



New Hampshire Senate

News Release

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Senate President proposes removing cap on building Rainy Day Fund

Concord, NH - Today, Senate President Chuck Morse (R-Salem) brought forward an amendment to remove the cap on the Revenue Stabilization Account (better known as the Rainy Day Fund) onto HB 1527 in the Senate Finance Committee. Removing the cap on the Rainy Day Fund will allow the state of New Hampshire to transfer funds above the 5% of revenue cap set in 1993.

Senate President Chuck Morse (R-Salem) issued a statement following the bill's introduction.

"Building the Rainy Day Fund in New Hampshire has been a priority for the Senate for many years and until recently, we were unaware of the cap which limits how much money can be transferred into the Rainy Day Fund in a given fiscal year. The Rainy Day Fund had been critically low for many years, maintaining a balance of around only \$9 million and not in danger of hitting the cap, despite a recommendation made in 2014 by the State Treasurer that an appropriate reserve level would start at \$140 million."

"The amendment I proposed today will remove any limits to growing the State's reserve fund. I was also proud to file and pass legislation requiring the first 10% of all funds received by the state in a settlement above one million dollars be deposited into the Rainy Day Fund. With these new parameters, we should be able to rapidly build the Rainy Day Fund and could potentially hit the existing cap as a result of the MTBE lawsuit settlement. "

"We also took steps to more than double the Rainy Day Fund in the current budget, which we were pleased to see Governor Hassan sign into law. In addition, we increased appropriations to the Rainy Day Fund in SB 464 in the current session."

"Our job as legislators is to ensure New Hampshire is protected financially from unforeseen economic downturns or emergencies while also improving our State's credit rating and overall financial health. The Senate has made sure building up this fund has been a priority throughout the budget process and now at another critical juncture, we are providing a plan to extend saving capacity that will work to strengthen New Hampshire's economic standing into the future. I ask my colleagues in the Senate to support yet another step in rebuilding the State's financial health."

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