

LEGISLATIVE COMMITTEE MINUTES

SB136

Bill as
Introduced

SB 136-FN - AS INTRODUCED

2021 SESSION

21-1053
04/06

SENATE BILL **136-FN**

AN ACT relative to the state minimum hourly rate.

SPONSORS: Sen. Soucy, Dist 18; Sen. D'Allesandro, Dist 20; Sen. Perkins Kwoka, Dist 21; Sen. Watters, Dist 4; Sen. Rosenwald, Dist 13; Sen. Whitley, Dist 15; Sen. Cavanaugh, Dist 16; Sen. Prentiss, Dist 5; Sen. Sherman, Dist 24

COMMITTEE: Commerce

ANALYSIS

This bill sets the minimum hourly rate paid to employees. The bill also amends the minimum hourly rate for tipped employees.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to the state minimum hourly rate.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Minimum Hourly Rate. Amend the introductory paragraph of RSA 279:21 to read as follows:
2 279:21 Minimum Hourly Rate. Unless otherwise provided by statute, no person, firm, or
3 corporation shall employ any employee at an hourly rate lower than that set forth in the federal
4 minimum wage law, as amended *or the following, whichever is higher:*

5 *From January 1, 2022 to December 31, 2023, \$10 per hour.*

6 *From January 1, 2024 and thereafter, \$12 per hour.*

7 Tipped employees of a restaurant, hotel, motel, inn or cabin, or ballroom who customarily and
8 regularly receive more than \$30 a month in tips directly from the customers will receive a base rate
9 from the employer of not less than [45] 35 percent of the applicable minimum wage. If an employee
10 shows to the satisfaction of the commissioner that the actual amount of wages received at the end of
11 each pay period did not equal [the minimum wage] *\$12 per hour* for all hours worked, the employer
12 shall pay the employee the difference to guarantee the [applicable minimum wage] *\$12 hourly rate.*

13 *Tipped employees who are licensed as secondary game operators pursuant to RSA 287-D*
14 *and who customarily and regularly receive more than \$30 a month in tips directly from the*
15 *customers, will receive a base rate from the employer of not less than \$7.25 per hour. If*
16 *such an employee shows to the satisfaction of the commissioner that the actual amount of*
17 *wages received at the end of each pay period did not equal \$12 per hour for all hours*
18 *worked, the employer shall pay the employee the difference to guarantee the \$12 hourly*
19 *rate.*

20 The limitations imposed hereby shall be subject to the following exceptions:

21 2 Effective Date. This act shall take effect January 1, 2022.

**SB 136-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the state minimum hourly rate.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	Indeterminable Increase
Funding Source:	<input checked="" type="checkbox"/> General Government Funds	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input checked="" type="checkbox"/> Other - Various

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill sets the minimum hourly rate paid to employees and also amends the minimum hourly rate for tipped employees.

The Department of Administrative Services indicates this bill would increase the State minimum hourly wage to \$10.00 per hour, effective January 1, 2022 and to \$12.00 per hour, effective January 1, 2024. The bill would require State, county and municipal employers to increase the rate of pay for any employee below the new minimum hourly wage. This would result in either increased salary and benefit-related expenditures or a reduction in staff to offset the cost. The cost to State government would depend on how State agencies respond based on their staffing needs. Possible responses might include:

- Reassignment of staff to higher labor grades or salary steps;
- Reducing the number of positions ("reduction in force");
- Reassessment or consolidation of job classifications within the impacted labor grades;
- Renegotiation with unions of all applicable wage schedules. Such renegotiations would likely involve adjustments to all labor grades and steps to reflect equitable scaling of pay.

The Department states potential cost of the bill is indeterminable due to the unknown impact of future wage negotiations on current wage schedules, and agency-specific responses to the

increased costs. An across-the-board increase in hourly wages for all positions to ensure compliance with the proposed minimum wage increase (including a commensurate increase in wages for higher labor grades) would result in greater cost to State agencies than eliminating those steps in lower labor grades that fall below the proposed wages.

The Department provided information on the current number of classified full-time and part-time positions potentially affected by the proposed change in minimum hourly wage. Under the current wage schedules, no positions would fall below the proposed minimum wage of \$10.00 effective on January 1, 2022. In 2024, under the current wage schedules, up to 659 current positions could be impacted. The table below summarizes the data.

