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New Hampshire Retail Association

Fact Sheet

- The New Hampshire Retail Association's mission is to advocate for, promote and support retailers NH Retailers.
- The NH Retail Association is a statewide organization of business people promoting the success of the New Hampshire retail community.
- We were formed in 1966 to protect the rights of retailers and further the cause of the retail industry at the state level of the legislative process. Our membership consists of nearly 700 businesses, ranging from small, independent business owners to major corporations.
- The NH Retail Association is a not-for-profit Association, funded mainly by membership dues and governed by a Board of Directors.
- The NH Retail Association operates a number of member-benefit programs, including a self-funded workers compensation fund and credit card processing, which help small retailers get discounts normally only available to larger businesses.
- We advocate policies and laws that maintain and advance New Hampshire's strong retail climate and oppose legislation that would limit or restrict a retailer's way of doing business, or that would put an unfair financial burden on retailers.
- The NH Retail Association believes in healthy competition and that all sizes, shapes and types of legitimate retailers should be able to compete and serve customers in the marketplace.
- The NH Retail Association is represented legislatively by Demers & Prasol.

Legislative Positions of The New Hampshire Retail Association

General Position:

The NH Retail Association believes in healthy competition and that all sizes, shapes and types of legitimate retailers should be able to compete and serve customers in the marketplace.

Additionally, the State of New Hampshire has built an economy on our strong retail sector thanks to our sales tax-free shopping experience.

The New Hampshire Retail Association advocates policies and laws that maintain and advance New Hampshire's strong retail climate.

The NH Retail Association opposes legislation that would

- limit or restrict a retailer's way of doing business
- put an unfair financial burden on retailers
- place a burden on physical retail locations that aren't or can't be placed on online-only retailers
- interfere with a retailer's ability to maintain a safe & healthy workplace for its employees and customers

Specific Issues of Concern for the NH Retail Association:

- Sales or Consumption Tax
- Funding of Education
- Smart Growth/Sprawl
- Privacy Issues
- Employee Benefits & Employee Relations
- Organized Retail Crime/Loss Prevention
- Product Stewardship/Environment/Recycling / Labeling
- Consumer Credit
- Energy Efficiency, Conservation and Renewable Energy
- Small Group Health Insurance Premiums
- Workplace Health & Safety

Issue: Sales or Consumption Tax in the State of New Hampshire

New Hampshire Retail Association's Position

The New Hampshire Retail Association strongly opposes the introduction of a sales tax in the state.

Background

Retailing is a cornerstone of this state's economy; tax free shopping gives us a unique advantage over other states. A report commissioned by the New Hampshire Retail Association and conducted by Brian Gottlob of PolEcon Research reveals the following:

- NH has the highest concentration of retail employment of any state in the nation.
- NH's retail sales advantage over Massachusetts has been increasing over time.
- Even a low-rate general sales tax (2.5%) will result in a loss of 46 percent of cross border sales, or about \$1.6 billion of retail sales.
- Although a 2.5% retail sales tax would yield approximately \$322 million dollars for the state, declines in other state revenues and visitors to NH would reduce the net tax yield for the state to about \$269.7 million.
- With a 2.5% sales tax local governments could lose about \$80 million in revenue from property taxes and another \$4 million from, meals and rooms and other visitor-related revenues.
- A 2.5% sales tax would reduce retail sales enough to increase retail vacancies by about 3.8 million square feet in Southern NH communities. The result would be declines in commercial property values, the local property tax base, and an increasing shift in the property tax base to residential property.
- Even a low rate sales tax of 2.5% would result in the loss of over 13,000 jobs in NH, almost half as many as were lost during the recent recession, and over \$530 million in wage and salary income.

Issue: Funding of Education in the State of New Hampshire

New Hampshire Retail Association's Position

We support a change in the state Constitution that would allow the legislature to distribute state funds for education on a need basis, rather than per-pupil. The ability to target aid, sending more to school districts that need help and not to the districts that have the property tax base necessary to provide more resources than most from their own property tax base.

