

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

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Issue #5

THE WEEK JUST PAST...

Business Issues:

Effort to Weaken Net Operating Loss statute Should Be DEAD On House Floor Next

Week. The Department of Revenue Administration argued that the application of NOL credit from the BET to the BPT creates a "double" target of taxable (DRA) opportunity, which could be 8% greater than the BET credit amount. The House Ways & Means Committee, and later a subcommittee, attempted to craft an amendment that would solve the perceived DRA issue, but in each instance had results with unintended consequences such as either affecting cyclical business entities or by increasing business taxes. The Committee appropriately declined to pass legislation, but the issue will be revisited in the next term.

Personal Information Breaches Will Continue To Be An Issue Even With The Passage Of

HB 1660. The House Commerce Committee heard four bills dealing with disclosure of personal information and has recommended HB 1404 and HB 1414 be killed, but has incorporated all the issues of concern into HB 1660. HB 1660 passed the House this week. The Commerce Committee felt that it was prudent to keep one bill in committee pending the outcome of HB 1660, and therefore recommended HB 1374 referred to interim study.

The Commerce Committee worked diligently through the issues raised by the four bills addressing growing consumer concern with a security breach of computerized data. The Committee's efforts have focused upon the consumer's entitlement to notification when unencrypted personal information has been subject to unauthorized access posing a material risk to that consumer. Changes incorporated in HB 1660 include adding deference to regulators of banks, insurers, and securities for regulation of those entities under the new notification obligation; elimination of criminal sanctions for failure to comply with the notice provisions; and a significant accommodation allowing smaller businesses to access less onerous notice provisions. The later accommodation was one specifically advocated by the Chamber.

Even though the House passed HB 1660, it is not finished yet, as the bill was referred to the House Criminal Justice and Public Safety Committee directly after the Commerce Committee's unanimous vote was affirmed by the full House. This is an interesting turn of events and suggests

that some in the House believe the bill needs more work before going over to the Senate. Stay tuned.

HB 515 Killed In Committee. You will remember that this bill generated a lot of interest, coming so quickly as it did after the advent of SB 125, which returned New Hampshire to a modified community rating marketplace for small groups. HB 515, the Chamber's bill designed to allow small employers to band together under a group of 50 and receive the large employer rate from the insurers, was sent to study last year. It came out of study, amended into a bill that establishes a "qualified purchasing alliance" that will directly benefit members (3,000 lives needed) in effecting a reduction of insurance costs due to disease prevention and efficient use of health care services. The financial incentive is access to favorable experience rating, rating not otherwise available under SB 125.

The Senate Committee heard reservations over the measure coming from a number of directions. Some believed the provision was being advanced too quickly on the heels of SB 125. Others were concerned that the measure would lead to segmentation of the market, with better risks going into the alliances and worse risks left behind in their wake. Some supporters of the bill felt the 3,000 enrollee threshold would doom the concept. In any event, after a hearing in the Senate Banks & Insurance Committee, the bill was unanimously reported out as inexpedient to legislate. There is unlikely to be much discussion on it when it hits the Senate floor next week.

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.