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While the New Hampshire House held a committee hearing on the governor's constitutional amendment (CACR 18) this week, and parties lined up on both sides of that issue, rumors in the press indicated many possible amendments to the Senate-passed amendment. Though the issue is complex and its outcome unclear, it has the support of many business organizations. The question seems to be how large the political center is on the issue, and what effect those on the right and left ends of the spectrum will have on its obtaining the needed 60% of the House members, and what form the final amendment they are going to vote on will take. This issue is not getting any easier, in the quest to solve the education funding puzzle. Proponents of the amendment warn of the effect of doing nothing. Opponents accuse it either of being mandated payment of a bill of unknown size on the one hand, or an inadequate state response to a state responsibility on the other.

In other interesting developments, the restaurant smoking ban seems to have hit a hurdle in the House after smooth sailing in the Senate. The House sub-committee examining the bill proposed an amendment that would allow designated smoking areas in certain establishments on the condition that employees would have to voluntarily agree to work in such environments and sign an agreement to that effect. Whether the proposed amendment will survive the full committee or action on the House floor, or whether it will prove fatal to what was anticipated to be an easy trophy victory for the new Democratic majorities in both House and Senate, will be one of the side shows of the legislative session.

Last year, under the guise of "Executive Branch Reform," the legislature passed amendments to several laws that govern disclosure of contributions, gifts and honoraria by office holders and members of the executive branch. Included in that law were amendments to the state law governing lobbyists, RSA 15. As rewritten, anyone appearing before the legislature or executive branch for pay on behalf of an employer, whether a traditional lobbyist, lawyer or employee of a company or not-for-profit organization, has to file as a lobbyist, file monthly as opposed to the previous quarterly statements, report contributions already required to be reported by candidates and office-holders and submit to a host of other new requirements. In addition, volunteers serving state government have to report and are subject to all sorts of requirements. The ramifications of these changes are so bizarre that volunteers helping the Fish and Game Department stock lakes and rivers with fish are covered by the law's requirements.

To correct the apparent unintended consequences of these changes, a bill, HB 530, was

introduced by Rep. Elizabeth Hager of Concord, heard by the House, changed, passed, and introduced in the Senate where still more changes have been made, with the advice of the Attorney General's office and support of all testifying, including representatives of the Secretary of State's Office which has to administer and interpret the law. It restores regulation to traditional lobbyists, makes the law apply to legislative and governor and council contacts only, and allows the volunteer government New Hampshire has traditionally encouraged to be practiced, while establishing ethical standards for such service. Everyone interested in being able to work with and appear before state government should encourage senators to vote for this bill.

Sometimes, "ethics" get confused with "bureaucracy" and HB 530 as amended goes a long way towards insuring that New Hampshire not-for-profits and businesses are able to contact their government without so many rules and regulations that they may be reluctant to do so.

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CHAMBER INSIGHT:

As noted above in *Sponsor's Insight*, CACR 18 was the hot issue in Concord this past week. The importance of education funding has not been lost on the Chamber, as the Government Affairs Committee voted to endorse CACR 18 last week. While education funding is clearly a complex and difficult issue to reach consensus on, the committee felt that CACR 18 was a balanced proposal and a step in the right direction.

Overall, the committee determined the amendment would address several important issues. First, the amendment would allow for the state to target aid to the communities that need it the most. This efficient use of state aid would promote a cost effective and equitable funding system. Second, passing CACR 18 will meet the Supreme Court imposed deadline of July 1, 2007. The cost of doing nothing by July 1 st could potentially mean the increase of business taxes or the creation of broad based taxes to cover the cost of funding education. Seeing as the business community is already the largest contributor to the education trust fund, this out come is simply not acceptable. Such a shift in our tax structure would severely damage our low tax business friendly environment.

Finally, the committee feels CACR 18 represents an opportunity to begin to bring closure to the education funding debate, which has dominated Concord for the past two decades. By brining closure to this issue our elected officials will be able to focus on the hundreds of other policy issues facing New Hampshire.

As mentioned above, CACR 18 has a long way to go and almost certainly faces revisions in the House. The Government Affairs Committee and Chamber Executive Committee endorsed CACR 18 in its current form, along with several other business organizations such as the BIA and NH Lodging and Restaurant Association. Any changes made by the House will be scrutinized closely and could potentially lead to the business community pulling its support of CACR 18. Stay tuned on this issue...

In other news the commuter rail restoration effort continues to chug along in Concord! The House Transportation Committee voted SB 75, which creates a NH Rail Transit Authority, as 'ought to pass as amended' by a vote of 12 to 4. The bill will go before the full House of Representative next week. While there may be some opposition on the House Floor

because of the undetermined cost of future rail expansion, the measure appears to enjoy bipartisan support.

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The Union Leader www.theunionleader.com/primaryindex.html

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