

CHAPTER 271
HB 577-FN-A-LOCAL – FINAL VERSION

18Feb2015... 0309h
04/30/2015 1392s
05/28/2015 1917s
24June2015... 2240CofC
24June2015... 2365EBA

2015 SESSION

15-0359
04/05

HOUSE BILL ***577-FN-A-LOCAL***

AN ACT establishing a children's savings account program, and relative to the bonding authority of the city of Dover.

SPONSORS: Rep. Gile, Merr 27; Rep. Lovejoy, Rock 36; Rep. Gargas, Hills 27; Rep. Barry, Hills 21; Rep. Wallner, Merr 10

COMMITTEE: Education

AMENDED ANALYSIS

This bill establishes the children's savings account program, including a commission and fund, for the purpose of establishing children's savings accounts for children attending public kindergarten.

This bill also authorizes the city of Dover to establish terms and conditions in the issuance of general obligation bonds.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT establishing a children’s savings account program, and relative to the bonding authority of the city of Dover.

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

1 271:1 Purpose. The general court finds that there is sufficient need and significant scholarly
2 research to support the development of a children’s savings account program that increases
3 opportunities for college and career success for all students; that engages and incentivizes positive
4 postsecondary education savings behavior for low and moderate income families; and that provides
5 financial literacy education for all children and their parents in cooperation with local public school
6 systems.

7 271:2 New Chapter; New Hampshire Children’s Savings Account Program. Amend RSA by
8 inserting after chapter 195-I the following new chapter:

CHAPTER 195-J

NEW HAMPSHIRE CHILDREN’S SAVINGS ACCOUNT PROGRAM

11 195-J:1 Program Established. There is hereby established in the office of the state treasurer the
12 New Hampshire children’s savings account program. The purpose of the program is to increase
13 opportunities for college and career success for all students, to encourage positive postsecondary
14 education savings behavior for low and moderate income families, and to provide, in cooperation with
15 the public schools, financial literacy education for all students and their parents.

16 195-J:2 Commission Established.

17 I. The children’s savings account program commission is hereby established to ensure the
18 proper administration, management, and development of the children’s savings account program.
19 The members of the commission shall be as follows:

20 (a) Two members from the house of representatives, appointed by the speaker of the
21 house of representatives.

22 (b) One member from the senate, appointed by the president of the senate.

23 (c) The state treasurer, or designee.

24 (d) The director of the division of higher education, department of education, or designee.

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1 (e) The chairperson of the university system of New Hampshire board of trustees, or
2 designee.

3 (f) The director of the New Hampshire financial literacy education program, or designee.

4 (g) One member from a community philanthropic organization, appointed by the
5 governor.

6 (h) One member representing the interests of the New Hampshire children's trust fund,
7 appointed by the governor.

8 (i) One member from the New Hampshire Higher Education Assistance Foundation,
9 appointed by the foundation.

10 (j) One member from the Coos Coalition for Young Children and Families, appointed by
11 that organization.

12 (k) One member representing the Federal Reserve Bank of Boston, appointed by the
13 bank.

14 (l) One member representing the New Hampshire Community Loan Fund, appointed by
15 that organization.

16 II. The commission shall elect a chairperson from its membership, and any other officers it
17 deems necessary. The terms of the elected members of the commission shall be coterminous with
18 their terms in office; the terms of all other appointed members shall be 3 years. In the event of a
19 vacancy, a new member shall be appointed for the unexpired term in the same manner as the
20 original appointment. Eight members of the commission shall constitute a quorum.

21 III. Members of the commission shall serve without compensation, but shall be reimbursed
22 for necessary travel and other necessary expenses. Legislative members shall receive mileage at the
23 legislative rate when attending to the duties of the commission.

24 IV. The department of education shall provide administrative and clerical support to the
25 commission as may be necessary.

26 V. The commission shall keep written records of all its proceedings.

27 VI. No member of the commission shall have any personal interest in the gains or profits of
28 any investment made by the commission; nor shall any member of the commission, directly or
29 indirectly, for such member or as an agent, in any manner use the same except to make such current
30 and necessary payments as are authorized by the commission; nor shall any member of the
31 commission become an endorser or surety, or in any manner an obligor, for money loaned to or
32 borrowed from the commission.

