

NH Center for Nonprofits 2012 Priority Legislation

Bill and Center Position	What it Would Do	Talking Points	Status
SB177 (re-referred) Mandatory Training Bill SPONSORS: Sen. Carson (R-L'derry) Sen. Odell (R-Lempster) Rep. Day (R -Goffstown) COMMITTEE: Executive Departments & Administration MONITORING, with CAUTION	<ul style="list-style-type: none"> ○ Applies to NPOs that receive \$250K in aggregate funding from federal, state, and local gov't. ○ With amendment, requires mandatory training for one designee per organization, biennially. ○ Training to be based on fiduciary responsibilities and of four hours in length. ○ Regulated by the AG's Charitable Trusts Unit. Penalties for noncompliance to be \$5,000 and disbarment of funding for 2 years. 	<ul style="list-style-type: none"> ○ There are multitude training opportunities for NPO executives and board volunteers; it should not be mandatory. ○ The contracting process, and annual filing process, is comprehensive and includes fiduciary controls and flags. This new requirement could be handled in the contracting process. ○ Administration by the CTU would be a challenge; identification since many organizations report funds in the aggregate, tracking the organizations' progress, and the potential of hundreds of organizations. ○ It would deter volunteerism ○ It adds to the administrative regulations and requirements for the organization. ○ It places NPOs at an unfair advantage; for-profit contractors are not under the same scrutiny. 	<ul style="list-style-type: none"> ○ Was voted out of Senate Exec Dept & Admin committee 5-0 ○ Senate voted OTP with amendment ○ Referred to House Executive Departments & Admin ○ Chair refers it to sub-committee study. Subcommittee sessions 4/19 and 4/24. Subcommittee chair verbalizes intention to recommend Interim Study.
HB1308 - Extension of Right to Know Law SPONSORS: Rep. Comerford (R-Fremont) Watrous (D-Merrimack) COMMITTEE: Judiciary OPPOSED	<ul style="list-style-type: none"> ○ Would extend certain "quasi-governmental" bodies to the public body under the right-to-know laws. ○ Any nonprofit corporation created through action of, and primarily funded by, any agency, authority, department, or office of the state or of any county, town, municipal corporation, school district, school administrative unit, chartered public school, or other political subdivision would be subject. 	<ul style="list-style-type: none"> ○ It is uncertain which organizations this would ultimately apply to, and how wide of a net would it cast. ○ It is unnecessary, in that there are many levels of accountability in place. ○ It is an administrative burden in its turn-around requirements for already lean organizations. ○ It could lead to the responsiveness of the organization, and affect volunteerism of individuals and willingness to be innovative. ○ It is an unfair advantage to nonprofits. 	<ul style="list-style-type: none"> ○ House Judiciary Committee voted 10-3 OTP ○ Voted OTP 259-69 ○ Referred to Senate Public & Municipal Affairs Committee ○ 4/10 hearing, sponsors and one in opposition speaks, recessed. ○ 4/17 sponsors walk in with an amendment; committee recommends ITL on a 4-0 vote. ○ 4/24 Full Senate ITL on a VV.

<p>HB1218 – Federal Grants in Aid</p> <p>SPONSORS: Rep. Itse (R – Fremont), Rep. Sorg (R-Easton)</p> <p>COMMITTEE: Municipal and County Government</p> <p>OPPOSED</p>	<ul style="list-style-type: none"> ○ Would require the governor to obtain approval of the executive council and the general court before seeking federal aid for emergency assistance, or any other purpose intended to ‘relieve distress’ 	<ul style="list-style-type: none"> ○ What is considered ‘aid for emergency assistance’ and to ‘relieve distress’? ○ The process, and certainly true for times of emergency, for approval from the entire general court and the executive council and lengthy and cumbersome. ○ Outside of emergency, this would add a great deal of administration level to funds that are already vetted through complex processes. 	<ul style="list-style-type: none"> ○ Committee ITL 10-3 ○ House ITL VV
<p>HB1556 – Reducing Fees of the DOJ’s Charitable Trusts Unit</p> <p>SPONSOR: Rep. Cusson-Cail (R-Manch), Rep. Barry, Manch, Rep. Cohn (R – Canterbury)</p> <p>COMMITTEE: Ways & Means</p> <p>OPPOSED</p>	<p>Would cut fees NPOs pay to the DOJ’s Charitable Trusts Unit by 43%:</p> <ul style="list-style-type: none"> ○ Registration fee from \$25 to \$10 ○ Annual filing fee from \$75 to \$35 <p>Fiscal Note: decrease state restricted revenues/expenditures by \$78K in 2012, \$315K in 2013, and hereafter</p>	<ul style="list-style-type: none"> ○ The 43% cut in revenues would virtually disable the ability of the CTU to protect the public from fraud ○ Would eliminate all outreach programs by the CTU ○ For the NPO sector, would affect our ability to receive informal and formal counsel, advising and resources from the already lean unit. 	<ul style="list-style-type: none"> ○ Committee voted ITL 20-0 ○ HOUSE: ITL VV
<p>HB1479 - Adjusts the Charitable Trust definition in current law</p> <p>SPONSOR: Rep. Cusson-Cail (R-Manch), Rep. Barry, Manch, Rep. Cohn (R – Canterbury)</p> <p>COMMITTEE: Judiciary</p> <p>MONITOR</p>	<ul style="list-style-type: none"> ○ Currently, the definition of charitable trusts means any program sponsored by a police, law enforcement or firefighter’s association; it allows for the DOJ to regulate the hiring of professional who fundraise for these entities. ○ This law would result in those fundraisers no longer having to obtain a permit from the Charitable Trusts unit. 	<ul style="list-style-type: none"> ○ This would greatly affect the ability to monitor and regulate fundraising activities of those groups. ○ Could lead to misinterpretation and misuse in non-traditional fundraising capacity work, for example: Unions and collective bargaining work. 	<ul style="list-style-type: none"> ○ Committee voted ITL 14-0 ○ HOUSE ITL VV

