Bill as Introduced

2003 SESSION

03-0829
05/10

HOUSE BILL ***805***

AN ACT establishing a consensus revenue estimating panel.

SPONSORS: Rep. J. Gilbert, Rock 83

COMMITTEE: Ways and Means

ANALYSIS

This bill establishes a consensus revenue estimating panel to monitor revenue estimating variables and to provide periodic revenue estimates to the legislative and executive branches.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 805 – AS INTRODUCED

03-0829
05/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT establishing a consensus revenue estimating panel.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Chapter; Consensus Revenue Estimating Panel. Amend RSA by inserting after chapter 17-P the following new chapter:

CHAPTER 17-Q

CONSENSUS REVENUE ESTIMATING PANEL

17-Q:1 Consensus Revenue Estimating Panel Established. There is established a consensus revenue estimating panel to enhance the state's ability to manage its fiscal policies.

17-Q:2 Panel Membership and Compensation.

I. The members of the panel shall be as follows:

(a) Two members of the house of representatives, appointed by the speaker of the house.

(b) Two members of the senate, appointed by the president of the senate.

(c) The governor's budget director.

(d) The commissioner of the department of revenue administration, or designee.

(e) The comptroller of the division of accounting services, department of administrative services, or designee.

(f) Two members of the business community with expertise in business and economics, appointed by the governor.

(g) Three members of the academic community, appointed by the governor.

II. Members of the panel shall serve without compensation, except that legislative members of the panel shall receive mileage at the legislative rate when attending to the duties of the panel.

III. Legislative members of the panel shall serve a term coterminous with their term in office. Members from the executive branch shall serve a term coterminous with their appointment. Members from the private sector shall serve a 3-year term.

17-Q:3 Duties. The panel shall:

I. Monitor revenue estimating variables such as employment, population, interest rates, income, and other indices as are appropriate.

II. Provide periodic revenue estimates available to both the legislative and executive branches of government.

17-Q:4 Chairperson; Quorum. The members of the panel shall elect a chairperson from among the members. The panel shall adopt rules for its procedures and meetings. Six members of the panel shall constitute a quorum. In conducting its business, the panel may solicit relevant information and testimony from:

I. The commissioner of the department of revenue administration.

II. The commissioner of administrative services.

III. The commissioner of the department of transportation.

IV. The commissioner of the department of safety.

V. The commissioners of the state liquor commission.

VI. The commissioner of the department of insurance.

VII. The commissioner of the department of health and human services.

17-Q:5 Report. The panel shall provide quarterly reports of its findings and recommendations to the speaker of the house of representatives, the senate president, the house clerk, the senate clerk, the governor, and the state library. The first such report shall be filed on October 1, 2003.

2 Effective Date. This act shall take effect 60 days after its passage.

Amendments

Rep. J. Gilbert, Rock 83
March 10, 2003
2003-0618h
05/09

Amendment to HB 805

Amend RSA 17-Q:4 and 17-Q:5 as inserted by section 1 of the bill by replacing them with the following:

17-Q:4 Chairperson; Quorum. The members of the panel shall elect a chairperson from among the members. The panel shall adopt rules for its procedures and meetings. Six members of the panel shall constitute a quorum. In conducting its business, the panel may solicit relevant information and testimony from a variety of sources, including:

I. The legislative budget assistant.

II. The commissioner of the department of revenue administration.

III. The commissioner of administrative services.

IV. The commissioner of the department of transportation.

V. The commissioner of the department of safety.

VI. The commissioners of the state liquor commission.

VII. The commissioner of the department of insurance.

VIII. The commissioner of the department of health and human services.

17-Q:5 Report. The panel shall provide quarterly reports of its findings and recommendations on November 1, February 1, May 1, and August 1 to the speaker of the house of representatives, the senate president, the house clerk, the senate clerk, the governor, the chairs of the house and senate ways and means and finance committees, and the state library. The first such report shall be filed on November 1, 2003.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 605 Date 3/5/2003

Committee Water & Means

** Please Print All Information **

Name	Address	Phone	Representing	(check one) Pro	Con
Dave Jurist	122 N. Main St.	224-5388	BIA	X	
Brian Semprini			Governor's Office	X	
Paul Rogers	271-2261		NHID	X	

Hearing Minutes

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 805

BILL TITLE: **establishing a consensus revenue estimating panel.**

DATE:

LOB ROOM: **202** **Time Public Hearing Called to Order:** 9:30

Time Adjourned: 10:35

(please circle if present)

Committee Members: Reps. Major, J. Gilbert, V. Clark, Hess, Langone, Giuda, Griffin, Vaillancourt, Gibson, Jasper, Hinkle, Hughes, Ingram, McCormick, Roessner, Almy, Davis, Espiefs, C. Hamm, Hammond and C. Pappas

Bill Sponsors:

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

See attached

March 5, 2003

HB 805, establishing a consensus revenue estimating panel.

Chairman Major opened the hearing on this bill at 9:30 and recognised its sponsor, Rep. Jeffrey Gilbert. Rep. Gilbert said that he filed this bill because of his past service on the Governor's revenue estimating panel. He said that although the Governor's panel has attracted some very significant members, it was not as effective as it might have been. The panel had no specific obligation or timeline, and no sense of permanence. He thinks it would have been more effective if those deficiencies had not existed. He hopes that his bill will correct those deficiencies. One advantage he sees is that the panel would exist even when the legislature is not in session. He said that the Governor's office supports the bill.

QUESTIONS:
Rep. McCormick: Would this function replace the House and Senate Ways and Means Committees?
Ans: No, it would be complementary to them. Nothing in this bill establishes a control mechanism. It is an assist to the legislative function.

Rep. Almy: You didn't include the Ways and Means Committees in the reporting requirement. Do you think it might be a good thing to add them to the bill? And I'm wondering, why did you include two House members and two Senate members on the panel?
Ans: The object was to keep the reporting mechanism as simple as possible, and to rely on the Senate President and House Speaker to distribute the report to appropriate committees. As for the panel, I just followed the existing pattern of the panel.

Rep. Hughes: We currently get a quarterly report from the DRA and a monthly status report. Would your report be more forward-looking, rather than one that reports results?
Ans: Yes, the panel's charge is to be forward-looking, to tap into the expertise of its members.

Rep. Clark: Why don't we just use the projections of the various department heads, rather than filtering them through so many panels and committees?
Ans: The object of the panel would be to provide a longer-term perspective, to help the various department heads to see beyond their own departments to other factors affecting revenues.

Rep. Major: How long did the Governor's revenue estimating panel exist?
Ans: From 1997 to this year.
Followup: And how often did it meet?
Ans: It was very irregular. Since there was no statutory requirement, meetings were frequently cancelled.
Further: Do you know if it ever issued a report?
Ans: No, I do not.

Further: And were you suggesting that while the Legislature is out of session, no one is looking at the revenues?
Ans: I certainly did not mean to imply that. Certainly individuals like yourself looked at them.
Further: Would this committee be able to call this panel before the committee?
Ans: Certainly; I would hope that would be the case. And when the committee is not in regular session, the reports of the panel might be a guide as to whether a meeting of the committee would be appropriate.
Further: Was the Governor's panel supposed to issue reports?
Ans: There was no specific requirement in the executive order.

