



New Hampshire Senate
News Release

For Immediate Release
March 27, 2014

Contact
Tom Cronin
603.264.5659

Crossover Brings Focus on Taxpayer Protection & Economic Development

Concord, NH – The State Senate today completed the first half of the 2014 legislative session with a focus on three bills protecting taxpayers and encouraging economic development.

Continuing the Senate's focus on strengthening the State's Rainy Day Fund, the body passed Senate Bill 415 which will move over \$15 million in surplus from the previous budget into the revenue stabilization account. "The Rainy Day Fund was created as a way to guard against unexpected economic downturns," said Senate Finance Chairman, and the bill's sponsor, Jeanie Forrester, R-Meredith. "Unfortunately, the balance in the fund has dropped to the point that leaves us ill-prepared for a financial emergency." Currently, the state's rainy day fund balance of \$9 million covers less than 1-percent of the state's general fund revenues, and is well-below the \$70 million minimum balance recommended by the State Treasurer and bond rating agencies.

"Republicans made a commitment to taxpayers that we would work to rebuild our state's savings account, and today's vote is an important step towards fulfilling that pledge," continued Forrester. "Moving forward, we will continue to closely monitor our current budget and refuse efforts to increase spending in order to further improve our Rainy Day Fund balance, reinforce the state's financial standing, and protect taxpayers from the costs of unexpected budgetary needs."

Next, in an effort to preserve the state's highway fund and improve transparency, the Senate passed Senate Bill 416, which seeks to end the diversion of millions of dollars each year from the fund. On average, \$80 million is moved from the highway fund to cover costs in other state agencies and departments each year.

"When New Hampshire drivers pay the gas tax or register their car they do so believing those dollars are being used to maintain the roads and bridges they use every day," said Senate Majority Leader Jeb Bradley, R-Wolfeboro, the bill's prime sponsor. "Diverting these funds from their intended purpose has been a long-held, bipartisan, and unfortunate habit. This bill will start to end this practice in order to provide some budget transparency and ensure the Transportation Department has the funds they need to keep our highways safe and well maintained."

-- MORE --

Finally, the Senate passed Senate Bill 327, which extends the Economic Revitalization Zone (ERZ) Tax Credit Program through 2020. “The State of New Hampshire offers three tax credit programs,” said Ways and Means Chairman Bob Odell, R-New London, “and over the last two years we have taken steps to renew and improve each of them,” referring to recent efforts to double and make permanent the Research and Development Tax Credit and to extend the Coos County Job Creation Tax Credit.

“Today’s passage of the ERZ Credit extension will ensure that this valuable program, which provides incentives for businesses in over fifty communities around the state, will continue to encourage investment, economic development, and job growth through the remainder of the decade,” continued Odell.

All three bills now move to the House of Representatives for consideration.

###