retained (Please circle one.) am 1519h 20/6

Moved by Rep. *Karen Umberger*

Seconded by Rep. *Dier*

Vote: (Please attach record of roll call vote.)

REGULAR or CONSENT CALENDAR (Please circle one.)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Karen Umberger, Clerk

FINANCE

Bill #: SB 78 Title: Relative to motor vehicle registration fees

PH Date: 4 / 26 / 11 Exec Session Date: 4 / 26 / 11

Motion: ITL Amendment #: _____

MEMBER	YEAS	NAYS
Weyler, Kenneth L, Chairman		19
Ober, Lynne M, V Chairman		18
Kirk, Neal M <i>Stse</i>		1
Emerton, Larry		2
Rodeschin, Beverly T		3
Belvin, William S		4
Elliott, Robert J		5
Vaillancourt, Steve		6
Allen, Mary M		7
Quandt, Marshall E <i>Warden</i>		8
Barry, Richard W		9
Cebrowski, John W <i>Rohr</i>		20
Smith, William B <i>MacKay</i>		10
Sova, Charles E		11
Umberger, Karen C, Clerk		12
Keane, Thomas E <i>Comerford</i> <i>Baltoni</i>		13
McGuire, Dan		14
Simard, Paul H		15
Twombly, Timothy L		16
Worsman, Colette		17
Foose, Robert A	1	
Nordgren, Sharon	2	
Baroody, Benjamin C <i>MacKay</i>	3	
Benn, Bernard L	4	
Lerandeau, Alfred C	5	
Rosenwald, Cindy <i>Bourhard</i>	6	
TOTAL VOTE:	6	19

FINANCE

Bill #: SB 78 Title: Retain to motor vehicle Registration

PH Date: / / Exec Session Date: 4 / 26 / 11

Motion: OTPA Amendment #: 2011-1519h

MEMBER	YEAS	NAYS
Weyler, Kenneth L, Chairman	20	
Ober, Lynne M, V Chairman	19	
Kurk, Neal M <i>Iber</i>	1	
Emerton, Larry	2	
Rodeschin, Beverly T	3	
Belvin, William S	4	
Elliott, Robert J	5	
Vaillancourt, Steve	6	
Allen, Mary M	7	
Garcia, Marilinda J <i>Wardun</i>	8	
Barry, Richard W	9	
Cebrowski, John W <i>R. Dier</i>	10	
Sova, Charles E	11	
Smith, William B <i>Hagney</i>	12	
Umberger, Karen C, Clerk	13	
Keane, Thomas E <i>Camerford</i>	14	
McGuire, Dan	15	
Simard, Paul H	16	
Twombly, Timothy L	17	
Worsman, Colette	18	
Foose, Robert A		1
Nordgren, Sharon		2
Baroody, Benjamin C <i>MacKay</i>		3
Benn, Bernard L		4
Lerandeau, Alfred C		5
Rosenwald, Cindy <i>Bouchard</i>		6
TOTAL VOTE:	20	6

Committee Report

REGULAR CALENDAR

April 26, 2011

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on FINANCE to which
was referred SB78-FN-A-L,

AN ACT relative to motor vehicle registration fees.

Having considered the same, report the same with the
following amendment, and the recommendation that
the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Karen C Umberger

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee: **FINANCE**
Bill Number: **SB78-FN-A-L**
Title: **relative to motor vehicle registration fees.**
Date: **April 26, 2011**
Consent Calendar: **NO**
Recommendation: **OUGHT TO PASS WITH AMENDMENT**

STATEMENT OF INTENT

This bill in its original form would have accelerated the sunset of the surcharge on Motor Vehicles of \$30 or more each year. While the Governor wanted to keep this unpopular surcharge, the proposed House budget eliminated it. As the bill is currently constructed, the only NH citizens to benefit are those with birthdays in May and June. The amendment provides an avenue to spread this benefit to all residents by proposing a 5 cent per gallon gas tax holiday from its effective date until 30 June 2011. The New Hampshire House is sensitive to the ever growing cost of gas and its burden on our citizens as well its drag on our economy. In addition to providing relief to the drivers of New Hampshire, this amendment will allow the state to attract out-of-state residents who will also likely purchase other goods like cigarettes, lottery tickets and liquor. The Committee heard from a gas station owner who testified that in the competitive environment of that industry, stations will need to reduce their prices accordingly or lose volume to those other stations that do make the reduction. The effect on the highway fund is below the current operating surplus so no cuts in the 2011 highway budget are necessary. Ultimately this bill will make New Hampshire more competitive while helping our residents who are now struggling with the soaring price of gasoline.

