



New Hampshire Senate

News Release

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Senate removes cap on building Rainy Day Fund

Concord, NH - Today, the Senate voted to lift the cap on funds entered into the Revenue Stabilization Account, better known as the Rainy Day Fund. Removing the cap will allow the state of New Hampshire to transfer funds above the 5% of revenue set in 1993.

Senate President Chuck Morse (R-Salem) issued a statement following the passage of HB 1527.

"Building the Rainy Day Fund and improving New Hampshire's fiscal health has been a priority for many years. Today, we took a major step forward by removing the cap on our ability to transfer funds above the 5% of revenue into this account to allow additional growth."

"We have not been at the risk of meeting the existing cap since we carried a balance of only \$9 million for a number of years, despite a call by the State Treasurer in 2014 that the account reserves should hold \$140 million or more to achieve high bond ratings and good overall fiscal health."

"The legislation passed today removes any limit to how much New Hampshire can save. This comes at a time when the State of New Hampshire may receive MTBE drinking and ground water contamination settlement funds that could put us above the Rainy Day Fund's previously capped amount."

"This session, we also took steps to more than double the Rainy Day Fund in the current budget, which was supported by Governor Hassan, and we also increased appropriations to the Rainy Day Fund by \$5 million as part of SB 464 earlier this year."

"Our job as legislators is to ensure that New Hampshire is protected financially from unforeseen economic downturns or emergencies while also improving our State's credit rating and overall fiscal 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 continuing to provide ways to extend saving capacity that will work to strengthen New Hampshire's economic standing into the future. I commend my colleagues for their strong support in rebuilding the State's financial health."

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