33 VII. Members of the commission shall be held harmless from either criminal or civil liability
34 for any decisions made or services rendered under the provisions of this chapter.

35 195-J:3 Duties of the Commission. The commission shall:

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1 I. Investigate methods for encouraging increased participation of families with young
2 children, including those of low and moderate income, in the New Hampshire college tuition savings
3 plan as defined in RSA 195-H and other children’s savings plans.

4 II. Establish and promote kindergarten to college savings plans pilot programs in Coos
5 county and in the city of Manchester no later than September of 2016, which would consist of
6 creating a savings account at a local financial institution with a minimum deposit of \$50.00 for each
7 eligible child attending public kindergarten in Coos county and in the city of Manchester, and would
8 include financial literacy education for such children and their families in cooperation with local
9 public schools. The pilot programs shall be funded to the extent of any gifts, grants, or donations
10 received from any source.

11 III. Establish policies that ensure that children’s savings accounts are accessible and
12 eventually offered on an opt-out basis statewide, are seeded with gifts, grants, or donations from
13 local or private philanthropic foundations, and are connected to local public school financial literacy
14 education programs.

15 IV. Develop administrative and operational practices such as staffing, structuring,
16 managing, marketing, and funding mechanisms to sustain a statewide children’s savings accounts
17 program and include clearly stated objectives, action plans, and evaluation procedures.

18 V. Establish recordkeeping and reporting procedures regarding the status of the children's
19 savings account program fund, including records of beginning balances, contributions, earnings,
20 bonuses, and matches earned by each program participant during the fiscal year.

21 VI. Establish a fund raising plan to secure state matching funds from federal, state, or
22 private sources.

23 VII. Establish ongoing communication with the New Hampshire college tuition savings plan
24 advisory commission established in RSA 195-H to ensure that more families become educated about
25 the potential of investing in the New Hampshire college tuition savings program, and to facilitate
26 the advisory committee’s future administration and responsibility for the children’s savings account
27 program.

28 195-J:4 Reports.

29 I.(a) The treasurer shall, as needed, issue requests for proposals to evaluate and determine
30 proposals which are best suited to the reporting and recordkeeping needs of the children's savings
31 account program and fund.

32 (b) The commission shall consider and, if appropriate, give preference to proposals which
33 best demonstrate experience in administering financial programs requiring individual account
34 maintenance and reporting.

35 (c) The final selection of the proposal shall be made by the commission.

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1 II. The state treasurer shall make quarterly reports regarding the status of the children's
2 savings account program and children's savings account fund to the commission.

3 (a) At least annually, the commission shall issue or cause to be issued to each
4 participant, a statement which shall include the participant's beginning balance, contributions, and
5 earnings credited to their account during the previous fiscal year.

6 (b) At least annually, the commission shall make or cause to be made an annual report
7 regarding the status of the children's savings account program to each participant in the program, to
8 the speaker of the house of representatives, the senate president, and the state library.

9 (c) Prior to the implementation of the pilot programs in Coos county and in the city of
10 Manchester, the commission shall submit a report to the speaker of the house of representatives and
11 the senate president regarding the policies adopted by the commission pursuant to RSA 195-J:3.

12 195-J:5 Children's Savings Account Fund Established. There is established a children's savings
13 account fund in the office of the state treasurer. This fund shall be kept distinct and separate from
14 other funds. The fund shall be administered by the children's savings account commission
15 established in RSA 195-J:2 and shall be nonlapsing and continually appropriated to the commission
16 for the purposes of establishing children's savings accounts initially through pilot programs, and
17 eventually statewide, pursuant to RSA 195-J:3. The commission may accept and shall deposit any
18 gifts, grants, donations, or other moneys from any source into the fund.

19 195-J:6 Privacy.

20 I. In establishing the pilot programs in Coos county and in the city of Manchester, and in
21 establishing policies, practices, and procedures pursuant to RSA 195-J:3 and RSA 193-E:5, the
22 commission shall insure that neither the commission, the state, nor any political subdivision of the
23 state, nor any office, department, or agency of any of the foregoing, obtains or retains social security
24 numbers of any applicant or participant.