The New Hampshire Retail Association recognizes that any taxation, either new or increased, removes disposable income from consumer's pockets and we hope would always be a means of last resort.

Issue: Smart Growth/Sprawl

New Hampshire Retail Association's Position

The New Hampshire Retail Association opposes legislation or ordinances that attempt to ban, limit or prohibit the growth of legitimate retailers, or that mandates what goods can be sold in a particular store. We believe that regulations should not discriminate based upon size.

Background

The New Hampshire Retail Association recognizes that part of the uniqueness and attractiveness of the state of New Hampshire is our undeveloped land for recreation, and other activities. However, retailers need to have the freedom to grow and expand their businesses in locations that make sense for them; that is the key to their survival. The New Hampshire Retail Association believes that all sizes, shapes and types of legitimate retailers should be able to compete in the marketplace and we support the choice of customers to shop at a variety of retailers.

We strive to work with retailers, legislators and state agencies to keep a balance with New Hampshire's growing retail environment and our undeveloped land.

Issue: Privacy

New Hampshire Retail Association's Position

The New Hampshire Retail Association opposes legislation that would infringe upon a customer's relationship with a retailer.

Background

The New Hampshire Retail Association understands that the privacy and integrity of customers must be protected. Retailers themselves know that customers value their privacy as much as they value their relationship with the retailer. How well they develop and maintain relationships with their customers by satisfying customer needs and wants, including those regarding their personal information, determines a retailer's success or failure. Trust is the foundation of this relationship; any action by a retailer that betrays that trust is detrimental to business, and retailers, like any business, know that.

Targeted marketing permits retailers to identify a consumer's interests and shopping needs for the purpose of making tailored marketing offers and creating special events that address those interests.

Federal law requires retailers to give customers the opportunity to opt out of receiving targeted marketing offers, and that is a process that works well, as it is clearly contrary to a retailer's interest to market to consumers who have no interest in hearing from them. Further, because trust is so important to retailers, they do not sell or rent their customer information.

However retailers also rely upon the ability to communicate, via various media, with consumers with whom they have a relationship. Consumers expect that as part of good customer service, and retailers see the advantage of tailored communication. Therefore any legislation that interferes with this consensual relationship harms both consumers through higher prices and more, not less, marketing, and retailers through more resources being spent on marketing.

Issue: Employee Benefits & Employee Relations

New Hampshire Retail Association's Position

The New Hampshire Retail Association believes that wages, benefits, insurance, scheduling and other similar employer/employee arrangements should be set through a private agreement between the employer and employee and offered as a bonus of employment to be used in recruitment.

The New Hampshire Retail Association opposes the imposition of one-size-fits-all government mandates and regulations that require specific benefits or benefits at minimum levels.

Background

The state legislature over the years has attempted to mandate many practices that should remain private agreements between employer and employee. Requiring a benefit in statute removes the flexibility which might be a detriment to some employees.

NH Retail Association members frequently comment that keeping good employees is tough in the retail industry as thin margins limit the resources available. This has escalated since the pandemic. Many times retail employers lose good employees to larger businesses or other industries that offer a benefit package that better suits that employee. The benefits offered to employees of businesses vary, depending on the resources of the employer, the type of employee the business is seeking and the input from employees. One-size-fits-all benefits packages don't necessarily work for all businesses.

NH Retail Association members know that a benefit package must work for both employer and employee. Each employee has different needs and wants in a benefits package. A single person in their 20's may look for something different than does a married person in their 40s with three kids who might look for something different than an individual in their 60s with an empty nest.

Also, specific scheduling requirements would eliminate scheduling flexibility and force employers to deny last-minute time-off requests, could result in lost hours and income for employees, ignores employees who choose retail for scheduling flexibility, and makes it impossible for retailers to adapt to changes, Notably, forced scheduling requirements would halt innovations in scheduling, for example apps that allow employees to see and ask for open shifts in real time, or making possible shift swapping between employees.

Issue: Organized Retail Crime/Loss Prevention

New Hampshire Retail Association's Position

The NH Retail Association supports legislation that would decrease the ease and motivation to shoplift and increase penalties for organized retail theft.

