



THE PARKER REPORT

HEY BUDDY CAN YOU SPARE A DIME...The Senate Finance Committee has completed its work on a proposed two year state operating budget. The corner stone for funding the \$11 .5 billion budget is based on gambling. Legalizing video slots has long been championed by the Chair of the Senate Finance Committee, Lou D'Allesandro (D-Manchester). The full Senate will consider the proposed spending plan this week. The final vote is no sure bet in the Senate, given the 4-3 vote on video slots in the Finance Committee. The committee rejected the House proposal to raise new taxes on capital gains and estates. The Senate version has something for many interest groups to dislike, from increasing the cigarette tax another dime over the House increase to suspending the business tax credit. It includes over 200 layoffs of state workers and the elimination of the long cherished "bumping rights" provision for senior state workers. State retirees under age 65 will have to pay \$65 a month if single and \$130 for a couple toward their health insurance. The cost for out-of-state residents to register a concealed weapon will now cost will now quadruple in price to \$100, and the rooms and meals tax will rise from 8% to 8.75%, and the increase will not be shared with cities and towns. The annual car registration and vanity plate fees will go up \$15, and the five-year driver's license fee jumps from \$50 to \$60. The Finance Committee would eliminate a \$17 million state retirement system liability to political subdivisions, as well as reduce the 35% state share of the employer contribution for teachers, police, and fire to 30% in fiscal 2010 and to 25% in fiscal 2011. Future state employees will see their retirement contributions increase by 2%. All in all, the Senate version of a budget comes closer to matching the governors spending plan. The irony for some State House observers is watching a Democratic controlled Legislature chop away at programs they fought to create in past sessions under Republican leadership.

AS THE CLOCK STRUCK MIDNIGHT...Low and behold, an amendment appears before the Senate Finance Committee creating "racinos". The amendment would permit the existing three race tracks to operate video slots, as well as permit two slots parlors in the North Country. According to the amendment's chief architect Senator Lou D'Allesandro, the plan would bring \$185 million into the state's coffers. The proposal passed 4-3, but is expected to face a tough fight in both chambers of the Legislature. Of the 13,000 estimated slot machines allowed by the amendment, 5,000 are expected to end up at Rockingham Park in Salem. Another 2,000 will find their way to Yankee Greyhound in Seabrook, and the remaining slots would be spread out at the Belmont dog track and two other unnamed sites in Grafton and Coos counties. License fees would generate \$70 million next year and \$115 million in gaming profit for the state in 2011. Another proposal that would build a casino in Hudson failed to make it into the bill. However, backers of the proposed 135,000 square foot casino with 4,000 slots and

100 gaming tables say they will try to get it added as a floor amendment in the full Senate.

TAXACHUSETTS...Legislation that would protect retailers from having to cooperate with out-of-state officials seeking sales tax payments on goods purchased in New Hampshire passed the NH House this past week. SB 5 would prohibit retailers in New Hampshire from providing private customer information to any state for purposes of enforcing collection of a sales tax or use tax, unless the state has qualifying sales or use tax statutes. The Supreme Judicial Court in Massachusetts is considering a request by Massachusetts authorities to compel the Town Fair Tire chain store in New Hampshire to charge sales taxes to customers who live in Massachusetts. Governor Lynch is expected to sign the measure when it reaches his desk.

RUNNING OUT OF GAS...In case there was any doubt, Governor Lynch repeated his opposition to any increase in the gas tax, and said he would veto any bill that comes to his desk with an increase in the tax. This did not sit too well with the prime backers of the proposal who believe the gas tax increase would eliminate a permanent deficit in the state's highway fund. It appears that the Senate Finance Committee believed the governor's promised veto and eliminated the House-assed gas tax from its budget bill, replacing it with a myriad of fees to raise highway funds. Lynch is also supporting eliminating the 30% discount for EZ-Pass users in favor of a \$30 monthly cap once that amount is reached by commuting drivers. The current gas tax is 18 cents a gallon and hasn't been raised since 1991.

JOHNNY COME LATELY...All is not lost on the question of whether the Granite State will become the sixth state in the union to allow gay marriages. Despite the surprising House vote last week to reject the Senate passed version favored by Governor Lynch, negotiators appear to have come to an agreement on language. The new version adds a sentence specifying that all religious organization, associations, or societies have exclusive control over their religious doctrines, policies, teachings, and beliefs on marriage. It also clarifies that church-related organizations serving charitable or educational purposes are exempt from having to provide insurance and other benefits to same sex spouses or employees. The earlier version said "charitable and educational" instead of "charitable or educational." Lynch has given his approval to the changes.

EVER GROWING NUMBER...New Hampshire's seasonally adjusted unemployment rate increased 0.1 percentage points from March to April. The Department of Employment Security says that the rate was 2.6 percentage points higher than a year ago. The adjusted unemployment rate was 6.3% for the month of April. Some experts are predicting that the unemployment number will increase through the rest of the year and into next year as well. The department said the number of unemployed residents in the state increased 490 in April to 46,610. Compared to April 2008, 19,080 more New Hampshire residents were unemployed. Nationally, the seasonally adjusted unemployment rate in April was 8.9%.

THEY SAID IT...

"At a time when we need some private capital to provide economic stimulation, this is the answer." Senator Lou D'Allesandro (D-Manchester) sponsor of expanded gambling in New Hampshire. (Concord Monitor)

“The House position has been, over the years, consistently in opposition to gambling.” Representative Marjorie Smith (D-Durham) Chair of the House Finance Committee, commenting on the inclusion of gambling as a revenue source in the Senate Finance Committee budget. (Concord Monitor)

“I think this is a very, very lean budget.” Senator Maggie Hasson (D-Exeter), Senate Majority Leader and member of the Senate Finance Committee. (Nashua Telegraph)

“Obviously, the governor has a lot of serious questions about what this would mean for businesses, how it would impact the economy, and future revenues.” Colin Manning, Governor Lynch spokesman addressing the suspension of the Business Enterprise Tax credit. (Union Leader)

“I think it’s unfortunate because the political will was there in the Legislature to do this, and the public had been coming to believe this was the best way to fix the roads long term.” Representative David Campbell (D-Nashua), supporter of increasing the state’s gas tax. (Nashua Telegraph)

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