

CONSENT CALENDAR

March 5, 2025

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Commerce and Consumer Affairs to
which was referred HB 302,**

**AN ACT relative to enabling the state treasury to invest
in precious metals and digital assets. Having
considered the same, report the same with the following
amendment, and the recommendation that the bill
OUGHT TO PASS WITH AMENDMENT.**

Rep. Keith Ammon

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 302
Title:	relative to enabling the state treasury to invest in precious metals and digital assets.
Date:	March 5, 2025
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2025-0138h

STATEMENT OF INTENT

The Committee on Commerce and Consumer Affairs reports favorably on this bill (as amended), which enables—but does not mandate—the state treasurer to invest up to 5% of public funds in precious metals and certain digital assets with significant market capitalization. This legislation provides the treasurer with additional tools to potentially diversify the state's investment portfolio while establishing strong security parameters and custody requirements. Several other states, including Oklahoma, Arizona, and Texas, have enacted or are exploring similar enabling legislation as part of prudent financial management strategies. The committee believes this forward-thinking approach allows New Hampshire to responsibly adapt to evolving financial markets while maintaining the treasurer's discretion to determine whether such investments would be beneficial to the state.

Vote 16-1.

Rep. Keith Ammon
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Commerce and Consumer Affairs

HB 302, relative to enabling the state treasury to invest in precious metals and digital assets.
OUGHT TO PASS WITH AMENDMENT.

Rep. Keith Ammon for Commerce and Consumer Affairs. The Committee on Commerce and Consumer Affairs reports favorably on this bill (as amended), which enables—but does not mandate—the state treasurer to invest up to 5% of public funds in precious metals and certain digital assets with significant market capitalization. This legislation provides the treasurer with additional tools to potentially diversify the state's investment portfolio while establishing strong security parameters and custody requirements. Several other states, including Oklahoma, Arizona, and Texas, have enacted or are exploring similar enabling legislation as part of prudent financial management strategies. The committee believes this forward-thinking approach allows New Hampshire to responsibly adapt to evolving financial markets while maintaining the treasurer's discretion to determine whether such investments would be beneficial to the state. **Vote 16-1.**

Original: House Clerk

Cc: Committee Bill File

Rep. Ammon, Hills. 42
Rep. McAleer, Carr. 2
Rep. Spier, Hills. 6
January 28, 2025
2025-0138h
07/05

Amendment to HB 302

1 Amend the bill by replacing section 1 with the following:

2

3 1 New Section; State Treasurer and State Accounts. Amend RSA 6 by inserting after section 8-c
4 the following new section:

5 6:8-d Strategic Reserve Established.

6 I. In this section:

7 (a) "Exchange-Traded Product" or "ETP" means any financial instrument that is
8 approved by the Securities and Exchange Commission, the Commodities Future Trading
9 Commission, or the state securities commissioner that is traded on a United States-regulated
10 exchange and derives its value from an underlying pool of assets, such as stocks, bonds,
11 commodities, or indexes.

12 (b) "Precious metal" means any of the following, whether in coin, bullion, or other form:

13 (1) Silver;

14 (2) Gold; or

15 (3) Platinum.

16 (c) "Qualified custodian" means any federal or state-chartered bank, trust company, or
17 special purpose depository institution or a company regulated by the state which custodies digital
18 assets for an approved exchange-traded product.

19 (d) "Secure custody solution" means a technological product or blended product and
20 service which has all of the following characteristics:

21 (1) The cryptographic private keys that secure digital assets are exclusively known
22 by and accessible by the government entity.

23 (2) The cryptographic private keys that secure digital assets are exclusively
24 contained within an encrypted environment and accessible only via end-to-end encrypted channels.

25 (3) The cryptographic private keys that secure digital assets are never contained by,
26 accessible by, or controllable via a smartphone.

27 (4) Any hardware that contains the cryptographic private keys that secure digital
28 assets is maintained in at least 2 geographically diversified specially designated secure data centers.

29 (5) The secure custody solution enforces a multi-party governance structure for
30 authorizing transactions, enforces user access controls, and logs all user-initiated actions.

