



GREATER MANCHESTER CHAMBER OF COMMERCE

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Friday, January 30, 2009

SPONSOR INSIGHT:

There are quite a few employment-related bills under consideration this Session. Several of them will be heard in the House next Tuesday, February 3rd. They include:

MANDATORY PAID SICK LEAVE: At 11:00 am the House Labor Committee will hear HB 662, which would require employers to pay sick leave to full and part-time employees who have been on the job for more than 6 months. Employees would be able to accrue up to 40 hours of sick leave in a calendar year. Paid sick leave would be required in the following instances: for an employee's physical illness, injury, or health condition; need for medical diagnosis, care or treatment, or preventative medical care; to care for a family member who is ill, injured or seeks diagnosis; absence due to domestic violence; for psychological or other counseling; to relocate due to domestic violence; or to take legal action due to domestic violence.

WORKING FAMILIES FLEXIBILITY ACT: At 1:00 pm the House Labor Committee will hear HB 663, which would create a process for employees to request flexibility regarding certain conditions of employment. It would apply to employers with 15 or more employees. Employees would have the right to request a change in the terms of employment related to: the number of hours he/she is required to work; the times when the employee is required to work; and where the employee is required to work. An employee would request a change and explain how it would affect the employer and how it could be dealt with. The employer would be required to hold a meeting with the employee within 14 days of the request to discuss the request. A written decision by the employer would have to be made within 14 days of the meeting. The decision must state the grounds for the decision. The employer may propose an alternative change. If the employee is dissatisfied with the employer's decision, the employee would have the right to request reconsideration of the decision within 14 days. Employers would be required to keep records of all communications. It would be unlawful for an employer to discharge or in any other way discriminate against an employee who

requests a change.

FAMILY LEAVE INSURANCE: At 2:15 pm the House Commerce Committee will hear HB 661, which would create a family leave insurance program to allow parents to take time off to care for a newborn or newly placed child or to allow persons to care for a family member with a serious health condition, including a wounded service member. The bill establishes a benefit of up to 6 weeks of \$250 per week. Money for the program would come from federal funds appropriated for this purpose.

TYING MINIMUM WAGE TO CPI: At 2:30 pm the House Labor Committee will hear HB 146, which would tie the state minimum wage to the Consumer Price Index. The Labor Commissioner would be directed to adjust the rate annually based upon this index.

SAFETY OF RETIREMENT ACCOUNTS: At 10:30 am the House Labor Committee will hear HB 411, which would require employers that offer retirement plans subject to ERISA to provide at least one option for the investment in funds in savings bank deposits or in money market funds.

PAYROLL DEDUCTIONS: At 10:00 am the House Labor Committee will hear HB 343, which would add legal services and identity theft plans as a category to permissible payroll deductions.

IMMEDIATE PAY FOR DISCHARGED EMPLOYEES: Meanwhile, a week ago the House Labor Committee held a hearing on HB 103, which would require an employer to pay discharged and laid off employees in full at the time of discharge. Current law requires the employer to pay discharged employees in full within 72 hours of discharge. Laid off employees must be paid by the next regular payday. Several business groups testified in opposition to the bill. Many of the House Labor Committee members questioned the need to require payment at the time of discharge. Committee members discussed the possibility of maintaining the requirement to pay discharged employees within 72 hours, and possibly change the law to require payment to laid off employees within 72 hours also. The committee will take the bill up at a later date.

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CHAMBER INSIGHT:

The state budget plot thickens...

The balancing of the state budget took an interesting turn late this week as Governor Lynch announced that he believes the 2010-2011 budget cannot be balanced without the layoff of state employees. Lynch also noted he has not considered tax increases in order to balance the budget yet.

This announcement by the Governor only further illustrates that severity of the state budget deficit, which is projected to be near \$500 million. The

possibility of layoffs is important development for the business community as it seems to suggest raising taxes are viewed as a last resort by the Governor. We won't know for sure, however, till the Governor delivers his budget address on February 12th.

In the meantime, the Chamber is planning an outreach effort to local legislators to educate them on the impact on raising business taxes as a budget balancing measure. The business community already provides the state with nearly 35% of its revenue through the Business Profits (BPT) and Business Enterprise tax (BET). Increasing either tax will further increase this burden on the business community, slow the economic recovery in New Hampshire, and likely result in further job loss. For once, the state might want to take a cue from the Federal government. The current stimulus package proposal weaving its way through Congress includes billions in tax cuts for small businesses. If Washington is cutting business taxes, its stands to reason that the last thing Concord should be doing is raising them.

Stimulus package follow up...

Speaking of the federal stimulus package and following up on last week's piece, Governor Lynch met with New Hampshire's Congressional Delegation to discuss the issue. The Governor also created a "State Office of Economic Stimulus," which will handle the disbursement of any federal funds New Hampshire receives. Congress is expected to pass the package by mid-February.

Several key business issues taking shape...

In addition to the concerning labor issues noted above, the Chamber is monitoring several other key business issues. **HB 212** has drawn considerable concern from the real estate and development community. The bill permits municipalities to assess impact fees for improvements on state highways and will potentially add an additional layer of cost to commercial developments. In this economy, adding additional costs and layers of bureaucracy is not wise.

As noted last week, the apportionment of civil damage bill **HB 197**, is back from the dead after being vetoed by the Governor two years ago. What has changed since then? Absolutely nothing, this proposal is still terrible for business. The bill changes the legal meaning of the term "party" and allows a court to only apportion damages to those named in a legal proceeding. The end result? Higher insurance costs and businesses potentially being held liable for damages that are disproportionate to their amount of blame. The Chamber is once again opposing this measure.

There are a few good business proposals out there too if you look hard enough. One such bill, **HB 412**, seeks to increase the maximum amount of research and development tax credits that may be issues annually from \$1 million to \$2 million. While passing this bill may be an uphill battle in a tough budget year, this measure is exactly the type of policy that can aid businesses during a recession.

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