Rep. Hammond: What assurance is there that the new panel would meet? Who would call it and organize it?
Ans: The non-legislative members of the past panel took it very seriously. I think that it would be even more effective with this structure supporting it. Certainly if they didn't, they could be removed for cause.
Followup: So the chairman of the panel would be convening it with the obligation to report hanging over his head? Did the Governor consult this panel?
Ans: The present governor of course has had no opportunity to do so. The past governor, through the Budget Director, was certainly aware of it.

Rep. Ingram: Would you have any objections to adding Finance and Ways and Means to the reporting requirements?
Ans: Not at all. As I said, I had expected that they would receive copies through their respective leaders.

Rep. Hamm: What was the thinking behind having three academic community members and only two business members?
Ans: I was just using the mix that existed before, and which seemed to work. And there are more academic disciplines that could be included.
Followup: So the panel that existed met irregularly, and didn't accomplish much at least from a reporting standpoint. But you think it should be put into statute?
Ans: Yes; I think it did some good work and would have been more effective with a statutory structure.

Rep. Hinkle: It seems like the panel is going to be essentially duplicating the activity of existing government departments.
Ans: That is not at all my intent; it is designed to give a broader prospective, and a longer-term view.
Followup: But what if they project differently from other agencies? Wouldn't that be a confusion to the committees, rather than an assistance?
Ans: Having a difference in projections is merely an invitation to further inquiries. This panel is intended to enhance the estimating process.

Rep. Espiefs: You indicate the panel should solicit information from the various commissioners. Do you think that ought to be broadened to allow other relevant sources?

Ans: Certainly; the point here was not to limit the sources of information for the panel.

No further questions.

The chair next recognized David Alkonis, former chairman of this committee, speaking in favor of the bill. He also served on the consensus revenue estimating panel, and he agrees that it was a valuable resource that was not adequately used by this committee or others. Many other states have panels or staff that perform this function. We don't do that. He thinks that anything that will help with estimation, any additional information that can be gathered, would be of benefit. He said that although the DRA handles most of the state's revenues, and does a good job of forecasting, that the other agencies are not really expert at that. They are more invested in the operation of the agencies, rather than in predicting future receipts. He pointed out that even the monthly status report of revenues is a relatively new document, which has only existed for the last few years.

No questions.

The chair next recognized Stan Arnold, former Commissioner of the Department of Revenue Administration, speaking in support of the bill. He thinks it is good public policy to have a revenue estimating panel in law. He said that although right now we may be getting conflicting revenue information, only a few years ago it was normal not to get any information. The legislature relied predominantly on historical information, and merely assumed that any trends would continue. Although things have changed for the better, revenue estimations currently are very dependent upon the talent and experience of the individuals who do them, particularly in the DRA. If those people were to leave, the state would have to find a new person with such relevant experience. He said that a statutory panel would be less likely to simply not issue a report, if that report was likely to contain unfavorable information. He thinks that some states rely too heavily on computer modeling, which also mostly does trend analysis. He thinks that this panel would give our committee one more source of excellent information.

QUESTIONS:
Rep. Hughes: Would you recommend that the bill list four specific dates on which reports are due?
Ans: Yes, I think that would be an enhancement.

Rep. Hinkle: Who do you think will be responsible for organizing and starting this committee?
Ans: Usually a bill includes the mentioned that the first-named Senator or Representative is charged with calling the first meeting, after which the procedures of the committee are adopted.
Followup.: I guess I just have a problem with maintaining a clear chain of responsibility back to our constituents.

Ans: This becomes one resource out of many. And one advantage the past one had was that even though they didn't issue reports, all of their meetings were open to the public.

Rep. Almy: Economists frequently don't notice emerging trends until they don't fit the predictions of their models. Do you think we'd be better off with more business members?
Ans: It works as a good balance, both ways. You're still forecasting, though, and so there's always a danger there. It helps to have the variety of members, and having the various commissioners there is also an advantage. Often the economists can provide a different perspective to their expectations, though. Just about every year, something happens that makes a previously unexpected change in some revenue stream, and you need people who look at things differently.
Followup: Do you see business-based economists seeing things any differently than academic ones?
Ans: The business economists seem very good within their own areas.

Rep. Hinkle: Considering that these people are not compensated, how much diligence do you think they'll bring to the job?
Ans: I am constantly impressed by the dedication of people who put their hands up and volunteer for this kind of work.

No further questions.

The chair next recognized Mike Norris, assistant state treasurer, who said that he was only here to deliver a letter from Treasurer Ablowich in support of the bill. A copy is in the file.

No questions.

There being no additional testimony offered, the public hearing on HB 805 was adjourned at 10:35 a.m.

Reps. Camm and Pappas arrived.

Respectfully submitted,

Rep. Vivian R. Clark, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 805

BILL TITLE: **establishing a consensus revenue estimating panel.**

DATE:

LOB ROOM: **Time Public Hearing Called to Order:** _____

Time Adjourned: _____

(please circle if present)

Committee Members: Reps. Major, J. Gilbert, V. Clark, Hess, Langone, Giuda, Griffin, Camm, Gibson, Jasper, Hinkle, Hughes, Ingram, McCormick, Roessner, Almy, Davis, Espiefs, C. Hamm, Hammond and C. Pappas.

Bill Sponsors:

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Testimony

FILE COPY

Michael A. Ablowich
STATE TREASURER

THE STATE OF NEW HAMPSHIRE
TREASURY DEPARTMENT
25 CAPITOL STREET, ROOM 121
CONCORD, N.H. 03301
603 271-2621
FAX 603-271-3922
E-mail: mablowich@treasury.state.nh.us
TDD Access: Relay NH 1-800-735-2964

March 4, 2003

Rep. Jeffrey D. Gilbert
House of Representatives
State House
Concord, NH 03301

Dear Rep. Gilbert:

This letter is in support of the establishment of the revenue-estimating panel you will be proposing in a bill you are putting forward. As you and I have discussed, the existence of this kind of panel with its regular reporting requirements and broad structure would not only improve the view of predicting revenues but would most likely be viewed quite favorably by the rating agencies which would then likely have a positive effect on the State's standing.

I support this legislation and wish to communicate my willingness to work with you or other members of the legislature in any way possible.

Sincerely,

Michael A. Ablowich
State Treasurer

State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

RECEIVED
FEB 2 2004
By RHC DS

MEMORANDUM

DATE: **February 2, 2004**

TO: **Honorable Craig Benson, Governor**
Honorable Gene Chandler, Speaker of the House
Honorable Thomas R. Eaton, President of the Senate
Honorable Norman L. Major, Chairman, House Ways and Means Comm.
Honorable Lou D'Allesandro, Chairman, Senate Ways and Means Comm.
Honorable Neal M. Kurk, Chairman, House Finance Comm.
Honorable Richard P. Green, Chairman, Senate Finance Comm.
Honorable Karen O. Wadsworth, Clerk of the House
Steven J. Winter, Senate Clerk
Michael York (State Librarian)

FROM: **Rep. Jeffrey D. Gilbert**
1 Park Circle, North Hampton NH 03862-2244
(603) 964-7657

SUBJECT: **February 1, 2004 Quarterly Report**

Pursuant to RSA 17-Q (HB 805, Chapter 155, Laws of 2003), enclosed please find the February 2004 quarterly report of the Consensus Revenue Estimating Panel.

If you have any questions or comments regarding this report, please do not hesitate to contact me.

