

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

June 10, 2005

Issue #22

THE WEEK JUST PAST...

Back To School. Yesterday, as the school year for New Hampshire students drew to a close, the Senate narrowly passed, by a 13 – 11 vote, a new school funding plan offered by Senator Ted Gatsas of Manchester. The new measure would provide \$472 million to school districts, and keeps in place the statewide property tax (which is renamed the statewide enhanced education tax) at a lower rate of \$2.84 per \$1,000.

The vote came in dramatic fashion, after the Senate had already passed the Governor's school funding plan offered by Senator Bob Odell of Lempster and Senator Lou D'Allesandro of Manchester. But after the Odell/D'Allesandro plan passed by a margin of 2 votes, Senator Dick Green of Rochester and Senator Joe Kenney of Wakefield, who had voted for the Governor's plan, then switched and voted for the Gatsas plan, and that provided the margin for victory of 2 votes.

Nashua loses \$2.1 million (\$23.9 million) under the Gatsas plan. Nashua would not have lost money under the Governor's plan. Neither of the Nashua Senators voted for the Gatsas plan.

What's next? The plan passed by the House repeals the statewide property tax. It certainly looks like there may be a committee of conference which will meet within the next week to ten days to see whether a compromise is possible.

Medical Malpractice Bill Passes. On another front, the medical provider community can sit back and take a rest, at least on the legislative front. They pulled off a substantial legislative win in a resounding vote from the New Hampshire House after weeks of intense debate and a well-organized lobbying effort. New Hampshire will soon have a medical review panel in place mirroring a review panel established in Maine. With many white-coated doctors standing in the hallways outside the House, the House voted strongly in favor of SB 214, 218-115. Representative Bette Lasky of Nashua tried to achieve a compromise, but her amendment was not adopted. The bill is headed to the Governor now to sign into law. This will also be interesting to watch as implementation rolls out. There may be some pressure on the carriers to demonstrate that the panel has made a difference.

SB 125. This week the New Hampshire House gave an enthusiastic thumbs up (240-89) to SB 125 after rejecting, by a comfortable margin, a largely Republican effort to provide a substitute amendment to the bill. The substitute amendment would have allowed health status as a rating factor and abolished the reinsurance mechanism now in SB 125. This as a substantial victory for a Senate coalition of Lynch Democrats and disaffected Republicans who fell in line behind a plan to address the fallout from SB 110 way back in early February. Senators Maggie Hassan and Ted Gatsas were the Senate coalition members who were so successfully out front on this effort. The Governor will surely look forward to signing this one.

It will be interesting to see how the measure plays out as it is implemented. Effects will first be noticed by purchasers and insurers alike when the assessments for the reinsurance pool are levied beginning July 1, 2005, and more significantly when renewal quotes under the new format are tendered after the turn of the year. It will be interesting to see if some of the same market maneuvers occur as they did with the implementation of SB 110, when some purchasers terminated coverage mid-term in order to renew before the rating change took effect. In any event, once the market rules settle down, all observers indicate that the State needs to determine whether opportunities exist to address the real cost drivers in the system, which neither SB 110 nor SB 125 address.

Unemployment Benefits For Part-Time Workers Passes. HB 170, which will allow part-time workers who lose their jobs and who have to care for a child under 16 or a senior relative, to collect unemployment benefits. The benefits are financed through an employers tax which currently has a surplus. The 15-9 vote to pass the bill was bipartisan, however, the opposition to the bill was not. The Republicans believe this is the nose under the tent! Others believe it's unfair to pay into the system but not be able to collect from it. Stay tuned to see if the nose is really under the tent!

THE WEEKS AHEAD...

- June 14, 2005 **HB 176** (relative to the provision of rental and lease information of commercial and industrial property to assessing officials) - Ret Subcommittee Work Session - 10 a.m., LOB 301
<http://gencourt.state.nh.us/legislation/2005/HB0176.html>
- HB 657** (relative to promoting community revitalization) - Ret Subcommittee Work Session - 1:30 p.m., LOB 301
<http://gencourt.state.nh.us/legislation/2005/HB0657.html>
- June 15, 2005 **HB 176** (relative to the provision of rental and lease information of commercial and industrial property to assessing officials) - Ret Subcommittee Work Session - 1:00 p.m., LOB 301
<http://gencourt.state.nh.us/legislation/2005/HB0176.html>

HB 657 (relative to promoting community revitalization) - Ret
Subcommittee Work Session - 10:00 a.m., LOB 301
<http://gencourt.state.nh.us/legislation/2005/HB0657.html>

June 15, 2005

SB 104 (relative to the tax exemption for water and air pollution control
facilities) - Ret Subcommittee Work Session – 2:30 p.m., LOB 301
<http://gencourt.state.nh.us/legislation/2005/SB0104.html>

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