Fiscal Year	Minimum Wage	Classified Positions filled as of December 20 below the new minimum	Affected Labor Grades & Steps (Includes positions such as Laborer, Clerk and Lifeguard)
2022 & 2023	\$10.00	None	None
2024	\$12.00	659	Labor grade 1, steps 1 through 4, Labor Grade 2, steps 1 through 3, Labor Grade 3, steps 1 and 2, Labor Grade 4, steps 1

The New Hampshire Municipal Association indicates this bill would cause an increase in wages, and thus an increase in municipal expenditures, for any municipal employee being paid less than the newer minimums as they take effect. The Association does not have sufficient information to determine how many employees would be affected or what the amounts of the increases would be. There should be no effect on municipal revenues.

The New Hampshire Association of Counties states this bill would have no fiscal impact on county revenues or expenditures.

AGENCIES CONTACTED:

Department of Administrative Services, New Hampshire Municipal Association and New Hampshire Association of Counties

Committee Minutes

SENATE CALENDAR NOTICE

Commerce

Sen Harold French, Chair
Sen Bill Gannon, Vice Chair
Sen Jeb Bradley, Member
Sen Donna Soucy, Member
Sen Kevin Cavanaugh, Member

Date: March 2, 2021

HEARINGS

Tuesday

03/09/2021

(Day)

(Date)

Commerce	REMOTE 000	8:30 a.m.
(Name of Committee)	(Place)	(Time)

8:30 a.m. **SB 137** relative to the minimum hourly rate for tipped employees.

8:45 a.m. **SB 136-FN** relative to the state minimum hourly rate.

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. Link to Zoom Webinar: <https://www.zoom.us/j/92005780172>
2. To listen via telephone: Dial (for higher quality, dial a number based on your current location): 1-312-626-6799, or 1-646-558-8656, or 1-301-715-8592, or 1-346-248-7799, or 1-669-900-9128, or 1-253-215-8782
3. Or iPhone one-tap: 13126266799,,92005780172# or 16465588656,,92005780172#
4. Webinar ID: [920 0578 0172](https://www.zoom.us/j/92005780172)
5. To view/listen to this hearing on YouTube, use this link:
<https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA>
6. To sign in to speak, register your position on a bill and/or submit testimony, use this link:
<http://gencourt.state.nh.us/remotecommittee/senate.aspx>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-6931).

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

SB 137

Sen. Bradley

SB 136-FN

Sen. Soucy

Sen. Rosenwald

Sen. Sherman

Sen. D'Allesandro

Sen. Whitley

Sen. Perkins Kwoka

Sen. Cavanaugh

Sen. Watters

Sen. Prentiss

Aaron Jones 271-4063

Harold F. French
Chairman

Senate Commerce Committee

Aaron Jones 271-4063

SB 136-FN, relative to the state minimum hourly rate.

Hearing Date: March 9, 2021

Time Opened: 8:57 a.m.

Time Closed: 9:42 a.m.

Members of the Committee Present: Senators French, Gannon, Bradley and Soucy

Members of the Committee Absent : Senator Cavanaugh

Bill Analysis: This bill sets the minimum hourly rate paid to employees. The bill also amends the minimum hourly rate for tipped employees.

Sponsors:

Sen. Soucy

Sen. D'Allesandro

Sen. Perkins Kwoka

Sen. Watters

Sen. Rosenwald

Sen. Whitley

Sen. Cavanaugh

Sen. Prentiss

Sen. Sherman

Who supports the bill: Please refer to sign-in sheets

Who opposes the bill: Trysten McClain, Alvin See, Elliot Axelman, Nancy Graham, Daniel Richardson, Dorothy Bauer, Representative Jody Underwood, Curt Howland

Who is neutral on the bill: Samantha Fillmore (The Heartland Institute)

Summary of testimony presented in support:

Senator Donna Soucy

- This bill would increase the minimum wage for the first time in 14 years.
- Through an increased minimum wage, workers will be able to help stimulate the economy.
- Since 2010, New Hampshire has let Washington, D.C. decide what wages should be in the state.
- There's a perception and concern that New Hampshire doesn't value workers the same way that other New England states do.
 - In Massachusetts, the minimum wage is \$13.50, and the tipped wage is \$5.50.
 - In Maine, the minimum wage is \$12.50, and the tipped wage is \$6.08.
 - In Vermont, the minimum wage is \$11.75, and the tipped wage is \$5.88.
- By offering higher wages, surrounding states attract New Hampshire workers into their service industries.