Enclosure

cc: Panel Members
Nancy LeVinus, Committee Researcher

State of New Hampshire
Consensus Revenue Estimating Panel
RSA 17-Q



February 1, 2004 Report #1

AUTHORITY AND PURPOSE

The Consensus Revenue Estimating Panel (RSA 17-Q) was established by the 2003 legislative session of the General Court (Chapter 155). The purpose of the panel is to monitor revenue estimating variables such as employment, population, interest rates, income and other indices as are appropriate and to provide quaterly guidance to the legislative and executive branches of state government on current and long-term state revenue trends. This is the first report of the panel.

MEMBERS

The panel has met on 3 occasions to date and the members have elected Representative Jeffrey D. Gilbert and Senator Lou D'Allesandro as co-chairmen.

Legislature:
Representative Jeffrey D. Gilbert
Senator Lou D'Allesandro
Senator Robert E. Clegg, Jr.
Representative Peyton B. Hinkle

Acedemic-UNH:
Professor Ross Gittell
Associate Dean James Wible

Executive:
Peter Yao, Governor's Budget Director
Tom Martin, Comptroller
Dept. of Administrative Services
George P. Blatsos, Commissioner
Dept. of Revenue Administration

Business:
Dan Rodgers

Providing Support to the Panel:
Nancy LeVinus, House Research

HISTORY

A predecessor to the panel known as the Governor's Revenue Estimating Panel was created by Executive Order in 1997 and its membership was expanded by a second Executive Order in 2001. The current panel is modeled on the structure of its predecessor and reflects the expectation of the Executive and Legislative branches that the panel will aid them in achieving a more sophisticated and systematic method of forecasting state revenues. Both panels have included prominent members from the business and academic communities (who are each appointed for a three year term) as well as appropriate Legislative and Excecutive branch leaders.

SCOPE OF WORK

In carrying out their responsibility to effectively manage the state's revenue and expenditure policies, the Legislature and the Governor must have timely and reliable revenue estimates. The role of the Revenue Estimating Panel is to provide advice and perspective on both long and short-term trends that may affect state revenue collections. The panel will assist in the forecasting process by anticipating economic fluctuations, identifying their relationship to the state's revenue streams and reporting their findings on a quarterly basis, thus enabling policy makers to plan accordingly. The varied perspectives, experiences, and resources of the panel members will provide a unique insight into the indices and global factors that impact the revenue that the New Hampshire State government relies upon.

> *"What will distinguish the Revenue Estimating Panel from others doing state revenue projections will be its ability to effectively link the drivers of our economy to our state's revenue streams and to identify and project trends on a consistent quarterly basis. Many of our sister states have had excellent results with similar panels that have most often become a highly credible resource for policy makers."*
>
> *Representative Gilbert*

DISCIPLINE

The panel will develop reliable methodologies to track long and short-term trends and report on these results in a consistent format that is most useful to policy makers. The panel plans to gather data from sources that are most likely to assist in identifying correlations of indices of economic activity with significant state revenue categories and to continually evaluate their predictive effectiveness. In this process the panel plans to establish and maintain a list of State Leading Revenue Indicators.

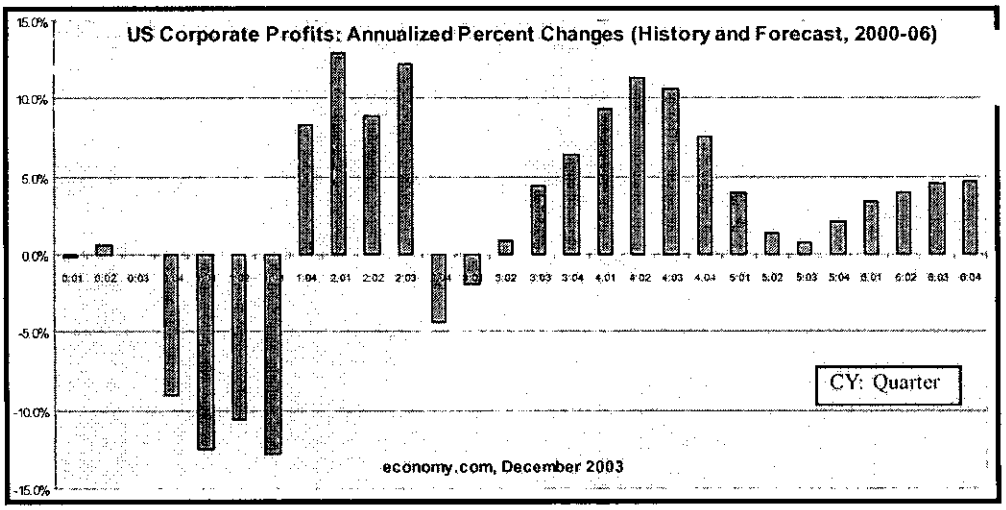
NEXT REPORT

The next report of the panel is due on May 1, 2004. The panel expects that this report will expand the breath of information reported herein.

Economic Update

The New Hampshire economy is recovering along with the US overall economy. The state will benefit from a return to growth in US corporate profitability and employment increases in the state and throughout the six-state New England region.

As can be seen on the chart, US corporate profits are expected to increase over the next year. The employment outlook is also expected to improve, and over time, should strengthen the state's revenue outlook for New Hampshire.



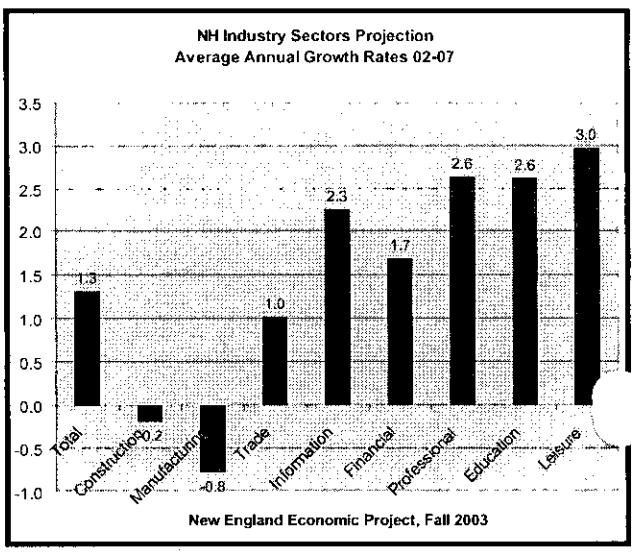
The New Hampshire economy went into recession along with the overall US economy in 2001. However, the state experienced a shorter and less significant recession than other states in the New England region and less extensive decline than during the state's last recession 12 years ago. New Hampshire entered the recession after the nation as a whole and experienced employment decline (on a percentage basis) less than US average and significantly less than Massachusetts. Job losses in NH in the 2001 recession were also well below the recession in the late 1980s and early 1990s.

Long Term declines in Manufacturing. NH's most recent performance compared to US and MA

	Nov-98 to Nov-03	Nov-02 to Nov-03
NH	-21.0%	-2.7%
MA	-20.0%	-2.8%
US	-17.0%	-3.3%
Rank-NH	44	22
Rank-MA	42	26

The steepest employment declines have been in manufacturing in NH and the US. In this sector, New Hampshire's performance was worse than US average. From 1998 to 2003 the state lost over 21% of its manufacturing employment, compared to an average decline in the US of 17%. Manufacturing employment loss in NH has been concentrated in high technology manufacturing, with some sectors within high technology manufacturir such as semi-conductor manufacturing, losing nearly one-half of to employment. Since the end of 2002 manufacturing decline in NH has slowed to below the US average with a decline of 2.7% from November 2002 to November 2003.

