

November 20, 2007

Greetings and happy holidays! I hope everyone has a wonderful Thanksgiving and is ready for the snow...

As we get ready to return for the second year of this legislative session, I'd like to bring you up to date on three areas of interest: some highlights from the 2007 session; what has been happening since the close of the 2007 session; and a look ahead toward the 2008 session, which starts in January.

First, a brief recap of some of the legislative activity from 2007:

#### Health Care

- Expanded access making it possible for another 10,000 children to enroll in New Hampshire's Children's Health Insurance Program
- Required insurance coverage for children's early intervention therapy sessions

#### Economy

- First raise in New Hampshire's minimum wage in 10 years
- Research and development tax credit to help attract innovative new businesses
- Renewable Energy Act passed, which will help New Hampshire meet its goal of ensuring we get 25% of our energy from renewable sources by 2025

#### Environment

- Dedicated funding for the Land and Community Heritage Investment Program (LCHIP) - including LCHIP funds that will be going to the Upper Valley Land Trust for preservation of 165 acres in Cornish

#### Education

- Passed a definition of an adequate education, which includes kindergarten

#### Other

- Eliminated straight ticket voting
- Banned smoking in restaurants and bars
- Passed Civil Unions

After the conclusion of the 2007 session, legislative activity slowed down but certainly did not stop. Work resumed with many study commissions examining more closely bills that were deemed too complex to be managed in one session and committees taking up "retained" bills - those that committees decided to look at more before deciding to recommend a bill pass or fail. I worked on three such retained bills for the Commerce Committee, including a bill proposing to limit interest rates on short term lending (such as "payday" lending). Payday lending will be a hot topic in the 2008 session, so I wanted to give my perspective on the topic. Essentially, payday lenders provide cash for a short term (such as two weeks) against a borrower's upcoming paycheck. New Hampshire does not currently have a cap on interest rates, so payday lenders (and other lenders such as title lenders, which lend against the value of borrower's vehicle) can charge high interest rates (\$15 - 20 per each \$100 borrowed, which can result in interest rates of more than 350% when annualized - annual percentage rate or APR). This type of borrowing can result in a negative debt cycle if a borrower "rolls-over" the loan, only paying back a portion of the amount borrowed previously and creating another loan - with yet more interest. A bill was submitted to cap the APR at 36% - as the federal government has done for lending to military personnel (at the request of the Department of Defense) since service men and women were finding themselves in financial trouble as a result of such borrowing.

As with most issues, there are two sides to the story: while advocates of a cap often refer to this type of lending as "predatory" lending - since it targets those in dire situations where short-term funding is necessary - defenders of the industry point out that many people do not have access to traditional lending and have no choice but to resort to this type of borrowing (relatively easy to

obtain, virtually anonymous) to cover unexpected costs that inevitably arise. In fact, many members of the sub-committee examining this issue preferred closer regulation of the industry rather than setting a cap (setting a cap would effectively drive the industry from the state since it could not profitably operate with a 36% interest rate). I am in favor of a cap, however, and believe alternate sources of borrowing (credit unions, charitable organizations) will fill any void that may be created.

There are many other topics on the agenda for the 2008 session, including determining the cost of an adequate education - as defined in the 2007 session - and creating a responsible plan to fund it. Also, I have submitted a bill that would allow towns to implement a property tax relief program. I submitted this bill not just because a warrant was passed at the Plainfield town meeting asking legislative representatives to do so but also because I personally believe property tax relief is necessary and appropriate. Essentially, the proposed bill would allow (though not require) a town to provide relief from the property tax based on income and asset levels of the taxpayer. Currently, towns may provide relief based on income and asset levels, but only for residents over a certain age. This bill would allow relief based on income and assets - regardless of the age of the property tax payer.

As always, please do not hesitate to contact me with any questions. And have a happy - and safe - holiday season.

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