

GREATER NASHUA CHAMBER OF COMMERCE

THE CHAMBER

THE "BOTTOM LINE" LEGISLATIVE REPORT

A Weekly Report From the Chamber on Issues Affecting You in the State Capital

May 27, 2005

Issue #20

THE WEEK JUST PAST...

Taxpayers Receive A Small Win (HB 602). The Senate voted to allow wire line telecommunication companies to calculate the communications services tax based on a separation of taxable and non-taxable services even though the service is sold on a bundled basis. Therefore, only state taxes which are actually allowed to be taxed by law will be accessed on the customers bill. What this means is most consumers will see a small tax reduction on their bills. Good for business and all wire line telecom users.

Eliminating Certain Mercury-Added Products (HB 562). HB 562, which eliminated mercury in products, was killed. This bill had many unintended consequences for New Hampshire businesses. There are many products which have minimal levels of mercury which would not be able to be sold in New Hampshire.

Near Perfect Party Line Vote on Minimum Wage, 15-9 (HB 665). The Senate killed HB 665 which would have increased the minimum wage from \$5.15 to \$6.15 over the next two years. The bill had passed the House on a strong Democratic vote with a few Republicans, 197 to 157 last month. Republican Senator Dick Green voted with the Democrats.

Small Group Insurers (HB 611). On Thursday, the Senate amended the House's version of health insurance reform, and sent it to the Senate Finance Committee.

There is further news to report on the progress of legislation being advanced to address the fallout from SB 110. Rather than kill the measure as the Banks and Insurance Committee had recommended, the Senate has moved to substantially amend HB 611-FN, essentially replacing the bill with a SB 125-FN mirror-image amendment and adding an oversight committee. On the House side, the Commerce Committee refused to go along with their subcommittee's recommendation to substantially amend SB 125-FN. Despite the fact that a majority of her Committee members disagree with her, Chair of the House Commerce Committee, Rep. Sheila Francoeur, remains strongly committed to amending SB 125-FN. As a result, a vigorous floor fight will ensue when a floor amendment is offered the week after next.

It is expected that the floor amendment would include doing away with the reinsurance mechanism, restoring health status as a permissible rating factor, expanding the composite rating

band to 4:1, providing a 15% rate renewal cap going forward, and setting up an oversight mechanism. While a majority of Rep. Francoeur's Committee rejected all of those changes, it did appear that some uncertainty had developed around whether SB 125-FN was free of any potential for unintended consequences. However, any uncertainties in that regard were not significant enough to overcome the majority's commitment to send the bill along without amendment, a commitment driven in part by fear that an amendment would expose the measure to the vagaries of a committee of conference. Between now and then watch House leadership become energized, and a vigorous discussion continue over the appropriate fix to the market rules here in the State.

Wooden Poles and Conduits (SB 11). Poles and wires debate is nearly over and hopefully for a number of years. SB 11 which extends the local property tax exemption for telephone poles and conduits to 2010, passed the House 255 to 109. Thank goodness. The Chamber has worked tirelessly to extend the exemption to avoid new local taxes on telephones. This was another huge victory in the war against new taxes. Now off to the Governor.

THE WEEKS AHEAD...

- May 31, 2005 **HB 616** (relative to the education property tax and the education equity index) – Work Session – 10:00 a.m., SH 103
<http://gencourt.state.nh.us/legislation/2005/HB0616.html>
- June 2, 2005 **HB 121** (local land use approval for facilities requiring air pollution control permits) – Ret Subcommittee Work Sessions – 1:30 p.m., LOB 301
<http://gencourt.state.nh.us/legislation/2005/HB0121.html>
- June 9, 2005 **HB 544** (land and community heritage program) – Ret Subcommittee Work Session – 10:00 a.m., LOB 307
<http://gencourt.state.nh.us/legislation/2005/HB0544.html>
- HB 121** (local land use approval for facilities requiring air pollution control permits) – Ret Subcommittee Work Sessions – 1:30 p.m., LOB 301
<http://gencourt.state.nh.us/legislation/2005/HB0121.html>

Please contact Teresa Rosenberger, Devine, Millimet - (603) 410-1705, or Chris Hodgdon, Greater Nashua Chamber of Commerce - (603) 881-8333, if you have any questions.