



## GREATER MANCHESTER CHAMBER OF COMMERCE

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#### Governor Calls For Spending Reductions

The biggest news of the week came from Governor Lynch as he testified before the House Finance Committee with news that the state's revenue structure was not performing up to the expectations that were approved by him and the Legislature seven months ago. And just as sure as the sun coming up everyday, politics quickly became involved in the interpretation of the grim news. The Governor asked for a \$50 million reduction in state agency spending as his office forecasts a shortfall of approximately \$49+ million. He attributed the downturn to the national economy while Republicans blamed the need for cuts on a Democrat-led spending spree last spring when the state budget was enacted. There is never a certain reason for these circumstances that seem to befall most governors but one thing is certain; we have not heard the last of the blame game, as this issue will be around until the November general election.

With the excitement of the First in the Nation primary behind us, the House and its twenty plus committees went into overdrive with the holding of public hearings, sub-committee work sessions as well as some executive sessions where the first committee votes of the session were held. Additionally, both the House and Senate met in deliberative sessions this week as each body continues to vote on bills left over from the 2007 session that needed a little more time for consideration by our solons.

Speaking of needing extra time for bills from last year, two bills in particular seemed to need extra, extra time as the House chose to essentially recommit a beverage container fee proposal and the regulation of tracking devices (such as a radio frequency identification (RFID) tag that may be associated with consumer products). Interestingly, both bills had committee votes that would usually suggest that their majority opinion would prevail but in these instances, significant floor fights (read debates) were anticipated but all sides agreed to avoid a bloodletting on the House Floor and it was agreed that further testimony and review would be given to each.

With dozens of public hearings on proposed legislation taking place and a plethora of testimony being offered, little decision making was occurring. Some of the more global and interesting discussions of the week touched on climate change through the legislation on the regional greenhouse gas initiative (RGGI), water withdrawals and how best to prioritize them in a competing situation from the same source, and the state's implementation process for a new state financial accounting system.

RGGI was a hearing process that was extended from last week to this week. The Governor, the Department of Environmental Services and representatives of the state's many different environmental groups all supported the measure through public testimony. Offering cautionary testimony about costs and process were members of the business community. Utilities were generally supportive of the proposal as long as some types of safeguards were in place to address power supply and costs during times of peak usage.

Water withdrawal issues have been a part of the debate in Concord for the last 20 years and this year is no different. Proposals as broad as giving single municipalities veto authority over water withdrawals involving communities with ties to the same water resource are being considered this year despite the fact that the Legislature already has two ongoing studies relative to water withdrawals and instream flows. Before the legislature makes any more law in the area of water withdrawals, it needs the results from these studies so that they have factual information on which to base their decisions. Too much of the testimony they have heard in these early days of the 2008 session has been emotionally driven without any supporting facts or data.

The state of NH continues to struggle with the implementation of its new statewide accounting and financial system. It appears that the right hand is not in sync with the left hand and this system was to be in place and functioning on July 1, 2007 is now going to be hard-pressed to operating by July 1, 2008. Legislation is being considered to aid in the process and some offices in state government are about to undertake their own independent audit of the program's implementation. Stay tuned on this issue that could also become a campaign issue about management capabilities.

And finally this week, some members of the House were again suggesting that the state needs to tell the NH citizen what is good for them. The House Children & Family Law Committee heard a bill this week mandating that anyone under the age of 18 wear a helmet while skiing. While the ski industry has an excellent safety record and it encourages the use of helmets on the slopes, it does not want to be home to the first state in the nation to mandate that helmets must be worn on the slopes. There are many operational reasons as well as liability concerns for why ski areas in NH should not become the helmet police for a law that the sponsors claimed was necessary so that parents could point to it when asking their children to wear a helmet. Statistical analysis offered in testimony showed that more people wearing helmets suffer more serious head injuries than those who are not wearing helmets. The conclusion of the analysis is that the more serious accidents of those who were wearing helmets are the result of changed ski behavior. It clearly shows that those who wear helmets are more inclined to ski over and above their capabilities. So yet again, some in the legislature are trying to legislate our behavior. Let's hope this and other individual liberty type legislation is found to be inexpedient to legislate.

**Bruce Berke**  
Sheehan Phinney Capitol Group  
bberke@sheehan.com

#### CHAMBER INSIGHT:

You may sometimes find yourself wondering how the Chamber ends up focusing on certain issues in Concord each year. As the legislative session is now in full swing, this is a good time to share how the Greater Manchester Chamber of Commerce (GMCC) formulates its policy positions.