- According to Mr. Veilleux, most restaurants cannot get workers to work for less than \$12 an hour.
- Senator Soucy agreed that a vast majority of competitive businesses throughout the state do pay more than \$10 an hour. In fact, Senator Soucy heard from a large business that they couldn't get people to show up for anything less than that amount.
- By January 2022, this bill would increase the minimum wage to \$10 an hour.
- According to Senator Soucy, this bill wouldn't burden businesses, increase job lost, or cause wage compression.
- Currently, those employed full-time and earning the minimum wage only make \$15,000 per year. Even with an additional job, those workers earn wages that are below the federal poverty guidelines. Further, in New Hampshire, those wages aren't enough for an individual to live on or support a family.
- As vaccinations increase and the Legislature works to recover the economy, Senator Soucy said this is the appropriate time to implement this bill. Further, this bill will help attract younger workers to the state.
- When compared to surrounding states, New Hampshire is on an island by itself.
- Senator Soucy concluded that it's time for elected officials to do what's best for the state, businesses, and the economy.
- **Senator Gannon** asked how many people are working 40 hours a week and earning \$7.25 an hour.
 - **Senator Soucy** didn't have the exact number, but it was very few workers. Employees who work that many hours do qualify for different forms of public assistance; therefore, New Hampshire is subsidizing businesses that are unwilling to pay a fair wage.
- **Senator Gannon** said his high school children started at minimum wage at Dunkin' Donuts and the mall, but their wages went up after a couple of months. Senator Gannon wondered if the economy and the free market took care of the issue by paying workers at a higher rate.
 - **Senator Soucy** found that there are areas of the state that do pay less; however, competitive areas, particularly around the border, struggle to find service industry workers that will work for anything less than a double-digit wage.
- **Senator Gannon** wondered if there was a problem to fix if businesses were already paying \$10 or \$12 an hour for an employee to start.
 - **Senator Soucy** replied that it was in New Hampshire's interest to set a wage, instead of letting the federal government set it. Throughout the years, there have been labor laws passed that have enshrined basic minimums in state statute to ensure workers are treated fairly.
- **Senator French** asked if someone who made \$12 an hour would still be eligible for assistance in the state.

- **Senator Soucy** said they might be eligible for some form of assistance, but she wasn't sure. Also, it would depend on whether the person has children or not.
- **Senator French** wondered if workers would lose out on assistance, even if their wages were raised minimally.
 - **Senator Soucy** said she didn't believe they would, but she would provide the Committee with data by the end of the day.
- **Senator Gannon** said he heard that between 7,500 and 12,000 people make minimum wage, which equated to less than a fraction of a percent of the workforce. Senator Gannon asked if those numbers were correct.
 - **Senator Soucy** said she didn't have a specific number, and she didn't want to provide the Committee with an inaccurate answer.

Dr. Reverend Gail Kinney, New Hampshire United Church of Christ

- In 2011, churches and faith leaders across all traditions in New Hampshire were appalled by the Legislature's decision to remove the minimum wage statute.
- In response, the New Hampshire United Church of Christ adopted a resolution that stated it was a moral imperative to reinstitute the minimum wage. Additionally, it stated that a wage should be enough for someone to survive on without having to be supported by public assistance.
- Taxpayers are subsidizing employers because workers who make \$10 an hour can still apply for assistance to find a place to live and/or support a child.
- In 2014, the Church held a luncheon at St. Paul's Church in Concord. Dr. Reverend Kinney recalled a legislator who attended the event who had always voted against the minimum wage; however, after the luncheon, he realized that his Catholic teachings stated that a laborer should be paid his or her dues.
- According to Dr. Reverend Kinney, the minimum wage was never supposed to be a training wage, or an entry level wage, or a young adult wage. Instead, when the concept was created, it was intended to be a wage for a worker to survive on.
- If the market was responsive, then Dr. Reverend Kinney said there wouldn't be the working poor in New Hampshire. Further, if the market provided, then New Hampshire taxpayers wouldn't have to subsidize multi-billion-dollar, multinational corporations.
- Dr. Reverend Kinney said this bill was a start, and she implored the Committee to pass it.
- **Senator French** asked if Dr. Reverend Kinney knew what the minimum income would be before someone was no longer eligible for government assistance.
 - **Dr. Reverend Kinney** responded that eligibility for assistance is gauged in different ways, such as the size of a person's family and if they have children. Also, there are various forms of assistance, such as heating, food, and housing. However, she wasn't sure of the exact standards of who gets what.
- **Senator French** asked if assistance was tied to the federal poverty guidelines.