Background

New Hampshire is a mecca for shoppers, thus we have a several areas of the state where there are high concentrations of retail businesses, attractive to both shoppers and professional shoplifters, known as *organized retail crime (ORC)*.

ORC offenses are increasing at an alarming rate. These are groups of criminals who travel from city to city and state-to-state, using a variety of devices and tactics to impede detection. They steal with the intent to resell items. The losses to retailers are staggering. Organized retail crime is estimated to cost the industry as much as \$30 billion each year, more than robbery, bank robbery, auto theft and other theft combined. Retail theft is a serious and costly crime, costing consumers billions of dollars in higher prices at the cash register.

The methods used by these gangs range from straight stealing mass quantities and using emergency exits to avoid detection to complicated return-fraud and counterfeit receipt schemes to phony checks.

The advent of online marketplaces like *EBay* and *Craig's list* have provided a simple and easy method to sell stolen merchandise. At the request of NH Retail Association, the N.H. General Court has passed a number of new laws over the last decade aimed at criminalizing new methods criminals use to get around the previous laws and loss-prevention methods at stores. **We're proud to say we have been on the cutting-edge of ORC legislation and New Hampshire laws are currently among the most aggressive in the country.**

And retail is doing its part as well. Retailers and Law Enforcement have founded the New England Organized Retail Crime Alliance, a website developed to allow NEORCA members to share information relating to the businesses and communities we serve.

Issue: Product Stewardship/Environment/Recycling

New Hampshire Retail Association's Position

The New Hampshire Retail Association supports voluntary efforts to be environmentally pro-active in the area of recycling and product stewardship. The NH Retail Association opposes state or local government mandated activity in these areas.

Specific to the local level, New Hampshire's House of Representatives being 400-strong, plus another 24 Senators, in a state of very small communities, the legislature is perfectly suited to make policy decisions for the state.

Background

The New Hampshire Retail Association endorses the concepts of responsible packaging and encourages manufacturers, distributors and retailers to continue to explore ways to reduce waste through responsible packaging and reuse efforts. Retailers small and large are affected by mandated issues such as registration and reporting of products (fertilizers, pesticides), product recalls, and packaging requirements. We need to be aware of the financial burdens and time constraints that these practices entail for retailers.

We also emphasize **that retailers only sell what others manufacture and package**. Yet many retailers voluntarily create recycling programs, including hosting events and permanent take-back policies. Accepted items usually include computers, televisions, monitors, audio equipment, printers, DVD Players, and Fax Machines. Many retailers will remove an old or obsolete television at no charge from a consumers' home when a new product is purchased and is being delivered to the home. The old units are collected by a licensed, third-party recycler.

Specific to recycling, we believe that developing a national electronics management system that effectively encourages the collection and recycling of electronic waste is far more preferable if handled by individual states. Some retailers, particularly small ones, do not have space to store used electronics, therefore we oppose mandatory retail take-back of electronic waste.

In almost all cases, new cell phone customers receive free, postage-paid envelopes to mail old phones to a reuse/recycling partner. Many retailers have free recycling for customers to drop off old cell phones at no cost even when a new phone is not purchased. And many retailers have free recycling for customers to drop off batteries, and ink-jet cartridges at no cost.

This is another area where one-size fits all does not work, but the voluntary programs are demonstrably reducing these items from the general waste stream. Any policy must recognize that many products purchased in NH will ultimately be disposed of in another state.

Plastics bags make up a small portion of the waste stream, and banning plastic shopping bags only hurts small business, while doing nothing to address the amounts of waste in packaging that come from online sellers. Many retailers voluntarily recycle plastic bags, and customers have the choice whether to use the store's bag or not. The N.H. Retail Association believes the choice should remain in the customer's hands and not be a decision by government.

Labeling Requirements should be left to the federal government. State-by-state requirements create confusion and extra cost for producers.

Moreover, New Hampshire being a tiny marketplace, producers and distributors could decide to bypass our state altogether due to the extra burden, meaning New Hampshire businesses do not have access to products to sell to consumers.

