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MY VOICE IN RHODE ISLAND

2007 General Assembly Session Coming Soon

THE 2006 POLITICAL SEASON came to an end with a Democratic sweep of many offices, and Rhode Island was no different. Suddenly, Tip O'Neill's famous quote, "All politics is local," dissipated, replaced by anti-Bush/anti-war sentiment that seemed to cover anyone with an "R" after the name.

U.S. Sen. Lincoln Chafee lost to challenger Sheldon Whitehouse, 53.5 percent to 46.5 percent. Most exit polls found that voters expressed no negative views toward Chafee, but felt they had to vote against him to send a message to President Bush. Both Congressmen Patrick Kennedy and James Langevin won by wide margins.

Gov. Donald Carcieri defied the sweep by defeating Charles Fogarty by fewer than 8,000 votes. The win came in the wee hours of Wednesday morning, as absentee ballots had to be counted in order to declare a winner. NFIB/RI, with member approval, endorsed Gov. Carcieri's reelection.

Elizabeth Roberts won over Reginald Centracchio for lieutenant governor. Ralph Mollis beat Sue Stenhouse for secretary of state. In the race for general treasurer, Frank Caprio defeated Andrew Lyon, and Attorney General Patrick Lynch won his reelection over Bill Harsch.

EFFECTS ON THE HOUSE

Little change was felt in the Rhode Island House, as Democrats retained 33 seats in the Senate to the Republicans five seats. The House Democrats picked up one additional seat, resulting in a 61 – 14 split. All of this makes for a potentially more contentious legislative year.

A number of House dissidents have announced that they will defect to Speaker William Murphy's team. All 10 newly elected Democratic representatives have pledged to support Speaker Murphy, and he has the support of a large majority (55 of the 61 Democrats), so he will continue as speaker. Rep. Gordon Fox will be reelected majority leader. The minority leader again will be Rep. Robert Watson, which will make it more difficult for business to sustain a veto in the House. This means the business community will have to remain vigilant in the upcoming years.

New chairs will be assigned to committees, and the committees will have a different mix of members. The House will see at least one new chair on the Labor Committee—Rep. Joseph Faria lost his bid for reelection in the September primary. We expect Rep. Arthur Corvese will be named chair.

CHANGES IN THE SENATE

The Senate president will again be Joseph Montalbano, with Sen. M. Teresa Paiva-Weed to be reelected Senate majority leader and Sen. Dennis Algieri as Senate minority leader. We expect that Sen. Rhoda Perry will be named permanent chairperson of the Senate Health and Human Services Committee, replacing Sen. Elizabeth Roberts. The Senate Committee on Commerce, Housing and Municipal Government will have a new chairperson, expected to be Sen. John Tassoni Jr., since Sen. Frank Caprio was elected general treasurer.

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MY VOICE MATTERS

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Identity Theft and Health-Care Reform: Issues to Watch in 2007

SO WHAT CAN WE EXPECT to see in 2007? Some old favorites will likely resurface.

Identity theft legislation last year passed both the Senate and the House, but later died thanks to assistance from Gov. Carcieri. The bill would have placed onerous burdens on businesses by declaring small bits of information as “a threat of identity theft,” thus triggering a notification process that would be comprehensive and costly. NFIB/RI played a lead role in defeating this legislation. Many associations and corporations said it was the worst identity-theft bill they’d ever seen.

Efforts to expand **family and medical-leave coverage** to provide additional time off work to take minor children or elderly relatives for routine medical or dental appointments is expected to find its way into the hopper. Last year’s proposal would have allowed employees to use 14 hours in any 12-month period. In addition, some states have considered paid family leave a costly measure, especially for small business.

Victory Day is expected to come up again. Last year, a bill that NFIB fought to defeat would have mandated that employers recognize Victory Day as a paid holiday, or give employees another day off in the same calendar year, or pay employees time-and-a-half that day.

NFIB/Rhode Island will support the **reduction of the ratio of apprentices to journeyman in construction**. The present 5 to 1 ratio of journeyman to apprentices

is detrimental to nonunion contractors, which are the large majority in our state.

We hope to see a new **eminent-domain bill** introduced. The U.S. Supreme Court, in its Kelo decision, paved the way for states and municipalities to take private land by eminent domain, turn that land over to another private developer and call the process a “taking for a public purpose.” However, the Supreme Court also hinted that states may want to establish criteria for defining a taking for a public purpose. Rhode Island started to address the issue last year, but the legislation got lost in the end-of-year shuffle.

The Legislature and the governor will have to sharpen their pencils to develop a budget in the face of **an increasing deficit**. In 2006, all but two states experienced deficit difficulties—Rhode Island and Louisiana. Rhode Island must deal with the ever-increasing costs of programs or continue to look for magic hats from which to pull another rabbit. The current fiscal year shortfall will be more than \$100 million, and the fiscal year beginning July 1 has a projected shortfall of \$254 million.

Other issues expected to come up are a sales-tax holiday, contractor licensing, the annual deceptive trade practices act (that fortunately was vetoed by Gov. Carcieri), yet another deceptive trade bill with a so-called model consumer contract, more loan programs for the small-business sector, lawsuit abuse and medical-malpractice reforms, and

numerous health-insurance measures.

In addition, the **Massachusetts health-care reform will have an impact**. Its goal is to provide access to comprehensive, affordable, high-quality and accountable health care, and it has spearheaded a health-care reform movement that is gaining momentum in several states. Last year, the Legislature created a commission to study the Massachusetts act. More affordable wellness health-benefit plans designed for the individual and small-group market and intended to promote personal responsibility will probably be offered. Insurers are considering introducing legislation to enact a moratorium on mandates similar to the one passed in Massachusetts, which is something NFIB/RI will support.

NFIB TO SPONSOR SEVERAL BILLS

NFIB/Rhode Island will support or will have introduced legislation to increase the value of an estate before triggering imposition of the death tax. Rhode Island and New Jersey presently have the dubious honor of having the lowest state death-tax threshold at \$675,000.

NFIB again will have introduced a bill to reimburse businesses that collect the state sales tax. Twenty-nine states have enacted this type of legislation. The obstacle is cost. NFIB/RI also will have introduced a lawsuit abuse reform package to address joint and several liability, interest on judgments and the protection of private-property rights.

NFIB Leadership Council and AAC Meetings Address Small-Business Concerns

A LEADERSHIP COUNCIL and Area Action Council meeting was held at the Crowne Plaza Hotel in November. A number of NFIB/RI members attended an informative and entertaining session. Invited guests were NFIB members and two strong supporters of small business: Sens. David Bates and William Walaska. They discussed a number of issues that are expected to be introduced and debated during the 2007 General Assembly. In addition, there was considerable feedback from members who attended.

BE INVOLVED

For information on getting involved in NFIB/Rhode Island's Area Action Council or Leadership Council, contact Andi Shea at (617) 482-1327 or by e-mail at andi.shea@nfib.org