



GREATER MANCHESTER CHAMBER OF COMMERCE

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This week we bring you a “legislative potpourri” of business-related issues currently in play in the New Hampshire Legislature.

ROOMS AND MEALS TAX ADMINISTRATIVE REIMBURSEMENT: The House Ways & Means Committee heard legislation this past week introduced by Manchester State Representative Steve Vaillancourt that would reduce the reimbursement provided to restaurants and hotels for collecting the meals and rooms tax. When this tax was implemented in 1967, the state legislature recognized the administrative burden that it was placing on the hospitality operator for collecting this sales tax from their patrons. The legislature built into the law a commission structure that allows an operator to retain 3 cents of every meals and rooms tax dollar collected for the state if the taxes are remitted to the state by the fifteenth day of the month following their collection. HB 1369 would limit what operators could retain at 1.5% of the total taxes collected or \$100 per month, whichever is less. The Department of Revenue estimates that this would negatively impact almost 1000 operators. It would take an estimated \$4,633,120 from these businesses bottom line. The Ways & Means Committee will analyze the legislation over the next few weeks.

BOTTLE BILL: The House Environment Committee has voted unanimously to recommend that the House should kill legislation to establish a 5-cent refundable deposit on beverage containers. Often referred to as a “bottle bill,” HB 1621 is modeled after refundable deposit programs in other New England states. The Committee is giving the green light, however, to another piece of legislation that would establish a 1-cent beverage container fee to be paid by a beverage manufacturer, wholesaler, or wholesale distributor upon the first sale of a beverage in this state. Taxable beverages would include carbonated drinks, fruit juices, and bottled water. Milk, wine and liquor would not be taxed. The funds raised from this fee would go towards improving recycling in the state. The full House will vote on the bill next Wednesday, February 6.

HAPPY HOURS: Next Thursday, February 7 the House Commerce Committee will hear HB 1197, which would eliminate the current restrictions on advertising “happy hours.” Under current law, no liquor licensee can run advertising that references a “happy hour.” The licensee may, however, post a happy hour schedule within the premises, not in any view of the public way. This bill would enable liquor licensees to advertise happy hours in any manner they deem appropriate.

SMOKING BAN: The Commerce Committee will soon re-open the discussion of the

smoking ban restaurants and bars. On Thursday, February 14 they will hear HB 1421, which would allow smoking in restaurants where more than 50 percent of their income is derived from the sale of cigars. They will also hear a similar bill, HB 1457, which would allow smoking in bars where 60 percent of the income is derived from tobacco and tobacco-related products.

MISUSE OF SOCIAL SECURITY NUMBERS: The House Judiciary Committee has voted 15-3 to recommend that the House send HB 1534 to interim study. The bill would allow any person whose social security number has been fraudulently used by another for identification purposes to sue the person who misused the number; any person who supplied or aided in obtaining the false social security documentation; and an employer who should have known the documentation was false. The full House will vote on the bill this Wednesday, February 6.

TIME OF DAY METERING: The House Science, Technology & Energy Committee has voted 9-2 to recommend killing HB 1544, which would direct the public utilities commission to develop and implement a rate structure for default electric service that includes higher rates for peak-period consumption than for off-peak consumption, and higher rates for electricity consumed above the average household consumption rates for each month. The full House will vote on the bill this Wednesday, February 6.

DEPENDENT HEALTH INSURANCE COVERAGE: Next Tuesday, February 5 the House Commerce Committee will hear HB 1602, which would repeal the law enacted last year for dependent health insurance coverage for persons 26 years old and reinstate the age for dependent health insurance coverage to those not older than 18. With the ink barely dry on the new law and no change in the makeup of legislature, chances of passage are probably pretty slim.

DO NOT MAIL REGISTRY: The House Commerce Committee has voted 14-1 to recommend killing HB 1506, which would establish a “do-not-mail” registry, similar to the current “do-not-call” list. Under HB 1506, businesses could not send a direct mail piece to anyone who has not visited the establishment within the last three months and who has notified the Justice department that they do not wish to receive solicitations in the mail. The penalty for doing so would be a fine of up to \$500. Businesses would have to check the list in the Department of Justice every month and cross reference it with their own mailing list. The full House will vote on the bill this Wednesday, February 6.

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CHAMBER INSIGHT:

Key issues of 2008 session emerge

With the legislature underway for nearly a month now, the key issues of the 2008 session are emerging. This, of course, has helped the Chamber identify its key areas of focus for the year. The subjects of education funding, workforce housing, and the affordability of healthcare have all seen significant legislative activity thus far. Here is a quick rundown of these three critical issues and some of the Chamber’s initial thoughts and observations:

Education Funding – The legislature has thus far met two out of the three requirements set down by the most recent state Supreme Court ruling. Defining an “adequate education,” the first requirement, was completed last session. The costing of an adequate

education, the second requirement, is being wrapped up by the costing commission over the next week. The final requirement the legislature must fulfill this session is determining a method of payment. Thus the inevitable debate of targeting aid has come to the forefront. The Senate, once again, appears poised to pass a constitutional amendment that will allow the targeting of aid to communities most in need. In fact, Minority Leader Senator Ted Gatsas told to the Chamber's Government Affairs Committee this morning that he and Majority Leader Joe Foster are discussing potential language of a Senate amendment. Should an amendment pass the Senate, as expected and predicted by many (including the Governor), the debate will shift to the House, where constitutional amendments have died slow and painful deaths in recent history.

The Chamber's Government Affairs Committee (GAC) continues to support the passage of a constitutional amendment that will allow for the targeting of aid to communities most in need. The GAC, along with a broad coalition of business organizations, hopes to work with House Leadership and the Minority to broker a compromise that will attract the votes of two-thirds of the house (240 representatives).

Workforce Housing – Several bills focused on addressing the issue of workforce housing are under consideration in both the House and Senate. All of the bills, in some form or another, are focused on addressing three key concerns with workforce housing. The key concerns are: (1) establishing a uniform definition of the term "workforce housing," (2) codifying existing case law that requires municipalities to allow certain levels of workforce housing and, (3) providing measures that will expedite the appeals process developers face when pursuing workforce housing projects. The GAC supports Senate legislation addressing these issues (SB 342 & SB 421) and along with a broad coalition of housing and business groups looks forward to advocating for their passage. Providing adequate housing for New Hampshire's workforce truly boils down to an economic development issue. Without adequate and affordable housing the state faces the prospect losing employees and employers to regions with more favorable housing opportunities.

Health Care – While the issue of Health Care has dominated the Presidential debates, there is significant work being done here in New Hampshire to address the issue of health care affordability for small businesses. SB 391, the Governor's Health First initiative, seeks to provide an affordable health care option to small businesses of 50 employees or less by tying the price of premiums to the state prevailing median wage. The Governor and State Insurance Dept. are actively talking to all stakeholders in an effort to build consensus behind the issue. The GAC has not taken an official position on the bill yet, but will play an active role in this discussion as it moves forward. The bill is expected to have a public hearing in early March. While the concept of providing an affordable option for small business owners is desirable, there are several issues in SB 391 which must be studied further. As the public debut of SB 391 draws closer the GAC will investigate how proposals like this have fared in other states, how this measure will impact competition in the carrier marketplace, whether wellness requirements are sufficiently defined, and how this measure could impact the premiums of other medium to large sized businesses. Hopefully, the end result of this process will produce a better bill with consensus support from all health care stakeholders (employees, small business employers, health care carriers, and providers). Stay tuned for more on SB 391 in the coming weeks.

As always, please feel free to contact the Chamber with any questions. Remember, 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 or call (603) 792-4107.

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