



GREATER MANCHESTER CHAMBER OF COMMERCE

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Sponsor's Analysis. It was not a quiet week in Concord, New Hampshire, the New Hampshire government's home town, up there on the edge of the Merrimack. The legislators took several actions that may prove historic, as they head into the home stretch of the session.

First and foremost, debate on CACR 18, the Constitutional Amendment supported by Governor John Lynch as a way to solve the looming crisis over education funding, reached the House floor on Wednesday. An amendment to the Amendment as proposed by the governor and passed by the Senate was proposed by the House Finance Committee. That proposal was debated and when the vote came on its adoption, it failed on a roll call vote, getting only 108 in favor with 253 opposed. Debate then normally would go to the underlying bill, the amendment that passed by the required super-majority of the Senate. Instead of that consideration, and that of what was expected to be a score of additional amendment attempts, an unusual parliamentary motion was made by Rep. Andrew Peterson (R-Peterborough). He moved indefinite postponement of the matter, which meant, if passed, that the matter could not be brought up until 2009. Speakers for and against that motion included the leaders of both Democrats and Republicans against, and many for it. When the vote came, the motion passed on a roll call, 187 to 176. The House went to lunch with a motion for reconsideration of its action having been noticed. After lunch, another vote reconfirmed the earlier one, by a larger majority, and the amendment, in any form, was dead. (Note: In action on Thursday, Lynch urged and Senators agreed to suspend their rules to allow introduction of another amendment in the Senate. What effect this will have on the House is unknown, but it does appear the matter is still alive, if not healthy.)

Several interesting things are apparent from this action. First, the party discipline obvious in the Senate was missing in the House, with Democrats failing to follow the lead of Governor Lynch who supported both the original version and the Finance Committee Amendment, and appeared ready to deal with possible further changes as the day progressed, but was denied that opportunity. Second, Republican leadership, while opposing the Finance Committee version, seemed ready to try to deal, as well. Third, a majority of both parties apparently denied their leaders the opportunity. One report was that the Democratic leadership of the House told members they could "vote their consciences" on the matter rather than requesting that their members follow the Governor's recommendation. Some members of the Democratic leadership voted for the indefinite postponement motion.

The common belief is that the Supreme Court's most recent school funding decision will now not be met in full and perhaps draconian consequences will follow. That certainly seems to be the impression that Governor Lynch, Republican leaders and many attorneys of both parties who worked on the compromise have. It also is the prediction of the New Hampshire *Union Leader* that devoted a lot of space and ink to the subject of getting an amendment passed in the days leading up to the vote, and predicted the early enactment of a broad based tax in the wake of the amendment's defeat. Several business organizations, including the Greater Manchester Chamber, urged passage both of the original Amendment and the Finance Committee substitute.

Proponents of increased school spending on the state level applauded the defeat and believe it was an appropriate recognition of the state's proper role in school funding.

One thing is clear, the House of Representatives spoke clearly to end discussion of a Constitutional Amendment on Wednesday and it would be hard to blame the Supreme Court for this action, if blame is appropriate. Stay tuned to what further action may arise from the potential of reintroduction in the Senate.

In other action, the 18-yr-old school attendance requirement, supported by Governor Lynch, passed and promises to become law, another major development. A definition of an adequate education passed the Senate. Scores of bills on other subjects were voted up or down, including Senate passage of the repeal of parental notification of abortions sought by minors, a matter that brought New Hampshire to national attention when the matter went to the United States Supreme Court. On Thursday, the Senate passed its version of the state budget, one containing double digit spending increases. Senate and House versions of the budget will need to be reconciled, one of the major items remaining for the legislature to accomplish before it goes home later this month, if all goes according to schedule and plan.

Finally, the Manchester delegation to the legislature was brought to full strength Monday afternoon with the swearing in of Rep. David Scannell, (D Ward 2) who won a special election to fill the vacant seat of a resigned member. Scannell, an administrator in the Manchester School District, was an assistant to former Manchester Mayor Robert Baines, was graduated from Manchester High School Central and has had a distinguished career to date. He was sworn in by Governor Lynch before family and friends and all five members of the Executive Council, including former Manchester Mayor Raymond Wieczorek.

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CHAMBER INSIGHT:

It was a mixed bag of results for the business community in Concord this week. As you have read above, the House's failure to pass a constitutional amendment may have grave consequences for New Hampshire low-tax business friendly climate. The Chamber heavily supported and lobbied for **CACR 18**'s passage and is disappointed the issue will likely be postponed until 2009. While efforts are underway to revive the issue, they do not appear promising. Without a solution in place, we know enter the great unknown of what exactly will the Supreme Court do?

Besides Education Funding, several other important businesses related issues were debated in Concord this week and I'm pleased to report the business community fared

much better.

Commuter Rail – Efforts to restore rail service to New Hampshire took a gigantic leap forward this week with the passage of SB 75. SB 75 establishes a rail transit authority that will be empowered to design, implement, and collect funding for a new rail system. The bill faced a last minute hurdle from fiscal conservatives who argued that the costs of implementing rail and other minor flaws in the bill would cause the authority to be a failure. However, thanks to the combined lobbying efforts of the Greater Manchester Chamber and the City of Manchester, along Greater Nashua Chamber and the City of Nashua, SB 75 passed with by a final vote of 189 to 120. Provided the Senate concurs with House version, SB 75 now goes to Governor Lynch for signature.

R&D Tax Credit – The long awaited R&D tax credit bill finally passed House yesterday by a 199 to 104. The measure has long been supported by the Chamber and several other business organizations. With the tax credit in place, it is hoped that New Hampshire high tech research and development industry will begin to grow and expand once again. New Hampshire once boasted one of the top high tech markets in the country, but has slipped severely in recent years. SB 134 should encourage existing R&D firms to stay and expand and hopefully will attract new employers to the region.

CROP Zones – SB 137, which extends the life of the Community Redevelopment and Opportunity Program, also passed by a wide margin. The program, run by NH DRED, provides job creation incentives to businesses looking to expand or relocate in targeted areas.

While the passage of these three measures was indeed a victory for the Chamber and the business community, one anti-business bill did manage to revive itself and sneak through the Senate. **HB 134**, relative to the apportionment of civil damages, was removed from the table, amended and passed by a razor thin 12 to 11 vote. While Governor Lynch has expressed concern over HB 143 and is aware of the united opposition of the business community, it is unclear whether he would veto such a measure.

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EYE ON POLITICS:

NH State Legislature www.state.nh.us

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

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