- **Dr. Reverend Kinney** said she wasn't an expert in regulations that are overseen by New Hampshire Health and Human Services or other state agencies. Often, those who do earn at the federal poverty level aren't able to buy food or have a place to live. In New Hampshire, given the rental prices, she said that an individual would need to work between 2 and 3 minimum wage jobs to afford rent. She reiterated that eligibility varied, and that there might be people who could provide better information on it.

Kathy Staub, Raise Up New Hampshire

- By raising the minimum wage, low wage workers will have more in their pocket to help stimulate the economy.
- As Senator Soucy stated, the surrounding New England states have a higher minimum wage.
- New Hampshire has a high cost of living, and rental prices are similar to Massachusetts.
 - For example, the average rent for a 2-bedroom apartment in Manchester has went from \$1,000 to \$1,400 a month.
 - To afford rent in New Hampshire, a single parent would need to make at least \$20 an hour.
- In this bill, Ms. Staub was concerned by the reduction of the tipped wage from 45 percent to 35 percent of the minimum wage.
- Ms. Staub contended that tipped wages offered were much lower than \$12 an hour.
 - For example, waitresses, bartenders, and hairdressers make a median wage per hour of \$9.97, \$9.73, and \$11.60, respectively.
- Currently, the tipped wage in New Hampshire is \$1 higher than the national tipped wage.
- Each New England state has a higher tipped wage, yet their restaurant industry has thrived.
- Presently, there's \$25 billion in federal relief available to help restaurants recover; therefore, Ms. Staub said that the burden of the recovery shouldn't be placed on tipped workers, which are primarily women.
- Federally, the Raise the Wage Act would raise the minimum wage to \$15 an hour by 2025. It also would gradually phase out the tipped wage by 2027.
- Since 80 percent of New Hampshire tipped workers are women, Ms. Staub wondered if this provision could be considered discriminatory because it would create a separate wage for certain classes of people.
- Research has shown that as an individual makes more money, they get less in assistance.
- Ultimately, this bill would demonstrate that New Hampshire values its workers.
- **Senator Gannon** wanted clarification that he heard Ms. Staub say that hairdressers make \$9.90 an hour.

- **Ms. Staub** responded that wages range from \$8.91 an hour for an entry level worker to \$17.73 an hour for an experienced worker. This variation can be attributed to those working at a place, such as Supercuts, as opposed to a high-end salon. Ms. Staub said she knew a hairdresser that worked in Maine and New Hampshire. In Maine, on a low volume day, that person would make \$9 an hour; however, in New Hampshire, she would only make \$7.25 an hour.

Emmett Soldati

- For his small business to succeed, Mr. Soldati said he needed to pay employees, regardless of their age, a livable wage.
- This bill would lift all boats and provide businesses with an onramp to improve their employee's wages.
- Since businesses owners and entrepreneurs are good planners, Mr. Soldati said they can work with the rules set forth in this bill.
- When he increased the cost of his payroll, Mr. Soldati made cost calculations that took into consideration changes in prices and inventory.
- Unlike small businesses, larger chain businesses have different ways to control prices, marketing, and wages.
- A minimum wage increase would establish a mandate that would keep more money in local communities; thus, enabling people to patronize more local businesses.
- According to 2017 census data, 15 percent of New Hampshire households made under \$25,000 a year.
- Ultimately, this bill demonstrates what quality of life should look like in New Hampshire, while also ensuring that more people participate in their local economy.
- **Senator Gannon** asked if Mr. Soldati worried about the effects of the pandemic, and if increased overhead costs would result in higher prices and decreased foot traffic.
 - **Mr. Soldati** replied that this bill wouldn't make businesses immediately double their base payroll during a pandemic. Instead, this bill would strengthen the economy from the ground up. If businesses are told that this legislation will increase the livelihood of their employees and increase housing affordability, then Mr. Soldati said owners would support that. This bill would enable businesses to build costs into their pricing, inventory, and marketing. Ultimately, part of recovering the economy is to provide for those at the bottom of the wage spectrum.
- **Senator Gannon** wanted to know how much Mr. Soldati paid a high schooler who washed dishes.
 - **Mr. Soldati** said that they pay everyone \$15 an hour. He recognized the need to increase wages as housing costs have increased. Additionally, the more he provides to those in Somersworth, the more likely they're to shop in the local economy.