Importantly state-level regulations make commerce difficult for small business when consumers can obtain the same product, without labeling requirements, over the internet. There have been numerous labeling requirement proposals throughout the years, from light bulbs to RFID devices to, most recently, GMOs.

The net result for the NH retail industry and the NH Retail Association, is the same. A 50-state patchwork of laws in this area, given the state of commerce, at will drive up costs to consumers, could deprive NH consumers and of products, and potentially makes NH businesses criminally or civilly liable for the actions of others. These provisions also run the risk of violating the "commerce clause" of the U.S. Constitution.

Final thoughts:

- Mandatory collection fees are an undue burden on small businesses, as are provisions requiring retail reporting of proprietary sales data or other data to the state or back to manufacturers.
- New Hampshire has 284 municipalities within a fairly small states. A hodge-podge of environmental laws created on a town-by-town basis would be ineffective, confusing and costly, and potentially pit one town against another where it comes to these types of policies.

Issue: Consumer Credit

New Hampshire Retail Association's Position

The New Hampshire Retail Association opposes legislation or mandates that would restrict a customer's ability to obtain credit **and also opposes impediments to examining an applicant's credit worthiness.**

Background

The NH Retail Association encourages the responsible use of credit by educated consumers. A healthy financial standing on the part of the consumer means they are in a better position to contribute to the state's economy, which is in the best interest of everyone - the consumer, the retailer and the state.

The NH Retail Association believes consumer's credit risk or worthiness is a necessary aspect of determining the conditions under which the credit is extended. To limit those options available to consumers limits the consumer's ability to participate in our economy.

Issue: Energy Efficiency, Conservation and Renewable Energy

New Hampshire Retail Association's Position

The New Hampshire Retail Association believes that the benefits of a more sustainable, cleaner and efficient energy system for New Hampshire is one that all customers, residential and commercial, should share in the responsibility for and receive the benefits of.

The costs of these programs need to be balanced against the benefits to all customers and the economy as a whole. In allocating the benefits of energy sustainability programs, policy makers should ensure that retailers of all sizes receive allocation according to class participation. Overall energy policy should be based on harnessing the power of the competitive market and reliance on over regulation of pricing should be avoided.

As the legislature considers new and expanded energy policies, the NH Retail Association would urge a less regulated approach in which policies are achieved through incentives rather than mandates or requirements on consumers.

Background

Over the next decade the energy system will likely transform into a more efficient and sustainable structure in which conservation should be rewarded. Public policy in support of these goals currently includes the

Regional Greenhouse Gas Initiative, the Renewable Portfolio Standard, the forward capacity market and other programs that are based on the collection of small fees and cost from generators and customers. The redistribution of the benefits of these programs must include an affirmative effort to include retailers who provide a sizable portion of the resources which underwrite these programs.

Issue: Small Group Health Insurance Premiums

The New Hampshire Retail Association believes trade associations should have the ability to band small businesses together to form an “Association Health Plan”. This would provide small businesses more affordable health insurance to offer their employees.

Background

The most constant impediment to hiring cited by members over the course of two decades is the unsupportable year-over-year increases in the small group health insurance market. These increases create a double-hit, as employers often have to balance those increases and pushing more of the burden on to employees through higher deductibles and co-pays.

This change has the potential to level the playing field for small businesses, allowing them to pass on savings to employees in a variety of ways and better compete in the labor pool for workers.

Issue: Workplace Safety

Policy Statement

“The NH Retail Association represents retailers of all shapes and sizes and serves as the voice of the retailing sector in New Hampshire’s economy. All employers are responsible for the safety of their employees and customers; that is particularly the case for customer-facing industries like retail.”

Providing a safe and healthy customer experience is paramount. Moreover, retailers who make deliveries are likely to encounter situations in which vulnerable populations are present. Therefore it is essential that each employer maintain the ability to establish health-related obligations on the part of employees as they fit. The NH Retail Association has held the position on many issues that the business owner or manager is in the best position to determine how to meet and balance the needs and wishes of customers, employees and the business as an entity. This position also applies specifically to COVID-19 vaccines, which should be left to each individual business to determine.”