Vote 20-6

Rep. Karen C Umberger
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

FINANCE

SB78-FN-A-L, relative to motor vehicle registration fees. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Karen C Umberger for the **Majority** of FINANCE. This bill in its original form would have accelerated the sunset of the surcharge on Motor Vehicles of \$30 or more each year. While the Governor wanted to keep this unpopular surcharge, the proposed House budget eliminated it. As the bill is currently constructed, the only NH citizens to benefit are those with birthdays in May and June. The amendment provides an avenue to spread this benefit to all residents by proposing a 5 cent per gallon gas tax holiday from its effective date until 30 June 2011. The New Hampshire House is sensitive to the ever growing cost of gas and its burden on our citizens as well its drag on our economy. In addition to providing relief to the drivers of New Hampshire, this amendment will allow the state to attract out-of-state residents who will also likely purchase other goods like cigarettes, lottery tickets and liquor. The committee heard from a gas station owner who testified that in the competitive environment of that industry, stations will need to reduce their prices accordingly or lose volume to those other stations that do make the reduction. The effect on the highway fund is below the current operating surplus so no cuts in the 2011 highway budget are necessary. Ultimately this bill will make New Hampshire more competitive while helping our residents who are now struggling with the soaring price of gasoline. **Vote 20-6.**

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: Finance

BILL NUMBER: 5878

TITLE: _____

DATE: 4/26/11 CONSENT CALENDAR: YES NO

OUGHT TO PASS

OUGHT TO PASS W/ AMENDMENT

INEXPEDIENT TO LEGISLATE

INTERIM STUDY (Available only 2nd year of biennium)

Amendment No.
1519h

STATEMENT OF INTENT:

COMMITTEE VOTE: 20/6

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. Karen C. Underberg
For the Committee

SB 78 Majority Report

This bill in its original form would have accelerated the sunset of the surcharge on Motor Vehicles of \$30 or more each year. While the Governor wanted to keep this unpopular surcharge, the proposed House budget eliminated it. As the bill is currently constructed, the only NH citizens to benefit are those with birthdays in May and June. The amendment provides an avenue to spread this benefit to all residents by proposing a 5 cent per gallon gas tax holiday from its effective date until 30 June 2011. The New Hampshire House is sensitive to the ever growing cost of gas and its burden on our citizens as well its drag on our economy. In addition to providing relief to the drivers of New Hampshire, this amendment will allow the state to ~~draw in~~^{attract} out-of-state residents who will also likely purchase other goods like cigarettes, lottery tickets and liquor. The Committee heard from a gas station owner who testified that in the competitive environment of that industry, stations will need to reduce their prices accordingly or lose volume to those other stations that do make the reduction. The effect on the highway fund is below the current operating surplus so no cuts in the 2011 highway budget are necessary. Ultimately this bill will make New Hampshire more competitive while helping our residents who are now struggling with the soaring price of gasoline.

REGULAR CALENDAR

April 26, 2011

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on FINANCE to which was referred SB78-FN-A-L,

AN ACT relative to motor vehicle registration fees. Having considered the same, and being unable to agree with the Majority, report with the following Resolution: RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

Rep. Robert A Foose

FOR THE MINORITY OF THE COMMITTEE

**MINORITY
COMMITTEE REPORT**

Committee: FINANCE
Bill Number: SB78-FN-A-L
Title: relative to motor vehicle registration fees.
Date: April 26, 2011
Consent Calendar: NO
Recommendation: INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

The Minority believes that there has been extensive evidence from the work of the Public Works Committee over multiple biennia that the Highway Fund cannot survive within a revenue structure that does not contain an appropriate substitute for the registration surcharge. When the last Legislature completed its budget for this biennium it was with the understanding that the sunset of the surcharge would be coupled with action taken to replace the funds. Further, the Minority believes that the logic that the 5 cent temporary tax reduction would be seen by the consumer is purely speculative.

