

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

April 21, 2006

Issue #14

THE WEEK JUST PAST...

LINUS, YOUR WAIT IS OVER! The Senate yesterday voted to pass **HB 1111**, which designates the pumpkin as the state fruit. The effort on behalf of this bill was led by a 4th grade class from Harrisville, which was present on the Senate floor for the vote. After what can only be described as a love fest (the kids helped the chaplain with the prayer and even sang "Happy Birthday" to the Majority Leader, for goodness' sakes), there was still a dissenting vote (Senator Bob Boyce, who questioned the whole thing as a waste of time and suggested that the strawberry would be a better choice). Will there be an impact on business? Well, it's no R&D tax credit, but supporters did suggest that pumpkin trinkets can be sold across the state to tourists and pumpkin lovers alike. Orange you glad you asked?

Insurance Premium Tax To Be Reduced. This bill, which would lower the insurance premium tax for all companies writing insurance lines other than health, was on the Senate floor this week. Senator D'Allesandro, who chairs the Senate Ways & Means Committee, urged Senators to affirm the bill's favorable review by the Senate Banks & Insurance Committee and sent the bill along to Senate Ways & Means for further consideration. As introduced, **HB 678** would have reduced the premium tax from the current 2% levy to a levy of 1%. After significant review, the House Ways & Means Committee amended the bill to provide for that same reduction, but tempered the reduction with a phase-in amendment parsing the reduction over a four (4) year period.

It appears that the policy behind the bill, to retain and attract insurers and the jobs they provide, is broadly accepted. With that momentum and the phase-in, the bill seems to be in reasonably good shape as it heads to Senate Ways & Means. Additionally, there has been a lot of favorable press, with a number of op-ed pieces appearing in state-wide and regional newspapers as well as New Hampshire business publications. As the end of session grumblings about revenue concerns inevitably emerge creating some clouds on the horizon for this bill, in its present form, it seems to be reasonably well-positioned to survive. Its new fiscal note should help as it suggests lower losses of revenue associated with the bill's implementation.

Workforce House Study In Debate On The House Floor - How Could One Debate The Need For Establishing A Committee to Study Including Workforce Housing? SB 190,

as amended by the Senate, directed a study committee to look at enabling a municipality who has adopted a master plan to adopt a mandatory inclusionary zoning provision in the housing section, that included workforce housing and set a percentage for the amount that had to be included in any given residential development. The majority of the House Municipal & County Government Committee believe there is a shortage of affordable housing in New Hampshire. Therefore, the bill was amended to create a wide-ranging study designed to collect data on the affordable housing needs, including the collection of empirical data and other information, designed to result in wide-spread recognition of affordable housing problems and needs, as well as, possible solutions, including public/private partnerships.

The minority of the committee does not think a study committee is needed. Municipalities can now encourage the construction of affordable housing by revising their zoning to, for example, reduce required minimum lot sizes and reduce the level of impact fees. Legislation could be introduced next session that provides municipalities development options of 40b housing like Massachusetts.

Accommodations For Employees With Disabilities Will Pass. The House Labor Committee voted **11-0** to pass the **SB 273**, which makes it an unlawful to fail to make a reasonable accommodation for an employee with a disability if the employee is otherwise qualified to perform the essential functions of the job and providing the accommodation would not pose an undue hardship on the employer. The full House will most likely pass the bill unanimously.

More Eminent Domain Clarification. According to Representative Maureen Mooney in the House calendar, "When an event such as the U.S. Supreme Court's Kelo decision so threatens and undermines our long-standing, common understanding of what the government can and can not do through the use of the eminent domain power, we must act to ensure that Kelo-like takings will not take place in New Hampshire. **SB 287**, as amended by the committee, will do 3 things: 1.) it will define "public use" for the first time in the statutes; 2.) it will replace the term "public purpose" with "public use" in numerous statutes; 3.) it will create a study committee to study topics relative to eminent domain. This bill alters close to 30 RSAs in order to accomplish these 3 objectives. The term "public use," as found in Part I, Article 12 of the NH Constitution, has never been defined in the NH statutes before. Furthermore, the statutes have continually used the term public "purpose" and deviated from the constitutional term "use." **SB 287** makes clear to all New Hampshire citizens that their property may be taken by eminent domain only for genuine "public use" which is comprehensively defined in a way that both government and private citizens can understand. It restores the original and common understanding that private property cannot be taken by eminent domain for anything other than use for utilities, common carriers, or when the taking is necessary for the possession, occupation and enjoyment of the property by the general public or governmental entities (i.e., not for the private profit of private developers). **SB 287** preserves the ability of public bodies to promote economic development without forcibly taking the property of private citizens for use by other private parties, and it also allows municipalities to use eminent domain to address abandoned structures beyond repair, and public nuisances if they pose a threat to the health and safety of the public at large. Lastly, **SB 287** explicitly prohibits using eminent domain in the name of

economic development, private commercial enterprise, increasing tax revenues and employment opportunities.”

We could not have articulated this bill any better than Representative Mooney who spent hours, days and weeks working diligently on the eminent domain issue presented by the Kelo case. This bill will pass the full House and become law.

No R&D Tax Credit Legislation (SB 380). Despite a resounding endorsement by all the key business groups in the state, among them the Nashua and Manchester Chambers, the BIA, High Tech Council, and BAE, the R&D credit is gone again.

Also gone is the temporary \$500 energy tax credit against the BET (**SB 397**) suggested by the Senate. The House Ways & Means Committee could not stomach spending \$18 million of this one-time credit - particularly now that the nice weather is here!

THE WEEK AHEAD...

April 26, 2006 **HB 1626** (appropriations for the expenses of certain departments of the state) - Hearing - 10:30 a.m., SH 100
<http://gencourt.state.nh.us/legislation/2006/HB1626.html>

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