As with the most recent total employment trends, in the manufacturing data as of the 3rd quarter of 2003 there are indications that the NH economy is improving ahead of the region's economy. According to the New England Economic Project (NEEP) forecast, NH is expected to be only state in the region with gross state product growth above the US average over the next 3 years. The state's employment growth is also expected to be higher than the regional and US averages for all the main employment sectors except manufacturing. This forecast reflects the overall strength of the Granite State economy and in particular the diverse nature of the NH economy with relative strengths in leisure and hospitality, education and health care services and retail. Professional and business services and information industry employment growth is expected to exceed growth rates in other sectors. NH is expected to recover the jobs lost during the recession before the nation and well before Massachusetts. NH is expected to return to the 2001 employment peak in early 2005, compared to the nation in mid-2005, and Massachusetts not until late 2006 or early 2007.



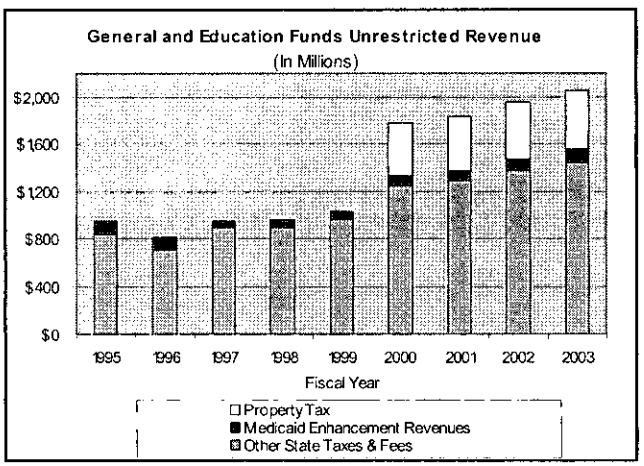
Importantly, New Hampshire maintained (even during the recession) the ability to retain and attract skilled workers and entrepreneurs. There are many reasons for this. They include a favorable tax climate, quality of life, low- crimes per capita, child and family well-being, and the overall health of the population.

The Consensus Revenue Estimating Panel will continue to track and document the performance of the US and NH economies and the relationship between economic indicators and state revenues. Plans in the future are for the panel to present and report on a set of economic indicators and their correlation with state revenue in each of its quarterly reports.

Revenue Update

The state's General and Education Fund revenues are generated from a wide variety of taxes, fees and other evenue sources. The remainder of this section provides a brief description of each of the state's major tax categories and the challenges and possible leading indicators that might be used by the Panel in projecting revenue. The panel has begun its work by adopting the following process:

- Gain a detailed understanding of the nature and components of each revenue source;
- Compile annual revenue totals for the past 25 years and restate history to current rates;
- Adjust collections for one-time events that distort annual performance;
- Consider the effects of inflation on annual revenues;
- Study relationships of revenue collections (dependent) to economic indicators (independent); and
- Use economic projections and regression analysis to project future collections in conjunction with the state's leading revenue indicators.

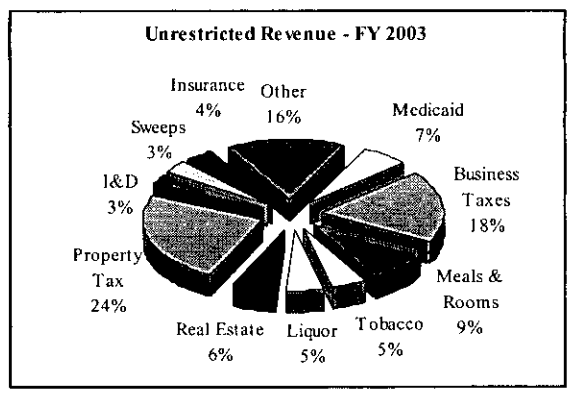


Business Taxes – This category includes the Business Profit Tax (BPT) and the Business Enterprise Tax (BET) and they are the state's most economically sensitive revenue category. The volatility of the total of these taxes has been moderated somewhat by the increasing share being generated by the BET. Since the BPT is based on profits and approximately 80% of the BET is based on payroll, it is important to project these taxes individually. However, the close linkage of these taxes in reporting and taxpayer remittances makes this task a challenge. Recently, the Department of Revenue has reported that identifying tax payments by industry sector is possible. Correlating Business Tax collections with corporate profit and payroll statistics should provide us with forecasting tools.

Meals and Rooms Tax – This revenue source is an 8% tax on lodging and restaurants that was extended to rental cars in fiscal 2000. Critical to projecting this tax is measuring how much of it is generated from tourism (rooms, meals, rental cars) and how much is generated by resident consumer spending patterns (meals). Performing a geographic analysis of the tax at the point of collection will help explain the nature of the underlying event. This tax provides a true monthly data stream and is closely linked without lag to employment statistics and personal income measures.

Liquor, Sweepstakes and Tobacco Tax – Liquor and Sweepstakes net revenues are considered enterprise activities and represent the profits the state derives from these state-run businesses. While marketing strategies are key to their success, understanding purchasing patterns in various economic periods may also provide insight into sales. Tobacco Tax sales on the other hand are considered to be generally in decline, however, the state's tax rate advantage as compared to other New England states has resulted in this tax being an increasing revenue source this past year.

Real Estate Transfer Tax – This tax has experienced substantial growth over the last several years and now represents 6% of the state's total revenue. The latest tax changes included increasing the rate by $2.50 per thousand on July 1, 1999 and closing of the business-to-business transaction loophole on July 1, 2001. Real Estate values have dramatically increased over the last several years driven by low interest rates and increased demand for housing in NH as an alternative to the expensive Boston market. Challenges for projecting this tax include measuring the impact of the closing of the business loophole and projecting interest rate and real estate value fluctuations.



Interest and Dividends Tax – This tax has performed poorly since fiscal 2001 because of historically low interest rates. The tax collections may receive a boost in April due to the change in federal law exempting dividends from federal taxation. Dividend trends and interest rate projections will be good predictors of this tax.

Statewide Property Tax – This revenue component was enacted in fiscal 2000 and consists of an amount retained locally and an amount remitted to the state. The rate initially set at $6.60 per thousand has been reduced to $5.80 in fiscal 2003, $4.92 in fiscal 2004, and $3.24 in fiscal 2005.

Medicaid Enhancement Revenue – This revenue category consists of various federally authorized billing practices that have been used by the state over the last 10 years. Recent meetings by the Governor with federal officials appear to have secured this revenue source over the current biennium. The state's reliance on these revenues continues to grow and there are substantial risks associated with this revenue source. Major program changes appear to be forthcoming as the state explores all of its Medicaid and Health Care revenue options.