Each year GMCC Government Affairs Committee (GAC) spends time at the outset of the

legislative season developing and reviewing the priorities and principles that govern the Chamber's positions on key pieces of legislation. This year the GAC took an extra step and formalized its policy criteria into a "guiding principles document." The actual criteria can be seen below:

- Does the issue adversely affect the finances or "costs of doing business" of business owners?
- Does the issue affect the ability of a business manage his or her business?
- Does the issue affect the overall economic health of the business community?
- Does the issue affect the economic and built infrastructure of the state or Greater Manchester region?
- Does the issue affect the state or region's ability to provide a well educated and healthy workforce?
- Does the issue balance government oversight with free market principles?

Each piece of legislation or policy issue the GAC reviews is considered against these six questions. If the answer to any of the six is "yes," then it is appropriate for the GAC to consider supporting or opposing that particular issue. Of course, the process is slightly more complicated than that as the GAC also must consider several internal strategic criteria when deciding the appropriateness of an issue. Once that process is complete the GAC reviews the positive and the negative aspects of each issue and makes a recommendation to the GMCC Board of Directors. While the entire process is requires the participation of several dozen people, thanks to modern technology issues can be reviewed and positions established in as quickly as 48 hours.

So now that you know how the GMCC establishes its policy positions, what are the top issues for 2008? Overall, the GMCC remains committed to its four strategic goals of Restoration of Commuter Rail, Expanding Convention Center Space, Riverfront Development, and Community Safety and Beautification. With Rail being the only goal discussed in Concord, the GAC will once again focus its advocacy efforts on this issue. As mentioned last week, the passage of a liability cap for rail service operations is the major rail legislation for 2008. The GAC will also advocate for funding and additional resources for the newly formed NH Rail Transit Authority. With the status of the state budget, however, securing new funding for the Authority will be challenging.

Besides Commuter Rail, the GAC will be focusing on several other key issues this year including health care reforms, education funding, tax policy, fighting excessive mandates or regulatory requirements that increase the cost of doing business, and of course protecting the New Hampshire Advantage.

Below you will find a list of current legislation the GAC is monitoring. Over the next few weeks the Chamber will highlight in this column which of these bills we are supporting and opposing and the reasoning behind each position. If you have a question regarding any pending legislation or the policy review process described earlier in this column, please do not hesitate to contact the Chamber. The GMCC is here to be your business advocate and your voice in Concord. In order for us to do so effectively, we need feedback from you! Please direct any questions to [michaels@manchester-chamber.org](mailto:michaels@manchester-chamber.org) or call (603) 792-4107.

**Michael Skelton**

Greater Manchester Chamber of Commerce

[michaels@manchester-chamber.org](mailto:michaels@manchester-chamber.org)

CACR	21	Relating to local public education
CACR	29	Relative to education. Providing that the recognition of local control of education in NH constitution is reestablished.
CACR	24	Relating to prohibiting any new tax on personal income
HB	1209	Establishing a 6-year transportation improvement plan
HB	1352	Relative to biennial reporting on the comprehensive state development plan
HB	1404	Relative to liability insurance for passenger rail service
HB	1259	Authorizing communities to establish municipal housing commissions
HB	1260	Relative to growth management ordinances
HB	1269	Authorizing local governing bodies to place certain properties on a conservation priority list
HB	1472	Relative to workforce housing
HB	1224	Relative to the definition of an adequate education
HB	1268	Establishing a commission to study creating incentives for electricity conservation and efficiency by consumers
HB	1417	Relative to banning the sale of low-efficiency light bulbs
HB	1434	Relative to the regional greenhouse gas initiative and authorizing cap and trade programs for controlling carbon dioxide emissions.
HB	1460	Requiring the PUC provide cost recovery for construction of generation assets by PSNH
HB	1544	Relative to the development of effective energy efficient measures
HB	1561	Establishing an energy conservation and efficiency board
HB	1579	Relative to setback requirements from wetlands
HB	1220	Establishing a commission to study the taxation