Summary of testimony presented in opposition: None

Neutral Information Presented:

Samantha Fillmore, State Government Relations Manager, The Heartland Institute

- According to a report by the Congressional Budget Office, as minimum wage is increased, a significant number of employees will experience a wage boost. However, this boost would come at the expense of millions of lost jobs, which would primarily hurt smaller businesses.
- According to Yelp, 60 percent of U.S. businesses have closed since last year. Of those businesses, most are looking to shutdown permanently.
- From March 1 to July 10, 2020, 449 businesses in New Hampshire have either temporarily or permanently closed.
- Ms. Fillmore applauded the efforts made by this bill; however, given the pandemic, this wasn't the appropriate time to raise the minimum wage. Furthermore, most small businesses already operate on small revenue margins.
- If this bill were passed, New Hampshire would face a revenue shortfall as more small businesses are forced to close.
- Ms. Fillmore stated that most small businesses already pay more than the minimum wage.
- Ms. Fillmore urged the Committee to vote against this bill to protect liberty, leave the contract between workers and businesses alone, and allow businesses to maintain autonomy.

Henry Veilleux, on behalf of the New Hampshire Lodging & Restaurant Association

- Mr. Veilleux thanked Senator Soucy for addressing the tipped wage issue, even if it took a different approach than SB 137-FN.

AJ

Date Hearing Report completed: March 11, 2021

Speakers

Commerce Committee Testify List for Bill SB136 on 2021-03-09

Support: 47 Oppose: 8 Neutral: 1 Total to Testify: 5

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>
McClain Trysten	trystenmcclain@icloud.com	603.530.2474	Myself	Oppose	Yes
Kinney Rev. Dr. Gail	gailhrdi@aol.com	Not Given	NH Conference United Church of Christ/Economic Justice Team	Support	Yes
Staub Kathy	kstaub@comcast.net	603.624.0249	Myself	Support	Yes
Soldati Emmett	emmettsoldati@gmail.com	603.978.9225	Myself	Support	Yes
Fillmore Samantha	SFillmore@heartland.org	210.548.0337	The Heartland Institute	Neutral	Yes
Waldron Martin	waldronmf@gmail.com	603.501.0839	Myself	Support	No
perez maria	mariaeli63@gmail.com	603.801.7867	District 23	Support	No
Butcher Suzanne	SuzanneButcherNH@yahoo.com	Not Given	Myself	Support	No
Hatcher Karen	kmelito@gmail.com	908.797.4649	Myself	Support	No
Cavanaugh Marilyn	wmcavanaugh@comcast.net	603.502.0205	Myself	Support	No
See Alvin	absee@4Liberty.net	Not Given	Myself	Oppose	No
Anastasia Patricia	patti.anastasia@gmail.com	603.818.9991	Myself	Support	No
West Christie	christiemwest@gmail.com	603.320.6261	Myself	Support	No
Thomas Nicholas	nicholas.w.thomas@uconn.edu	734.355.3870	Myself	Support	No
Istel Claudia	claudia@sover.net	Not Given	Myself	Support	No
Axelmann Elliot	aluaxelman@gmail.com	732.674.2355	Myself	Oppose	No
Fawson Michelle	shellyfawson@gmail.com	508.930.6616	Myself	Support	No
Oldak Peter	jewelvin@rcn.com	603.770.9313	Myself	Support	No
Pattison Christine	Cspattison@comcast.net	603-851-1924	Myself	Support	No
Sherman Senator Tom	jennifer.horgan@leg.state.nh.us	271-7875	SD24	Support	No
Smiley Seth	Not Given	Not Given	Myself	Support	No
Ostrowski Joan	jcmostrowski@gmail.com	Not Given	Myself	Support	No
Henrichon Margaret	mhenrichon@comcast.net	Not Given	Myself	Support	No
Hope Lucinda	lmhope46@gmail.com	Not Given	Myself	Support	No
St Germain Diane	Not Given	Not Given	Myself	Support	No
Holt David	davholt@aol.com	603.692.0349	Myself	Support	No