STATE OF NEW HAMPSHIRE

FY 2004 - 2005 BUDGET - GENERAL AND EDUCATION FUNDS

(In Millions)

	FY 02	FY 03	FY 04	FY 05	Percent Increase	
	Actuals	Actuals	Budget	Budget	FY 04	FY 05
Business Profits Tax	161.2	$ 174.9	$ 228.6	$ 234.9	30.7%	2.8%
Business Enterprise Tax	222.2	218.0	175.2	180.1	-19.6%	2.8%
Subtotal	**383.4**	**392.9**	**403.8**	**415.0**	**2.8%**	**2.8%**
Meals & Rooms Tax	170.6	175.4	183.5	191.2	4.6%	4.2%
Tobacco Tax	84.3	94.1	94.9	94.9	0.9%	0.0%
Liquor Sales and Distribution	96.2	99.0	108.1	114.5	9.2%	5.9%
Interest & Dividends Tax	70.3	55.1	61.0	64.0	10.7%	4.9%
Insurance Tax	76.1	82.2	82.9	85.6	0.9%	3.3%
Communications Tax	64.7	62.4	66.5	69.0	6.6%	3.8%
Real Estate Transfer Tax	99.5	118.2	120.5	123.5	1.9%	2.5%
Estate & Legacy Tax (1)	57.0	59.1	19.4	11.4	-67.2%	-41.2%
Transfers from Sweepstakes	66.1	66.6	69.0	71.0	3.6%	2.9%
Tobacco Settlement	45.7	45.9	39.6	39.6	-13.7%	0.0%
Utility Property Tax	18.2	18.8	19.0	20.5	1.1%	7.9%
Federal Flexible Grant (2)	-	25.0	25.0	-	0.0%	-100.0%
Other	127.5	135.0	138.9	142.6	2.9%	2.7
Total Traditional Taxes	**1,359.6**	**1,429.7**	**1,432.1**	**1,442.8**	**0.2%**	**0.7%**
Medicaid Enhancement Revenues						
Net Medicaid Revenue	98.2	117.0	154.2	162.4	31.8%	5.3%
Other Medicaid Revenue	16.3	16.6	29.3	22.8	76.5%	-22.2%
Total Medicaid Revenues	114.5	133.6	183.5	185.2	37.4%	0.9%
Property Taxes (3)						
Not Retained Locally	29.0	32.7	29.9			
Retained Locally	454.1	453.0	443.4	363.4		
Total Property Taxes	483.1	485.7	473.3	363.4	-2.6%	-23.2%
Total	**1,957.2**	**$ 2,049.0**	**$ 2,088.9**	**1,991.4**	**1.9%**	**-4.7%**

Comments on Tax Base Decreases

(1) Change in State and Federal Tax Law.
(2) One-Time Revenue.
(3) Change in Tax Rates.

State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

RECEIVED
JUL 20 2004
By ✓

MEMORANDUM

DATE: July 16, 2004

TO: Honorable Craig Benson, Governor
Honorable Gene Chandler, Speaker of the House
Honorable Thomas R. Eaton, President of the Senate
Honorable Norman L. Major, Chairman, House Ways and Means Comm.
Honorable Lou D'Allesandro, Chairman, Senate Ways and Means Comm.
Honorable Neal M. Kurk, Chairman, House Finance Comm.
Honorable Richard P. Green, Chairman, Senate Finance Comm.
Honorable Karen O. Wadsworth, Clerk of the House
Honorable Steven J. Winter, Clerk of the Senate

Michael York (State Librarian)

FROM: Rep. Jeffrey D. Gilbert, Chair

SUBJECT: June 30, 2004 Quarterly Report

Pursuant to RSA 17-Q (HB 805, Chapter 155, Laws of 2003), enclosed please find the June 30, 2004 quarterly report of the Consensus Revenue Estimating Panel.

If you have any questions or comments regarding this report, please do not hesitate to contact me.

Enclosure
cc: Panel Members
Nancy LeVinus, Committee Researcher

State of New Hampshire
Consensus Revenue Estimating Panel
RSA 17-Q



June 30, 2004 Report #2

AUTHORITY AND PURPOSE

The Consensus Revenue Estimating Panel (RSA 17-Q) was established by the 2003 legislative session of the General Court (Chapter 155). The purpose of the panel is to monitor revenue estimating variables such as employment, population, interest rates, income and other indices as are appropriate and to provide quarterly guidance to the legislative and executive branches of state government on current and long-term state revenue trends.

MEMBERS

Representative Jeffrey D. Gilbert and Senator Lou D'Allesandro are co-chairmen of the panel.

Legislature:
Representative Jeffrey D. Gilbert
Senator Lou D'Allesandro
Senator Robert E. Clegg, Jr.
Representative Peyton B. Hinkle

Acedemic-UNH:
Professor Ross Gittell
Associate Dean James Wible

Executive:
Peter Yao, Governor's Budget Director
Tom Martin, Comptroller
Dept. of Administrative Services
George P. Blatsos, Commissioner
Dept. of Revenue Administration

Business:
Dan Rodgers
John Babiarz
Chris Hodgdon

Introduction

This is the second report issued by the Revenue Panel. Included in this report is a recap of fiscal year 2004 revenue performance and the introduction of the Economic Benchmark Revenue Indicators. In future reports, the Revenue Indicators will be used to provide a methodology to help project future revenue performance. The Panel thanks Professor Ross Gittell for his expertise in providing this invaluable analysis.

Recap of Fiscal Year 2004 Revenue

As can be seen on page four of this report, fiscal year 2004 General and Education Funds revenue is projected to total $2,165.6 million. The fiscal year 2004 projections are based on cash collections through June 30th and estimated year-end receivables and other adjustments. These projections should be considered preliminary and subject to audit. The budget for fiscal year 2005 is shown as a reference only and represents the original budget passed in September 2003, adjusted for property tax estimates as authorized by *Chapter 200 Laws of 2004*.

Revenue sources are grouped in the following categories:

Activity Based Revenue is projected to increase 6.7% in fiscal year 2004. The State's largest traditional revenue source, Business Taxes, slightly exceeded it's plan totaling $409.7 million. Meals and Rooms tax had strong positive growth increasing 5.2% over prior year. The Real Estate Transfer (RET) Tax for the third consecutive year increased at a double-digit rate reflecting the continued strength of the housing market. Collections for the RET exceeded plan by $21.3 million.

Event Driven Revenue includes Tobacco Settlement annual payments and two $25 million payments received under the Federal Jobs and Growth Tax Relief Reconciliation Act, known as the Flexible Grant. The Estate and Legacy Tax is also included in this category due to changes in state legislation that eliminated the Legacy Tax and changes in federal legislation that will eventually phase out the Estate Tax. At its peak, the Estate and Legacy Tax generated $59.3 million in fiscal year 2001. Legislation proposed to decouple the state Estate Tax mandated reductions as a result of federal tax law changes, was defeated in the last legislative session.

Medicaid – Revenue received from various Enhanced Medicaid Billing opportunities is expected to total $211.7 million. The activities included in this category include: 6% Hospital Tax; New Hampshire Disproportionate Share Billing; Proportionate Share Revenue; Drug Rebates and Other Recoveries. Due to the unusual nature of these transactions, these revenues will be analyzed during the year-end audit, and the results of the review will not be known for several months.

Property Tax –The State Property Tax totaled $473.2 million. Included in this category is the amount that stays local and the amount remitted to the State.

Economic Update

Overview:

The New Hampshire Economic Benchmark Revenue Indicators is a list of economic indictors to help predict future state revenue trends. The Committee plans to report on the benchmarks of future state revenue on a quarterly basis.

The economic benchmark indicators were selected based on the Committee's determination of the economic variables that would:

- be most informative regarding future New Hampshire state revenue;
- be familiar to policy makers and business persons;
- be reported on regularly by local, New Hampshire and national media;
- reflect how the state's revenue is effected by the economy in the state and also by the United States, New England regional and Massachusetts' economies;
- and, have reliable data, regular historical updates and forecasts available on a timely basis.

The primary source of historical data for the benchmark indicators are United States and New Hampshire government statistical agencies. Forecast data is from the New England Economic Project (NEEP). (NEEP is a non-profit, non-partisan research organization whose board members and forecasters include leading industry, banking and academic economists in the New England region). Data is provided on a quarterly basis and with quarter-to-quarter annualized growth presented.

