

Senate Judiciary Committee

Brendan Bunnell 271-4063

HB 1419, establishing a commission to study whether a court with specialized jurisdiction over corporate, commercial, and equitable matters should be established.

Hearing Date: April 28, 2026

Time Opened: 1:14 p.m.

Time Closed: 1:30 p.m.

Members of the Committee Present: Senators Gannon, Altschiller and Reardon

Members of the Committee Absent: Senators Abbas and Carson

Bill Analysis: This bill establishes a committee to study whether a court with specialized jurisdiction over corporate, commercial, and equitable matters should be established.

Sponsors:

Rep. McFarlane

Rep. D. McGuire

Rep. Mary Murphy

Rep. Osborne

Rep. Popovici-Muller

Rep. Sweeney

Rep. Ulery

Rep. Wherry

Rep. Kofalt

Who supports the bill: Representative Donald McFarlane, Representative Mary Murphy, Representative Daniel Popovici-Muller and Margaret Fuller.

Who opposes the bill: Representative Timothy Horrigan, Lucinda Marcoux, Faith Sheridan and Tami Lanzillo Zeimetz.

Who is neutral on the bill: None.

Summary of the testimony presented:

Representative Donald McFarlane introduced the bill. He explained that it did not seek to create a new court or to restructure the judiciary, but to instead create a study commission. He explained that the goal of the commission would be to understand how the legislature should respond to a serious institutional opportunity and whether the state's existing business law, court structure, legal talent, and academic institutions can be aligned to make New Hampshire more competitive as a corporate and commercial law jurisdiction.

- He stated that while Delaware has cornered this market for a long time; rendering the hypothetical question of businesses of where to incorporate automatic. He stated that this market is no longer static.
- He explained that Texas has created a specialized business court, and that other states including Florida, Nevada, and Indiana have positioned themselves to receive some of this business.
- He explained that 33 billion dollars' worth of companies are leaving Delaware.
- He stated that while New Hampshire should not necessarily be chasing all of that business, it would be prudent to study the question of what is right for the state and what businesses the legislature may want to attract to New Hampshire.
- He explained that the state was currently pushing businesses away and that this bill presented the opportunity to leverage the state's reputation for a strong rule of law, it's low tax and business-friendly brand, it's existing business and commercial dispute docket in the Superior Court, education, and other strengths in the New Hampshire advantage, and to improve upon these by understanding whether some of these assets could be organized in a more deliberate manner.
- Senator Reardon stated that there was already a court in New Hampshire with specialize jurisdiction. She asked whether the bill was about attracting businesses to the state rather than how the state handles business litigation.
 - o Representative McFarlane stated that there was a marketing element to this bill, as having the conversation in the open would present the opportunity to attract more businesses to consider New Hampshire and to move to the state.
 - o He stated that the conclusion of the commission may be that the existing docket is appropriate or that they might recommend further tweaks to be made. He stated that there were many in the judiciary that felt that the business docket that Senator Reardon was referring to was one of the state's strengths, and that this bill could present the opportunity to "double down" on that. He stated that there were other things that the commission would be reviewing and other opportunities for the commission to make meaningful recommendations for legislation.
- Senator Reardon asked if this was something that Business and Economic Affairs was doing already.
 - o Representative McFarlane stated that he felt that this was something that BEA should be addressing, but that he did not believe that

they possessed the prerogative to come to the legislature and to make a specific recommendation.

- o He stated that BEA has an incumbency to figure out how to attract economic development and business to New Hampshire. He stated that they have been having conversations with the BEA and others and that there have been very positive reactions to the idea of this commission.
- Senator Altschiller stated that the BEA had done a business recruitment and expansion strategy in 2020 and had done the work that was being discussed in this bill. She asked why the state could not instead use that data.
 - o Representative McFarlane answered that he did not believe that that data from 2020 was as representative of current economic conditions as it could be.