Commerce Committee Testify List for Bill SB136 on 2021-03-09

Support: 47 Oppose: 8 Neutral: 1 Total to Testify: 5

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>
Graham Nancy	nancygraham806@gmail.com	Not Given	Myself	Oppose	No
Donovan Julie	julie.donovan@juno.com	603.488.5967	Myself	Support	No
Schnell Robin	r.hary.schnell@gmail.com	518.366.9978	Myself	Support	No
Richardson Daniel	daniel6_22@comcast.net	603.594.9303	Myself	Oppose	No
Watters Senator David	david.watters@leg.state.nh.us	603-271-2104	Myself (SD 4)	Support	No
Casino Joanne	joannecasino@comcast.net	603.746.3491	Myself	Support	No
Perkins Kwoka Senator Rebecca	rebecca.perkinskwoka@leg.state.nh.us	603-271-2104	Myself (SD 21)	Support	No
Saadah Marjorie	marjoriegs@gmail.com	Not Given	Myself	Support	No
Nelson Elizabeth	BethDavid@comcast.net	603.505.5617	Myself	Support	No
sauve michael	michael.s.sauve@gmail.com	603.856.8712	Myself	Support	No
Bauer Dorothy	dottiebauer@gmail.com	Not Given	Myself	Oppose	No
DeMark Richard	demarknh114@gmail.com	603.520.5582	Myself	Support	No
Osborne Stephanie	Osbornestephanie@me.com	Not Given	Myself	Support	No
Bruce Susan	susanb.red@mac.com	603.730.7078	Myself	Support	No
Zoeller Charles	caz3328@comcast.net	603.437.1824	Myself	Support	No
Fordey Nicole	nikkif610@gmail.com	Not Given	Myself	Support	No
DEJoie John	jdejoie@karnerbbluestrategies.com	603-682-8531	National Association of Social Workers - NH Chapter	Support	No
Larson Ruth	ruthlarson@msn.com	Not Given	Myself	Support	No
Underwood Jody	Not Given	Not Given	Myself	Oppose	No
Theberge Timothy	timtheberge@gmail.com	978.869.8356	Myself	Support	No
Rosenwald Cindy	cindy.rosenwald@leg.state.nh.us	603.566.0586	SD 13	Support	No
Hegfield Laura	laurahegfield@comcast.net	603.672.6521	Myself	Support	No
Vaughan Elizabeth	lizfvaughan@hotmail.com	603.921.0444	Myself	Support	No
Lucas Janet	janluca1953@gmail.com	16037267614	Myself	Support	No
Cutshall Catherine	vivadofamily@aol.com	Not Given	Myself	Support	No
Pawley Katherine	Not Given	Not Given	Myself	Support	No

Commerce Committee Testify List for Bill SB136 on 2021-03-09

Support: 47 Oppose: 8 Neutral: 1 Total to Testify: 5

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>
Howland Curt	howland@priss.com	16035123414	Myself	Oppose	No
Paradis Emma	epcparadis@gmail.com	603.264.4640	Myself	Support	No
Jones Gisela	gisela1142@gmail.com	160.344.8294	Myself	Support	No
Benham Linda	Not Given	Not Given	Myself	Support	No

Testimony

**Testimony Before the New Hampshire Senate Commerce
Committee Relating to the State Minimum Hourly Rate**

**The Heartland Institute
March 9, 2021**



A NATIONAL NONPROFIT
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E. think@heartland.org

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Chairman French and Members of the Committee:

Thank you for holding a hearing on Senate Bill 136, legislation that proposes raising the state's minimum wage from \$7.25 per hour to \$12 per hour by January 1, 2024.

My name is Samantha Fillmore, and I am a State Government Relations Manager at The Heartland Institute. The Heartland Institute is a 37-year-old independent, national, nonprofit think tank and our mission is to discover, develop, and promote free-market solutions to social and economic problems. Heartland focuses on providing elected officials on all levels reliable and timely research on important policy issues such as minimum wage hikes.

Minimum wage laws attempt to create a minimum standard of living to protect employees' health and well-being by mandating a base level of pay from employers to certain covered employees. While attempts at all of the aforementioned factors are laudable, minimum wage laws are highly disruptive, artificially manipulating pay and the workforce while harming those it is intended to help. Lawmakers must consider the serious consequences a minimum wage increase can have on employment rates and economic growth.

Minimum wage hikes also impose a myriad of unintended consequences to all businesses, especially small businesses—the essence of the American economy. Minimum wage increases force businesses to reallocate their costs to cover the increase in employees' wages, ultimately forcing them to alter spending elsewhere to offset their newly increased labor costs. More times than not, this results in less hiring, a reduction in work hours, and increasing prices for consumers. For many small businesses, a minimum wage hike will lead to bankruptcy, as they are no longer able to remain profitable due to substantially increased labor costs.