The New Hampshire Economic Benchmarks, 2nd quarter 2004, are presented on following page, see **Table 1: New Hampshire Economic Benchmark Indicators.**

How to Use the Economic Benchmark Indicators:

Some of the indicators will have short-term or coincident effect on state revenues. However, most of the indicators will impact state revenue with a lag. For example, employment trends in New Hampshire and the New England region tend to influence rooms and meals tax with a one-year lag and US Corporate profits effect business profits and enterprise tax with a one to one and one-half year lag. That is changes in US Corporate profits in the 2nd quarter of 2004 will have the most significant effect on state revenue in calendar year 2005 and budget/tax year 2006.

Summary:

To summarize the trend of the economic benchmarks and their change over time an aggregate measure can be used. The measure is the net of improving minus declining indicators. It can vary from 20 to –20. Currently (the 2nd quarter of 2004) the net indicator is +3. This reflects an improvement from the last quarter of 2003 and first quarter of 2004. The economy as it relates to state revenue is expected to improve in the third quarter of 2004 and then decline significantly in the first two quarters of 2005.

Figure 1:
NH Revenue Indicator: Aggregate Index of Improving minus Declining Indicators

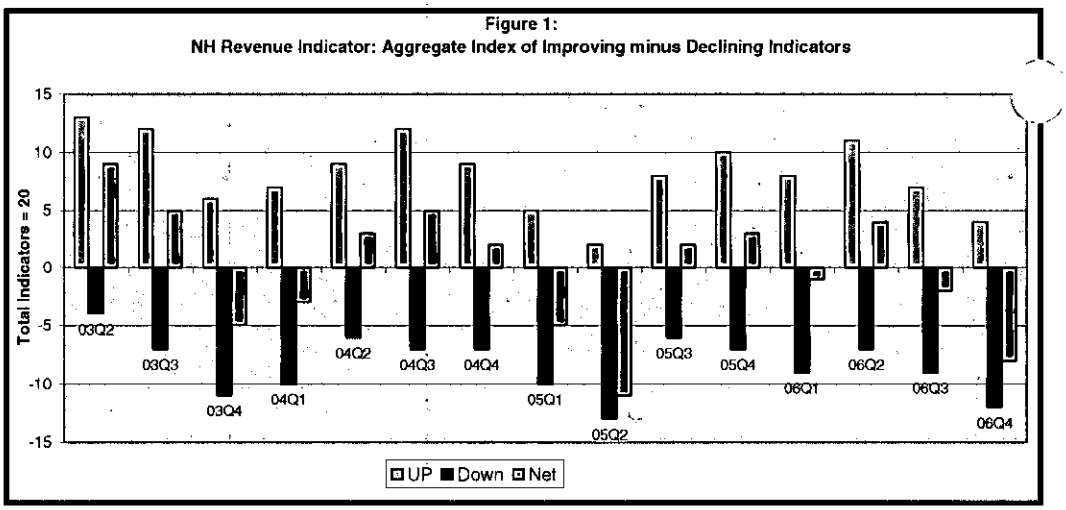


Figure 1: Aggregate Index of Indicators: Numbers of Indicators Improving, Declining and Net. The aggregate index of indicators predicts positive economic trends will continue through the calendar year 2004 that support growth in state revenue. In the first half of 2005 the indicators suggest an economic downturn. The downturn will dampen revenue growth in late 2005 and early 2006.

Future Plans:

The Committee seeks to keep its work, reports and the benchmark indicators useful for policy makers, business persons and the general public.

In future work and reports the Committee will provide:

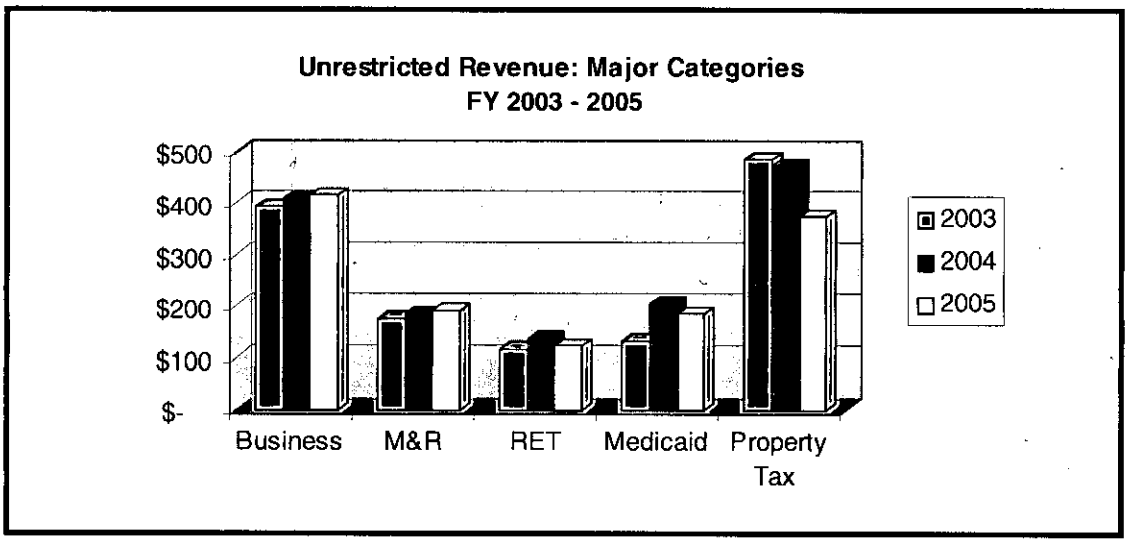
- refined versions of the benchmarks, including key indicators and composite tracking measures for different state rever sources;
- analysis of the relationship (including time lags) between individual and collective benchmark indicators and different state revenue sources;
- and, commentary and analysis of key issues and topics affecting state revenue.

