



New Hampshire House & Senate **JOINT NEWS RELEASE**

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House and Senate reach budget deal

Spending plan for FY22-FY23 based on GOP agenda; works for all NH

CONCORD, NH – The New Hampshire House and Senate today reached a deal on a new state budget for FY22-FY23. Members of the Committee of Conference on HB2, led by Republicans, agreed on the \$13.5B spending plan for the new biennium beginning on July 1, 2021. House Speaker Sherman Packard (R-Londonderry), and Senate President Chuck Morse (R-Salem), issued the following statement regarding the agreement:

House Speaker Packard:

“Today we reached an important milestone in our state budget process by coming to an agreement with our Senate counterparts. This budget is a fiscally conservative and balanced budget that enables New Hampshire families to keep more of their own hard-earned money by providing tax relief. It helps our business community thrive and will help sustain our economic growth. It improves both the education system and boosts much needed funds for mental health and substance abuse programs. These are promises we made to the New Hampshire voters in 2020, and these are promises that we are delivering results on. I recognize all of the hard work and dedication put into this budget process by both House and Senate members. I am proud of our citizen legislature’s commitment to spending tax dollars responsibly. This is never an easy process, but we were able to come together and agree upon a product that will enhance our economy and keep New Hampshire moving in the right direction.”

Senate President Morse:

“The budget we passed today reflects the strong Republican agenda we put forward last January, the same one the voters supported. It’s balanced, lives within our means, helps working families, supports Main Street businesses, protects taxpayers, cares for our most vulnerable, improves education, funds mental health and substance abuse programs, reduces regulatory burdens and keeps New Hampshire streets and homes safe.”

“I appreciate the long hours and thoughtful consideration of the House and Senate members on the Committee of Conference for HB 2 that enabled us to reach a mutual agreement on state spending for the next two years. The budget process is long and complex. It requires us to start with reliable revenues estimates, to focus on priorities and to separate wants from needs, which is exactly what we did.”

Budget Highlights:

Taxpayers

- Provides property tax relief to every New Hampshire homeowner
- Lowers taxes on New Hampshire's small businesses
- Phases out Interest & Dividends Tax to help seniors and the disabled

Property Taxes

- Sends \$100M directly back to property taxpayers
- Sends an additional \$188M from Meals & Rooms revenue back to cities and towns for property tax relief – an increase of \$50.5M over the last budget
- For the first time, puts 30% of revenues from the Meals & Rooms Tax into a dedicated Trust Fund for distribution to cities and towns

Small Business

- Cuts business taxes (BET and BPT) and increases threshold for BET filing
- Reduces Meals & Rooms Tax for first time in decades
- Exempts Paycheck Protection Program (PPP) loans from state taxation

Public Safety

- Makes investments in Granite Shield, which continues to work on drug trafficking interdiction aimed at preventing the supply of illegal drugs from entering NH
- Funds the Commission on Law Enforcement Accountability, Community, and Transparency recommendations for body cameras, which reduce complaints filed against police officers and provide evidence when an incident occurs
- Provides \$500,000 for Internet Crimes Against Children Fund

Education

- Creates Education Freedom Accounts to give low-income New Hampshire families more choices for their children's education
- Corrects education funding formula to ensure schools are not hurt by COVID enrollment drop, providing \$67M in additional aid
- Provides \$30M for school Building Aid
- Reserves \$35M in Education Relief Aid for schools most in need
- Fund's Governor's Scholarship Fund
- Increases funding to towns that expand to full-day Kindergarten

Protecting our Environment

- Provides \$15.6M for state aid grants to keep our water clean
- Consolidates Public Utilities Commission and Office of Strategic Initiative into a new Department of Energy to guide energy policy decisions such as development of offshore wind power

Substance Misuse

- Continues to build on the progress made in combating the opioid crisis
- Provides over \$100M in funding to address substance abuse

Mental Health

- Fully funds new forensic psychiatric hospital to free up beds at the NH Hospital and transfer patients from the secure psychiatric unit at the state prison
- Funds transitional beds to reduce emergency room mental health boarding crisis
- Provides \$8M for community mental health programs and mobile crisis teams
- Fully funds the Developmentally Disabled Wait List
- Provides \$3M to help veterans and seniors recover from social isolation of the COVID-19 pandemic.

Seniors

- Eliminates Interest & Dividends Tax on retirement savings
- Increases funding for Senior Support Services
- Provides \$1.5M to help seniors recover from social isolation of the COVID-19 pandemic.

Capital Budget

- Funds state projects all across NH
- Leverages \$25M in additional federal funds to address more projects, reducing future costs

Veterans

- Increases funding for Veterans Support Services
- Creates National Guard Enlistment Incentive Program
- Provides \$1.5M to help veterans recover from social isolation of the COVID-19 pandemic.

Affordable Housing

- Adds \$25M to the Affordable Housing Fund, leveraging an estimated \$300M in additional private investment
- Continues current affordable housing funds through Real Estate Transfer Tax
- Provides \$100 million in direct tax relief for property taxpayers

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Media Contacts:

Jennifer Tramp – House Communications at jennifer.tramp@leg.state.nh.us

Carole Alfano – Senate Communications at carole.alfano@leg.state.nh.us