25 II. Neither the state, any political subdivision of the state, nor any office, department, or
26 agency of any of the foregoing, except for the commission and the office of the state treasurer, shall
27 have access to individually-identifiable information with respect to applicants or participants in the
28 program.

29 III. The names, addresses, telephone numbers, and any other individually-identifiable
30 information about applicants or participants in the program shall be exempt from the provisions of
31 RSA 91-A. This paragraph shall not apply to aggregated data from which individuals cannot be
32 identified.

33 271:3 Issuance of Bonds; City of Dover Authority.

34 I. Notwithstanding any general or special law to the contrary, the city of Dover shall have
35 the following authority with respect to bonds or notes issued pursuant to RSA 33, RSA 33-B, or
36 pursuant to any other enabling authority heretofore or hereinafter enacted.

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1 II. In this section:

2 (a) “City” means the city of Dover.

3 (b) “City finance director” means the finance director of the city.

4 (c) “City manager” means the city manager of the city.

5 III. In connection with the issuance of any bonds or notes of the city issued pursuant to
6 RSA 33, RSA 33-B, or pursuant to any other enabling authority, the city finance director, with the
7 approval of the city manager, may enter into credit enhancement or liquidity agreements on behalf
8 of the city, with such payment, security, default, remedy, and other terms and conditions as the city
9 finance director, with the approval of the city manager, shall determine. Any bonds or notes of the
10 city issued pursuant to RSA 33, RSA 33-B, or pursuant to any other enabling authority, whether
11 heretofore or hereafter enacted, may mature at such times, not exceeding 30 years, or such longer
12 term as may be provided in RSA 33, RSA 33-B, or pursuant to any other provision of law, in such
13 amounts, and may bear interest at such rate or rates as may be determined by the city finance
14 director, with the approval of the city manager. Bonds or notes of the city may be made redeemable
15 before maturity at the option of the city or any holder thereof at such price or prices and upon such
16 other terms and conditions as may be fixed by the city finance director, with the approval of the city
17 manager, prior to the issuance of any such bonds or notes.

18 IV. Any premium received by the city may, in the discretion of the city finance director, be:

19 (a) Applied to the payment of the costs of preparing, issuing, and marketing any such
20 bonds or notes;

21 (b) Applied to the cost of the project or projects for which such bonds or notes were
22 issued, resulting in a like reduction of the amount of bonds or notes issued to finance such project;

23 (c) Deposited in the general fund of the city and available to be appropriated for any
24 lawful purpose of the city; or

25 (d) Applied in any combination of the subparagraphs (a) - (c).

26 V. The city may authorize and issue its general obligation bonds or notes for any purpose for
27 which it may raise money.

28 VI. The city may authorize the issuance of general obligation refunding bonds in order to
29 pay all or part of any issue of its outstanding general obligation bonds and for the payment of any
30 redemption premium thereon, all or part of the interest coming due on or prior to the date on which
31 the outstanding general obligation bonds are redeemed, and the costs of issuing and marketing any
32 such general obligation refunding bonds. Any general obligation refunding bonds issued by the city
33 shall mature at such time or times and in such amounts as the city finance director, with the
34 approval of the city manager, shall determine; provided, however, that the present value of the
35 principal and interest payments due on any issue of general obligation refunding bonds of the city
36 shall not exceed the present value of the principal and interest payments to be paid on the general

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1 obligation bonds to be refunded by such issue of general obligation refunding bonds.

2 VII. The requirements of RSA 33:11 regarding the authentication of bonds shall not apply to
3 the city.

4 VIII. The authority granted in this section shall be in addition to, and not in place of the
5 authority granted to the city of Dover by any other general or special law.

6 271:4 Effective Date.

7 I. Sections 1 and 2 of this act shall take effect July 1, 2015.

8 II. The remainder of this act shall take effect upon its passage.

9

10 Approved: July 27, 2015

11 Effective Date: I. Sections 1 and 2 shall take effect July 1, 2015.

12 II. Remainder shall take effect July 27, 2015.