Table 1: New Hampshire Economic Benchmark Revenue Indicators May 2004

		03Q1	03Q2	03Q3	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2	05Q3	05Q4	06Q1	06Q2	06Q3	06Q4
New Hampshire																	
Total Employment (Thous.)		614.2	614.6	618.8	621.4	622.5	623.9	626.0	628.5	631.5	634.5	637.4	640.3	643.0	645.6	647.9	650.1
	% Change	*-1.9*	*0.3*	*2.7*	*1.7*	*0.7*	*0.9*	*1.3*	*1.6*	*1.9*	*1.9*	*1.9*	*1.8*	*1.7*	*1.6*	*1.4*	*1.4*
Per Capita Income		34,585.5	34,779.4	35,097.6	35,406.4	35,716.4	35,981.6	36,242.0	36,509.7	36,821.6	37,124.3	37,440.9	37,743.5	38,087.8	38,424.2	38,792.1	39,153.8
	% Change	*2.4*	*2.3*	*3.7*	*3.6*	*3.5*	*3.0*	*2.9*	*3.0*	*3.5*	*3.3*	*3.5*	*3.3*	*3.7*	*3.6*	*3.9*	*3.8*
Gross State Product (Bil.$)		46.6	47.0	47.6	48.2	48.7	49.1	49.6	50.1	50.5	50.8	51.2	51.7	52.2	52.7	53.2	53.8
	% Change	*1.9*	*2.8*	*5.3*	*5.4*	*3.8*	*4.1*	*3.8*	*3.8*	*3.1*	*2.9*	*3.3*	*3.5*	*3.8*	*4.1*	*4.2*	*4.1*
Housing Permits		7,443.7	8,776.7	8,363.1	9,240.0	7,972.7	7,596.1	7,346.9	7,055.0	6,763.0	6,681.9	6,599.4	6,559.3	6,603.8	6,690.8	6,735.5	6,737.9
	% Change	*-44.6*	*93.3*	*-17.6*	*49.0*	*-44.6*	*-17.6*	*-12.5*	*-15.0*	*-15.6*	*-4.7*	*-4.8*	*-2.4*	*2.7*	*5.4*	*2.7*	*0.1*
Sales, Existing Homes (Thous.)		42.2	41.4	45.6	45.9	43.9	42.0	39.8	38.2	36.8	36.2	36.7	37.3	37.7	38.1	38.3	38.5
	% Change	*25.4*	*-7.4*	*46.7*	*2.8*	*-16.3*	*-16.1*	*-19.7*	*-15.0*	*-13.6*	*-6.8*	*5.9*	*6.7*	*4.1*	*4.1*	*2.5*	*1.7*
Median Price		226.4	221.5	228.3	231.5	233.0	233.4	235.8	237.0	237.6	238.1	239.9	242.3	243.8	245.3	247.0	249.1
	% Change	*15.8*	*-8.5*	*12.9*	*5.7*	*2.7*	*0.7*	*4.2*	*2.1*	*1.1*	*0.7*	*3.2*	*4.0*	*2.4*	*2.5*	*2.9*	*3.3*
Population (Thous.)		1,284.5	1,287.7	1,291.2	1,294.6	1,297.9	1,301.1	1,304.6	1,308.1	1,311.5	1,315.0	1,318.2	1,321.5	1,324.6	1,327.9	1,331.2	1,334.5
	% Change	*1.0*	*1.0*	*1.1*	*1.1*	*1.0*	*1.0*	*1.1*	*1.1*	*1.1*	*1.1*	*1.0*	*1.0*	*1.0*	*1.0*	*1.0*	*1.0*
Labor Force (Thous.)		711.6	716.3	722.5	725.2	726.7	729.1	731.9	734.8	737.7	740.4	742.9	745.4	747.6	750.0	752.0	754.2
	% Change	*0.6*	*2.6*	*3.5*	*1.5*	*0.8*	*1.3*	*1.5*	*1.6*	*1.6*	*1.5*	*1.4*	*1.3*	*1.2*	*1.3*	*1.1*	*1.2*
Unemployment Rate		4.4	4.2	4.3	4.2	4.2	4.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.1	4.1	4.1
Massachusetts																	
Employment, Total	% Change	*-2.4*	*0.8*	*0.0*	*0.5*	*0.3*	*1.2*	*1.6*	*1.9*	*2.0*	*1.7*	*1.6*	*1.5*	*1.4*	*1.3*	*1.1*	*1.0*
Gross State Product	% Change	*-0.6*	*-0.3*	*0.8*	*1.0*	*2.0*	*3.0*	*4.4*	*4.3*	*3.2*	*2.6*	*3.2*	*3.5*	*3.8*	*4.1*	*4.3*	*4.1*
Unemployment Rate		*5.4*	*5.6*	*5.7*	*5.8*	*5.7*	*5.8*	*5.6*	*5.5*	*5.5*	*5.5*	*5.5*	*5.4*	*5.5*	*5.4*	*5.4*	*5.3*
New England																	
Gross Regional Product	% Change	*0.4*	*0.4*	*3.4*	*3.3*	*3.2*	*3.8*	*4.1*	*4.0*	*3.1*	*2.7*	*3.2*	*3.5*	*3.8*	*4.1*	*4.3*	*4.1*
Employment, Total	% Change	*-2.2*	*-0.8*	*-0.4*	*-0.2*	*0.7*	*1.2*	*1.4*	*1.7*	*1.9*	*1.7*	*1.7*	*1.6*	*1.4*	*1.3*	*1.2*	*1.1*
United States																	
US Corporate Profits	% Change	*-3.3*	*48.1*	*46.0*	*0.7*	*13.0*	*13.0*	*10.4*	*7.2*	*-2.9*	*-4.3*	*-1.4*	*-0.3*	*1.1*	*3.0*	*3.7*	*4.6*
Prime Interest Rate	%	*4.3*	*4.2*	*4.0*	*4.0*	*4.0*	*4.0*	*4.3*	*4.8*	*5.4*	*5.7*	*6.1*	*6.6*	*7.3*	*7.5*	*7.8*	*8.0*
CPI (inflation)	% Change	*3.9*	*0.6*	*2.3*	*0.7*	*2.2*	*1.1*	*0.9*	*1.1*	*1.3*	*1.5*	*1.6*	*1.8*	*2.0*	*2.1*	*2.3*	*2.4*
S&P 500	% Change	*-12.0*	*41.5*	*29.4*	*24.3*	*52.8*	*27.5*	*7.6*	*6.3*	*1.3*	*0.2*	*3.1*	*6.0*	*15.3*	*20.4*	*18.2*	*6.6*
Fixed Investment Non-residential	% Change	*-0.6*	*7.0*	*12.8*	*9.6*	*13.0*	*16.1*	*15.7*	*12.2*	*5.9*	*5.0*	*5.0*	*5.2*	*5.4*	*5.6*	*5.9*	*5.6*
Aggregate Indicators			03Q2	03Q3	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2	05Q3	05Q4	06Q1	06Q2	06Q3	06Q4
Improving	*UP*	*13*	*12*	*6*	*7*	*9*	*12*	*9*	*5*	*2*	*8*	*10*	*8*	*11*	*7*	*4*
Declining	*Down*	-4	-7	-11	-10	-6	-7	-7	-10	-13	-6	-7	-9	-7	-9	-12
Net Indicator	*Net*	*9*	*5*	*-5*	*-3*	*3*	*5*	*2*	*-5*	*-11*	*2*	*3*	*-1*	*4*	*-2*	*-8*

State of New Hampshire
Unrestricted Revenue
General and Education Funds
FY 1999 - 2005

