

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

February 10, 2006

Issue #4

GREAT NEWS - NET OPERATING LAW (NOL) NOT DELETED

THE WEEK JUST PAST...

Business Issues

The House Ways & Means Committee voted unanimously to kill **HB 1618**, the Department of Revenue Administration's (DRA's) attempt to water down the current NOL law. In killing the bill, the Committee also squelched DRA's attempt to tax at 8 ½% the BET credit against the BPT.

Business replacement cost for businesses displaced in eminent domain takings (**HB 1511**) is going to study. The Department of Transportation and the Municipal Association had great concerns that this bill, if passed, would cost the state and the towns too much money. We will diligently fight for fairness and wholeness for businesses in the taking process when the bill is studied this summer.

Labor Issues

The unemployment compensation fund is to stay whole. **HB 1474** has passed the House Labor Committee and is up for a full House vote this week. It expands the taxable wage base in order to prevent positive-rated employers from higher tax rates. The fund will be kept at \$250 million, which should save positive-rated employers some \$41 million.

Another housekeeping Labor Committee bill allows the Department to fine employers \$25 per employee per day that the employers have not filed accurate and complete information on employees and their wages. **HB 1478** passed unanimously and will go to the floor this week.

Security Breach Notification Bills- Great compromise for small businesses.

The House Commerce Committee wrapped up its hard work on the security breach notification bills this week. **HB 1660**, the chosen vehicle amongst several available bills to move forward upon, was significantly amended and seemed to accommodate a number of concerns raised by

the business community and the regulated industries. All involved embraced the concept of providing notice of breach to potentially affected consumers, but there were differences of opinion on how, when and to whom notice should be provided, as well as what sanctions should apply if there was failure of notice. While the Consumer Protection Division of the Attorney General's Office may not have been entirely satisfied with the measure as it emerged unanimously from the Commerce Committee, deference to the concept of functional regulation, as well as friendly small business notice provisions in the amendment, did much to move matters forward. The threshold for alternative notice is 1,000 consumers or \$5,000. The bill started with a threshold of 500,000 consumers or \$250,000. Great compromise for small businesses.

Health Care Needs

The House Commerce Committee and the House Labor Committee reported out "companion" measures this week. Both bills were directed at employers that may not be devoting adequate resources to cover health care needs of their employees.

The Commerce Committee bill, **HB 1704**, targets employers with 1500 or more employees and has become popularly known as "the Wal-Mart bill". The other, **HB 1703**, is directed at employers with 500 or more employees. **HB 1704** would require employers to reach a threshold expenditure on healthcare expenses for employees, or contribute the differential between that threshold and what was actually expended, to the Medicaid system. The Commerce Committee killed the bill by a vote of 12-6. There will be a floor fight for sure.

The Labor Committee bill, **HB 1703**, passed with amendment by a vote of 7-6. The amended version of the bill, still directed only at collection of information from employers, changes the "collector" of the information from DHHS to the Department of Employment Security. A minority report has been filed on **HB 1703**, and a floor fight is anticipated. While the majority supports the bill as an opportunity to collect meaningful data, the minority believes the bill is flawed for a number of reasons, including the observation that only 96 employers in New Hampshire have 500 employees or more.

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.