<p>HB1624 – Fiduciary capacity for fundraisers</p> <p>SPONSOR: Rep. Cusson-Cail (R-Manch), Rep. Barry, Manch, Rep. Cohn</p> <p>COMMITTEE: Judiciary</p> <p>MONITOR</p>	<ul style="list-style-type: none"> ○ Bill would allow for individuals to collect contributions for a nonprofit without doing so in a fiduciary capacity. ○ Volunteers, principals and employees of professional fundraisers would be relieved of any fiduciary responsibility. ○ Currently, the DOJ can take civil action regarding unsavory practices; under this it would revert to criminal action only. 	<ul style="list-style-type: none"> ○ Removes safeguards in place. ○ For unsavory practices, it would have to be proven as criminal intent. 	<ul style="list-style-type: none"> ○ Committee vote ITL 14-0 ○ House ITL VV
<p>HB 1625 – Fundraising Reporting</p> <p>SPONSOR: Rep. Cusson-Cail (R-Manch), Rep. Barry, Manch, Rep. Cohn</p> <p>COMMITTEE: Judiciary</p> <p>MONITOR</p>	<ul style="list-style-type: none"> ○ Bill would eliminate the registration requirement and removes the authority of the Director of Charitable Trusts Unit over fundraising counsel and places the authority within the jurisdiction of the contracting charity – which must retain records for three years. 	<ul style="list-style-type: none"> ○ This bill would have the relationship between the organization and the fundraiser as the only regulation; the Charitable Trusts Unit would now longer have jurisdiction to monitor these individuals. ○ This would further eliminate revenues that support of the work of the Charitable Trusts Unit, reportedly approximately \$26,000. 	<ul style="list-style-type: none"> ○ Committee Voted ITL 14-0 ○ House ITL VV
<p>HB1638 – Establish a Committee to Studying Downshifting</p> <p>SPONSOR: Rep. Foose (D- New London)</p> <p>COMMITTEE: Finance</p>	<ul style="list-style-type: none"> ○ Would establish a committee to study the effects of downshifting costs from state to counties, cities, towns, and individuals. 	<ul style="list-style-type: none"> ○ Would allow a better understanding of the realities and impacts of downshifting costs in times, including in economically challenging times. ○ Will include input from groups such as the NH Municipal Association, the Center for Public Policy Studies, and others (NH Center for Nonprofits TBD) 	<ul style="list-style-type: none"> ○ Committee Voted ITL 20-0 ○ House ITL VV
<p>SB352 – Low-profit Limited Liability Companies (L3Cs)</p> <p>SPONSOR: Sen. Carson (R – Londonderry)</p> <p>COMMITTEE: Commerce</p> <p>MONITOR</p>	<ul style="list-style-type: none"> ○ Would allow for an alternative business model to be introduced in the state. 	<ul style="list-style-type: none"> ○ L3Cs are a new class for mission-driven or social enterprise corporations. They follow the traditional LLC model, but must be organized for a charitable purpose first and foremost. ○ This structure bridges the gap between funders looking to invest their Program Related Investments into entities doing mission driven work, for both a financial return, but also a benefit to society. ○ It removes the lengthy and cumbersome 	<ul style="list-style-type: none"> ○ Committee Vote Interim Study – 4-0 ○ Senate vote to Interim Study VV

process of receiving a private letter ruling from the IRS that now exists. L3Cs clarify and simplify that process.

- L3Cs are non-taxable for donors, yet do allow for a return to its stakeholders.
- PROPONENTS: it allows for a greater benefit to society, funders to diversify their investment funding and brings new capital to the table.
- OPPONENTS: there are already structures in place that allow for investment funding and it creates an increased competitive marketplace for already scarce funding while removing accountability.