	Actuals					Projected	Budget
Revenue Category	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Activity Based Revenue							
Business Taxes	257.8	317.3	354.3	383.4	392.8	409.7	415.0
Growth	*8.1%*	*23.1%*	*11.7%*	*8.2%*	*2.5%*	*4.3%*	*1.3%*
Meals & Rooms	137.2	156.2	164.0	170.6	175.4	184.5	191.2
Growth	*6.6%*	*13.8%*	*5.0%*	*4.0%*	*2.8%*	*5.2%*	*3.6%*
Real Estate Transfer	52.9	85.0	89.2	99.5	118.2	141.8	123.5
Growth	*19.7%*	*60.7%*	*4.9%*	*11.5%*	*18.8%*	*20.0%*	*-12.9%*
Tobacco Tax	73.8	95.0	86.4	84.3	94.1	100.1	94.9
Growth	*-3.0%*	*28.7%*	*-9.1%*	*-2.4%*	*11.6%*	*6.4%*	*-5.2%*
Liquor & Sweeps	77.4	147.5	148.7	162.3	165.6	180.1	185.5
Growth	*2.7%*	*90.6%*	*0.8%*	*9.1%*	*2.0%*	*8.8%*	*3.0%*
I&D, Ins, Comm	172.2	172.6	192.2	211.1	199.7	208.3	218.6
Growth	*10.0%*	*0.2%*	*11.4%*	*9.8%*	*-5.4%*	*4.3%*	*4.9%*
Other	127.0	162.2	153.2	145.7	153.9	162.4	163.1
Growth	*-4.9%*	*27.7%*	*-5.5%*	*-4.9%*	*5.6%*	*5.5%*	*0.4%*
Total Activity Based Revenue	**898.3**	**1,135.8**	**1,188.0**	**1,256.9**	**1,299.7**	**1,386.9**	**1,391.8**
Growth	*5.3%*	*26.4%*	*4.6%*	*5.8%*	*3.4%*	*6.7%*	*0.4%*
Event Driven Revenue							
Tobacco Settlement		54.2	38.7	45.7	45.9	41.8	39.6
Growth			*-28.6%*	*18.1%*	*0.4%*	*-8.9%*	*-5.3%*
Est & Leg	54.7	56.4	59.3	57.0	**59.1**	**27.0**	**11.4**
Growth	*26.3%*	*3.1%*	*5.1%*	*-3.9%*	*3.7%*	*-54.3%*	*-57.8%*
Flexible Grant	-	-	-	-	**25.0**	**25.0**	-
Growth							
Total Event Driven Revenue	**54.7**	**110.6**	**98.0**	**102.7**	**130.0**	**93.8**	**51.0**
	26.3%	*102.2%*	*-11.4%*	*4.8%*	*26.6%*	*-27.8%*	*-45.6%*
Medicaid	**86.3**	**87.1**	**98.2**	**114.5**	**133.6**	**211.7**	**185.2**
Growth	*12.5%*	*0.9%*	*12.7%*	*16.6%*	*16.7%*	*58.5%*	*-12.5%*
Property Tax	-	**442.1**	**442.2**	**483.1**	**485.7**	**473.2**	**373.5**
Growth			*0.0%*	*9.2%*	*0.5%*	*-2.6%*	*-21.1%*
Total	**1,039.3**	**1,775.6**	**1,826.4**	**1,957.2**	**2,049.0**	**2,165.6**	**2,001.5**
Growth	*6.8%*	*70.8%*	*2.9%*	*7.2%*	*4.7%*	*5.7%*	*-7.6%*



Voting Sheets

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on HB 805

BILL TITLE: **establishing a consensus revenue estimating panel.**

DATE: March 10, 2023

LOB ROOM: 202

Amendments:

Sponsor: Rep. Gilbert OLS Document #: 0618h (Adopted)/Failed Voice vote

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: OTP, (OTP/A), ITL, Interim Study (Please circle one.)

Moved by Rep. Ingram

Seconded by Rep. Hughes

Vote: 12-4 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. _____

Seconded by Rep. _____

Vote: _____ (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: NO

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Vivian R. Clark, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

WAYS AND MEANS

Bill #: HB 805 **Title:** _____

PH Date: ___/___/___ Exec Session Date: 3/10/03

Motion: OTP/A Amendment #: 0618h

MEMBER	YEAS	NAYS
Major, Norman L, Chairman	12	
Gilbert, Jeffrey D, V Chairman	1	
Clark, Vivian R, Clerk		1
Hess, David W	A	
Langone, John S	2	
Giuda, Robert J	A	
Camm, Kevin L	A	
Griffin, Mary E	3	
Gibson, John M		2
Jasper, Shawn N		3
Hinkle, Peyton B		4
Hughes, Daniel M	A	
Ingram, Russell F	A	
McCormick, Tom F	6	
Roessner, Kurt J	7	
Almy, Susan W	8	
Davis, Frank W	9	
Espiefs, Peter S	A	
Hamm, Christine C	A	
Hammond, Lee M	10	
Pappas, Christopher C	11	
	12-4	

TOTAL VOTE:
Printed: 2/13/2003

Committee Report

F

COMMITTEE REPORT

COMMITTEE: **Ways and Means**

BILL NUMBER: **HB 805**

TITLE: establishing a consensus revenue estimating panel.

DATE: March 10, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill puts into statute the Governor's revenue estimating panel that was established in 1997 by executive order. It strengthens the independence and effectiveness of the panel. The purpose of the Revenue Estimating Panel is to assist the Governor and the Legislature in providing more consistent and credible long-range trends for the state. The panel consists of members of the House and Senate, the Executive branch, and members of the business and academic communities. The bill requires the panel to issue quarterly reports and sets a term of three years for each of its members. The Governor supports the bill as does the Treasurer and former Commissioner of Revenue, and the former Chairman of the House Ways & Means committee. The committee believes that this bill makes significant improvements to the resources available to the state executive and legislative branches to timely and credibly forecast the revenues.

Vote 12-4.

Rep. Russell F. Ingram
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Ways and Means

HB 805, establishing a consensus revenue estimating panel. **OUGHT TO PASS WITH AMENDMENT**

Rep. Russell F. Ingram for Ways and Means: This bill puts into statute the Governor's revenue estimating panel that was established in 1997 by executive order. It strengthens the independence and effectiveness of the panel. The purpose of the Revenue Estimating Panel is to assist the Governor and the Legislature in providing more consistent and credible long-range trends for the state. The panel consists of members of the House and Senate, the Executive branch, and members of the business and academic communities. The bill requires the panel to issue quarterly reports and sets a term of three years for each of its members. The Governor supports the bill as does the Treasurer and former Commissioner of Revenue, and the former Chairman of the House Ways & Means committee. The committee believes that this bill makes significant improvements to the resources available to the state executive and legislative branches to timely and credibly forecast the revenues. **Vote 12-4.**

Norm's changes

COMMITTEE REPORT

COMMITTEE: **Ways and Means**

BILL NUMBER: **HB 805**

TITLE: establishing a consensus revenue estimating panel.

DATE: March 10, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill puts into statute the Governor's revenue estimating panel that was established in 1997 by executive order. It strengthens the independence and effectiveness of the panel. The purpose of the Revenue Estimating Panel is to assist the Governor and the Legislature in providing more consistent and credible ~~revenue estimates~~ LONG RANGE TRENDS for the state. The panel consists of members of the House and Senate, the Executive branch, and members of the business and academic communities. The bill requires the panel to issue quarterly reports and sets a term of three years for each of its members. The Governor, supports the bill as does the Treasurer and former Commissioner of Revenue, ~~Stanley Arnold~~, and ~~David Alukonis~~, the former Chairman of the HOUSE Ways & Means committee. The committee believes that this bill makes significant improvements to the resources available to the state to timely and credibly forecast the revenues.

EXECUTIVE AND LEGISLATIVE BRANCHES

Vote 12-4.

LONG RANGE REVENUE TRENDS FOR THE STATE,

Rep. Russell F. Ingram
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

HB 805 This bill puts into statute the Governor's revenue estimating panel that was established in 1997 by executive order. It strengthens the independence and effectiveness of the panel. The purpose of the Revenue Estimating panel is to assist the Governor and the Legislature in providing more consistent and credible revenue estimates for the state. The panel consists of members of the House and the Senate, the executive branch and members of the business and academic communities. The bill requires the panel to issue quarterly reports and sets a term of 3 years for each of its members. The Governor supports the bill as does the Treasurer the former Commissioner of Revenue Stanley Arnold and David Aitkins the former chairman of the House Ways & Means Committee. The Committee believes that this bill makes significant improvements to the state's resources available to the state to simply and credibility forecast its revenues. Vote 12 to 4

Rep Ingham