Representative Mary Murphy spoke in support of the bill. She explained that she had been the head of a multinational company's global division charged with building the software layer of the internet, and that she had quite a bit of experience in relocating businesses both internationally and domestically. She stated that she understood what companies go through when making these tough decisions and that she had been very proactive in working with the Business and Economic Affairs group to try to assist them through legislation and through advice on what the state could be doing to take advantage of the circumstances occurring around New Hampshire in the country at large.

- She stated that this bill was part of a larger strategy that the sponsors are calling New Hampshire Advantage 2.0 and that they were in the process of forming a bipartisan caucus to divide into teams and address some of the impediments against making the strategy successful in the state.
- She stated that the goal behind this strategy was to transform the state and pivot away from its heavy dependence on tourism and property taxes to fund state general and education expenses. She explained that this current dependence made New Hampshire very vulnerable to future cyclical recessions and that a plan was needed to change this.
- She explained that the average New Hampshire resident was crying out for property tax relief and that she had over 10 families endearing who might lose their homes to tax liens. She stated that this was a nonpartisan issue and that the legislators were all concerned and trying to find ways to solve this problem.
- She explained that the United States is in the midst of the largest corporate and wealthy individual mass migration since 2017; caused by a combination of federal government, global trade policy, resets, tariffs, and increasing regulation, wealth, and business taxes in other states like California, New York,

Illinois, Washington, and Massachusetts. She explained that states like Florida, Texas, and Tennessee were all benefiting from this migration, and that New Hampshire needed other sources of revenue besides property taxes and businesses with low-income seasonal jobs to rejuvenate the second oldest state and working-age families.

- She explained that this larger strategy would grow existing New Hampshire businesses not by raising tax rates by lowering the cost to do business in the state via deregulation and the instituting of business-friendly policies and legislation that help to differentiate the state, citing the existing right to try and trust laws that are already in effect.
- She expressed the need to expand trade relations beyond Canada and Ireland to provide access to new markets for New Hampshire goods and services, and the need to recruit new businesses from specifically targeted high-margin low-resource demand businesses such as life services, technology, financial services, advanced manufacturing, and others.
- She stated that New Hampshire should not be all things to all people in the way that Florida and Texas have grown indiscriminately, as those states are having resource issues and other problems. She argued that New Hampshire wants to be Lexus, and not Ford.
- She stated that establishing a chancery court in New Hampshire is an important factor in attracting companies to reincorporate in the state and that it would put the state on the national radar as one desirable in which to do business. She explained that the state was currently not on the short list when business media pundits discuss the corporate mass migration no occurring throughout the country. Establishing this court would potentially result in billions of dollars of recurring revenue to the state from fees without having to overdevelop New Hampshire or completely relocate businesses to the state.
- In reference to the previous questions concerning the BEA, the representative explained that she had been working closely with that group and that most of the funding historically granted to the BEA by the House has been directed at tourism and outdoor recreation businesses. She stated that the new commissioner and a team of legislators that she is leading has discussed the situation and that the commissioner is open to the idea that the state needs to shift headcount and funds to the recruitment side of the business. Up to this point, the BEA has only allocated 50,000 dollars in funding out of 14.6 million towards that task, leaving them understaffed and under-resourced for that remit.
- She explained that there was, to her knowledge, one judge in the state that deals with resolving business conflicts, and that the legislators behind the bill were hoping for a much larger court that would be able to handle the volume of

incorporations and litigation that they expect to occur if they were to succeed in the strategy to establish a chancery court.

- Explained that this would benefit the state in terms of recurring filing fees and that the legal industry the state would also have greater revenue and more profit, leading to greater profit tax revenue.

Representative Daniel Popovici-Muller spoke in support of the bill. He explained that this was an immensely complicated manner, and that the concerted effort that creating this commission would produce would help to get future legislation right. He stated that this was a rare moment when he might ask for such a commission because the issue at hand is too complicated for one legislator to tackle on their own and that a team effort was needed.

BMB

Date Hearing Report completed: May 1, 2026