		of alternative fuel and electric powered motor vehicles for the purpose of funding improvements to the state's highways and bridges
HB	1308	Relative to the business profits tax deduction for reasonable compensation
HB	1355	Exempting alternative and renewable fuels from the road toll
HB	1365	Relative to changes in the rates of highway tolls
HB	1373	Establishing an income tax
HB	1445	Increasing the road toll and designating the increase for the highway and bridge betterment account
HB	1493	Relative to the commission to the study the state highway trust fund
HB	1556	Establishing a property tax relief program
HB	1574	Increasing the beer tax
HB	1593	Establishing a flat rate education income tax and relative to the statewide enhanced education tax and certain other taxes
HB	1606	Relative to the rate of highway tolls
HB	1195	Relative to health care provider reimbursement for service to patients without health insurance
HB	1296	Relative to health insurance coverage in the event of divorce or legal separation.
HB	1608	Requiring insurance coverage for colorectal screening for adults in NH
HB	1515	Prohibiting at will employment and creating a database of employee terminations
HB	1531	Relative to allowing a course of action for identify theft
HB	1534	Relative to the misuse of social security numbers
HB	1156	Relative to workers compensation insurance premium calculations for certain corporation officers or limited liability company members
HB	1597	Relative to workers compensation compliance

HB	1137	Relative to contracts with illegal aliens
HB	1152	Relative to annual reports filed by business corporations
HB	1179	Including certain nonprofit organizations under the right to know law
HB	1187	Regulating disclosure of personal information obtained in the course of business
HB	1265	Establishing a duty for owners of businesses and institutions to provide protection to customers and employees and liability for failure to provide protection
HB	1392	Relative to prohibited activities of lobbyists
HB	1506	Establishing a restricted mail registry in the department of justice
HB	1527	Relative to charitable organizations and games of chance
HB	1529	Relative to permitting chambers of commerce to conduct games of chance
HB	1618	relative to motor vehicle fees and motor vehicle violation fines and relative to appropriations from the highway fund
HB	1628	Relative to renewable energy generation incentive programs
SB	396	Relative to the establishment of a statewide transportation policy
SB	452	Relative to transportation planning
SB	342	Establishing a mechanism for expediting relief from municipal actions which deny, impede, or delay qualified proposals for workforce housing.
SB	421	Requiring municipal land use regulation to provide reasonable opportunities for the creation of workforce housing
SB	386	Relative to service territories served by several telephone utilities
SB	422	Adding an energy section to zoning and planning master plans
SB	333	Establishing an exemption from the real estate

		transfer tax
SB	456	Establishing a committee to study the impact of the research and development tax credit
SB	458	Establishing a committee to study the impact on NH revenues resulting from evasion of taxes by MA businesses
SB	301	Requiring insurers to cover prescriptions filled near the patients residence
SB	312	relative to insurance coverage for obesity and morbid obesity
SB	391	Relative to affordable health insurance for small employers
SB	494	Relative to compulsory coverage requirements under workers compensation
SB	308	Restoring certain foreign dividend deductions under the business profits tax and an exemption to real estate transfer tax
SB	493	Allowing certain tax exempt organization to be defined as charitable organization for purposes of games of chance operations
SB	394	Establishing an economic development advisory council

#### EYE ON POLITICS:

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NH State Legislature [www.state.nh.us](http://www.state.nh.us)

The Union Leader [www.theunionleader.com/](http://www.theunionleader.com/)

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#### EDITORIAL TEAM:

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##### **Brad Cook**

Sheehan, Phinney, Bass, + Green, P.A.

[bcook@sheehan.com](mailto:bcook@sheehan.com)

##### **Bruce Berke**

Sheehan Phinney Capitol Group

[bberke@sheehan.com](mailto:bberke@sheehan.com)

##### **Valerie Acres**

Sheehan Phinney Capitol Group

[vacres@sheehan.com](mailto:vacres@sheehan.com)

**Henry Veilleux**

Sheehan Phinney Capitol Group

[hveilleux@sheehan.com](mailto:hveilleux@sheehan.com)

**Liz Murphy**

Sheehan Phinney Capitol Group

[lmurphy@sheehan.com](mailto:lmurphy@sheehan.com)

**Erle Pierce**

Pierce Public Affairs, LLC

[epierce@sheehan.com](mailto:epierce@sheehan.com)

**Michael Skelton**

Greater Manchester Chamber of Commerce

889 Elm Street , Third Floor

Manchester , New Hampshire 03101

[michaels@manchester-chamber.org](mailto:michaels@manchester-chamber.org)

603-666-6600 ext. 107