A recent study by the Congressional Budget Office, titled "The Effects on Employment and Family Income of

Increasing the Federal Minimum Wage," examines how increasing the federal minimum wage to \$10, \$12, or \$15 per hour by 2025 would adversely affect employment and family outcomes. According to the study, the minimum wage hikes do, in fact, boost the wages of some workers. However, this is at the cost of pushing millions of workers out of a job, hitting small businesses the hardest.

Every state experienced some degree of state and federally imposed lockdowns and shelter-in-place orders due to the sudden onset of the coronavirus pandemic, which sent shockwaves throughout the small business ecosystem that are still being felt. Therefore, a minimum wage hike in 2021 could not be more ill-timed. In an analysis based on self-recorded closures in their database, Yelp estimates that 60 percent of U.S. businesses that have closed since the start of the COVID-19 pandemic have shut down permanently. More specifically to your constituents, Officials with Yelp said that 449 businesses in New Hampshire temporarily closed between March 1 and July 10 of last year.

It is paramount for New Hampshire lawmakers to consider the small businesses in the Granite State before mandating wages which may result in businesses closing and increased unemployment, especially when joblessness has skyrocketed due to the ongoing pandemic.

Furthermore, because failed businesses don't pay property taxes, income taxes, sales and use taxes, and the dozens of other licensing and regulatory fees that governments rely on for revenue, increasing the minimum wage will have effects on government revenue. While seemingly politically popular, the downstream effects of a minimum wage increase will certainly create challenges for municipal and state budgets.

Although attempts to bolster a minimum standard of living and protecting low-skilled workers in a pandemic-world are commendable, the overall economic effects of proposed minimum wage hikes accomplish neither of those worthy goals. Arbitrary minimum wage hikes, out of sync with the laws of supply and demand, would do little to lift Granite Staters from poverty while destroying jobs in the state. As such, legislators in New Hampshire should consider all of the socioeconomic effects associated with Senate Bill 136.

Thank you for your time today.

For more information about The Heartland Institute's work, please visit our websites at www.heartland.org or <http://news.heartland.org>, or call Samantha Fillmore at 312/377-4000. You can reach Samantha Fillmore by email at SFillmore@heartland.org.

Voting Sheets

Senate Commerce Committee
EXECUTIVE SESSION RECORD
2021-2022 Session

Bill # SB 136-FN

Hearing date: 3/9/21

Executive Session date: 3/9/21

Motion of: ITL Vote: 3-2

Committee Member	Made by	Second	Yes	No
Sen. French, Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Gannon, V-Chair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sen. Soucy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Made by	Second	Yes	No
Sen. French, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Gannon, V-Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Made by	Second	Yes	No
Sen. French, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Gannon, V-Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: SEN. BRADLEY

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Tuesday, March 9, 2021

THE COMMITTEE ON Commerce

to which was referred **SB 136-FN**

AN ACT relative to the state minimum hourly rate.

Having considered the same, the committee recommends that the Bill

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 3-2

Senator Jeb Bradley
For the Committee

Aaron Jones 271-4063

COMMERCE

SB 136-FN, relative to the state minimum hourly rate.

Inexpedient to Legislate, Vote 3-2.

Senator Jeb Bradley for the committee.

Docket of SB136

Bill Title: relative to the state minimum hourly rate.

Official Docket of SB136.:

Date	Body	Description
2/3/2021	S	Introduced 01/06/2021 and Referred to Commerce; SJ 3
3/3/2021	S	Remote Hearing: 03/09/2021, 08:45 am; Links to join the hearing can be found in the Senate Calendar; SC 14
3/9/2021	S	Committee Report: Inexpedient to Legislate, 03/18/2021; SC 15
3/18/2021	S	Inexpedient to Legislate, RC 14Y-10N, MA === BILL KILLED === ; 03/18/2021; SJ 8

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB 136-FN

Senate Committee: Commerce

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

___ - amendment # ___ ___ - amendment # ___

___ - amendment # ___ ___ - amendment # ___

Executive Session Sheet

Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # ___ ___ - amendment # ___

___ - amendment # ___ ___ - amendment # ___

Post Floor Action: (if applicable) {Clerk's Office}

___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

___ Enrolled Bill Amendment(s)

___ Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house

___ final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

AARON JONES
Committee Aide

7/21/21
Date

Senate Clerk's Office [Signature]