Rep. Robert A Foose
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

FINANCE

SB78-FN-A-L, relative to motor vehicle registration fees. INEXPEDIENT TO LEGISLATE. Rep. Robert A Foose for the Minority of FINANCE. The Minority believes that there has been extensive evidence from the work of the Public Works Committee over multiple biennia that the Highway Fund cannot survive within a revenue structure that does not contain an appropriate substitute for the registration surcharge. When the last Legislature completed its budget for this biennium it was with the understanding that the sunset of the surcharge would be coupled with action taken to replace the funds. Further, the Minority believes that the logic that the 5 cent temporary tax reduction would be seen by the consumer is purely speculative.

Original: House Clerk
Cc: Committee Bill File

MINORITY REPORT

COMMITTEE: Finance

BILL NUMBER: SB 78

TITLE: _____

DATE: 4/26/11 CONSENT CALENDAR: YES NO

OUGHT TO PASS

OUGHT TO PASS W/ AMENDMENT

INEXPEDIENT TO LEGISLATE

INTERIM STUDY (Available only 2nd year of biennium)

Amendment No.
1519h

STATEMENT OF INTENT:

COMMITTEE VOTE: ~~20-6~~ 20-6

• Copy to Committee Bill File

RESPECTFULLY SUBMITTED,

Rep. [Signature]
For the Minority

SB 78 relative to motor vehicle registration fees. Minority Report

The Minority believes that there has been extensive evidence from the work of the Public Works Committee over multiple biennia that the Highway Fund cannot survive within a revenue structure that does not contain an appropriate substitute for the registration surcharge. When the last Legislature completed its budget for this biennium it was with the understanding that the sunset of the surcharge would be coupled with action taken to replace the funds. Further, the Minority believes that the logic that the 5 cent temporary tax reduction would be seen by the consumer is purely speculative.

Rep. R.A. Fosse

A handwritten signature in black ink, appearing to read "R.A. Fosse", written in a cursive style.

New Hampshire General Court - Bill Status System

Docket of SB78

Docket Abbreviations

Bill Title: relative to motor vehicle registration fees.*Official Docket of SB78:*

Date	Body	Description
1/19/2011	S	Introduced and Referred to Ways & Means, SJ 3 , Pg.34
2/9/2011	S	Hearing: 2/15/11, Room 100 State House, 2:15 p.m.; SC11
2/15/2011	S	Hearing: === RECESSED === 2/15/11, Room 100, State House, 2:15 p.m.; SC12
2/17/2011	S	Hearing: === RECONVENE === 2/22/11, Room 100, State House, 1:00 p.m.; SC12
2/24/2011	S	Committee Report: Ought to Pass, Session Date: 3/9/11; SC14
3/9/2011	S	Ought to Pass, MA, VV; Refer to Finance Rule 4-3, SJ 8 , Pg.97
3/11/2011	S	Committee Report: Ought to Pass, 3/23/11; SC16
3/23/2011	S	Ought to Pass, RC 19Y-5N , MA; OT3rdg; SJ 10 , Pg.175
3/23/2011	S	Passed by Third Reading Resolution; SJ 10 , Pg.187
3/31/2011	H	Introduced and Referred to Finance; HJ 35 , PG.1241
4/21/2011	H	Public Hearing: 4/26/2011 10:00 AM LOB 210-211
4/21/2011	H	Full Committee Work Session: 4/26/2011 11:00 AM LOB 210-211
4/21/2011	H	Executive Session: 4/26/2011 11:30 AM LOB 210-211
4/26/2011	H	Majority Committee Report: Ought to Pass with Amendment #1519h(NT) for April 27 (Vote 20-6; RC); HC 33A , PG.1085
4/26/2011	H	Proposed Majority Committee Amendment #2011-1519h (New Title); HC 33A , PG.1087
4/26/2011	H	Minority Committee Report: Inexpedient to Legislate; HC 33A , PG.1085
4/27/2011	H	Amendment #1519h(NT) Adopted, RC 201-108 ; HJ 40 , PG.1378-1380
4/27/2011	H	Ought to Pass with Amendment #1519h(NT): MA RC 208-98 ; HJ 40 , PG.1377-1381
4/27/2011	H	Reconsideration (Rep Hess): MF VV; HJ 40 , PG.1383
5/25/2011	S	Sen. Odell Moved Nonconcur with House Amendment 1519h; NT, MA, VV; SJ 18 , Pg.389

NH House

NH Senate