

SB 181-FN-A – AS INTRODUCED

2013 SESSION

13-0968  
01/09

SENATE BILL        ***181-FN-A***

AN ACT            relative to restitution payments to financial resources management lenders.

SPONSORS:        Sen. Bragdon, Dist 11; Sen. D'Allesandro, Dist 20

COMMITTEE:      Executive Departments and Administration

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ANALYSIS

This bill establishes a fund to be used to make awards to victims of the Financial Resources Management Inc. case.

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to restitution payments to financial resources management lenders.

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

1 1 New Chapter; Restitution for the Victims of the Financial Resources Management Inc. Case.  
2 Amend RSA by inserting after chapter 359-L the following new chapter:

3 CHAPTER 359-M

4 RESTITUTION FOR THE VICTIMS OF

5 THE FINANCIAL RESOURCES MANAGEMENT INC. CASE

6 359-M: 1 Definitions. In this chapter:

7 I. "Bureau" means the bureau of securities regulation, department of state.

8 II. "Claimant" means a victim of the Financial Resources Management, Inc. case as  
9 identified by the bureau.

10 III. "Fund" means the financial restitution fund established in RSA 359-M:2, II.

11 IV. "Victim" means an individual who suffered monetary injury as a result of the Financial  
12 Resources Management, Inc. case.

13 359-M:2 Eligibility for Restitution Assistance; Fund.

14 I. The bureau is authorized to accept applications from claimants and grant awards from the  
15 fund established in RSA 359-M:3. Only victims of the case involving Financial Resources  
16 Management, Inc. shall be eligible for such awards.

17 II. There is hereby established the Financial Resources Management, Inc. restitution fund.  
18 The fund shall consist of fines and penalties collected by the bureau in excess of its projections up to  
19 \$20,000,000 at which time the fund shall lapse to the general fund. The fund shall be only be used  
20 for awarding restitution assistance pursuant to this chapter and any administration costs of this  
21 chapter. The funds shall be distributed to claimants on an annual basis.

22 III. No later than September 15, 2014, and annually thereafter, the bureau shall submit a  
23 written report detailing the number of claims for compensation made from the fund established in  
24 this section and the total amount of compensation granted from the fund for the preceding year, and  
25 the balance of the fund as of the end of the preceding year, to the chairpersons of the house and  
26 senate committees having jurisdiction over commerce issues, the house and senate ways and means  
27 committees, the president of the senate, and the speaker of the house of representatives.

28 359-M:3 Rulemaking. The director of the bureau, with supervision from the secretary of state,  
29 shall adopt rules pursuant to RSA 541-A, relative to:

30 I. The application process for the awards made pursuant to the chapter.

31 II. Content and format of all forms required under this chapter.

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1            III. The manner in which moneys are distributed from the fund established in RSA 359-M:2,

2 II.

3            2 New Subparagraph; Financial Resources Management, Inc. Restitution Fund. Amend  
4 RSA 6:12, I(b) by inserting after subparagraph (310) the following new subparagraph:

5                    (311) Moneys deposited into the Financial Resources Management, Inc. restitution  
6 fund, established in RSA 359-M:2.

7            3 Effective Date. This act shall take effect 60 days after its passage.

**SB 181 FISCAL NOTE**

AN ACT relative to restitution payments to financial resources management lenders.

**FISCAL IMPACT:**

The Department of State states this bill, **as introduced**, may decrease state general fund revenue and increase state restricted revenue and expenditures by \$1,200,000 in FY 2014 and each year thereafter, and may increase state expenditures by \$78,000 in FY 2014 and each year thereafter. There is no fiscal impact on county or local expenditures and revenue.

**METHODOLOGY:**

The Department of State states this bill establishes the Financial Resources Management, Inc., restitution fund to be used to make awards to victims of the Financial Resources Management, Inc., case and directs fines and penalties collected by the Department of State's bureau of securities regulation to this new fund. The Department states it collects approximately \$2 million in fines and penalties, with approximately \$800,000 going towards administrative costs and the remaining \$1.2 million being deposited into the general fund. This bill will decrease state general fund revenue and increase restricted revenue by approximately \$1.2 million each year. The Department states it would also need to hire a part-time person with expertise to deal with accounting and financial issues presented by the awarding of restitution from such a fund. The Department estimates it would need a part-time person for approximately 20 hours a week for 26 weeks at an hourly rate of \$150 per hour. Based on this, the Department estimates increased expenditures of \$78,000 (20 hours a week \* 26 weeks \* \$150 an hour) each year.