Amendment to HB 302

- Page 2 -

1 (6) The provider of the secure custody solution has implemented a disaster recovery
2 protocol that ensures customer access to assets in the event the provider becomes unavailable.

3 (7) The secure custody solution undergoes regular code audits and penetration
4 testing from audit firms.

5 II. Notwithstanding RSA 6:8, the state treasurer may invest a portion of public funds in
6 precious metals and any digital assets with a market capitalization of over \$500 billion averaged
7 over the previous calendar year from the general fund, the revenue stabilization fund established in
8 RSA 9:13-e, and any other funds as authorized by the legislature.

9 III. The state treasurer shall not invest more than 5 percent of the total amount of public
10 funds in any of the authorized investments under paragraph II.

11 IV. Any digital assets acquired by any fund listed in paragraph II shall be held:

12 (a) Directly by the state treasurer through the use of a secure custody solution;

13 (b) On behalf of the state by a qualified custodian, or

14 (c) In the form of an exchange traded product issued by a registered investment
15 company.

16 V. Any precious metals acquired under this chapter shall be held:

17 (a) As an exchange traded product;

18 (b) In physical form by a qualified custodian; or

19 (c) Directly by the state in physical form or in conjunction with another state in a rule to
20 be established by the treasurer.

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 302

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: March 4, 2025

LOB ROOM: 302-304

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Ammon Seconded by Rep. Potucek AM Vote: 16-1

Amendment # 2025-0138h

Moved by Rep. Ammon Seconded by Rep. Potucek Vote: 16-1

☐ **WITHOUT RECOMMENDATION**

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Lisa Post, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 302

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: 03/04/2025

LOB ROOM: 302-304

MOTION: (Please check one box)

☐ OTP ☐ ITL ☐ Retain (1st year) ☒ Adoption of Amendment # 0138h
☐ Interim Study (2nd year) (if offered)

Moved by Rep. Cannon Seconded by Rep. Patucsek Vote: 16-1

MOTION: (Please check one box)

☐ OTP ☒ OTP/A ☐ ITL ☐ Retain (1st year) ☐ Adoption of Amendment # _____
☐ Interim Study (2nd year) (if offered)

Moved by Rep. Cannon Seconded by Rep. Patucsek Vote: 16-1

MOTION: (Please check one box)

☐ OTP ☐ OTP/A ☐ ITL ☐ Retain (1st year) ☐ Adoption of Amendment # _____
☐ Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

☐ OTP ☐ OTP/A ☐ ITL ☐ Retain (1st year) ☐ Adoption of Amendment # _____
☐ Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

☐ WITHOUT RECOMMENDATION

CONSENT CALENDAR: ☒ YES ☐ NO

Minority Report? _____ Yes _____ No If yes, author, Rep: Cannon Motion Consent Calendar

Respectfully submitted: [Signature]
Rep Lisa Post, Clerk



STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK
2025 SESSION

1/11/2025 12:03:08 PM
Roll Call Committee Registers -
2025 draft Report

Commerce and Consumer Affairs

Bill #: 302 Motion: OTPA AM #: 10:3 Exec Session Date: 03/04/25

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Hunt, John B. Chairman	✓		
Potucek, John Michael Vice Chairman	✓		
Osborne, Jason M.	✓		
Ammon, Keith Michael	✓		
Cole, Brian D	✓		
Post, Lisa C.M. Clerk	✓		
Porcelli, Susan M			✓
Walsh, Lilli M	✓		
Miles, Julie	✓		
Presa, Adam Joseph	✓		
Burroughs, Anita D	✓		
Herbert, Christopher J.		✓	✓
McAleer, Chris R	✓		
Spier, Carry	✓		
Gibbs, Merryl	✓		
Sullivan, Jared	✓		
Chourasia, Manoj	✓		
Salvi, Santosh	✓		
TOTAL VOTE:			

14-1



STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK
2025 SESSION

1/11/2025 12:03:08 PM
Roll Call Committee Registers -
2025 draft Report

Commerce and Consumer Affairs

Bill #: 302-03186 Motion: 0138h AM #: 10:30 Exec Session Date: 03/04/25

Members	YEAS	Nays	NV
Hunt, John B. Chairman	✓		
Potucek, John Michael Vice Chairman	✓		
Osborne, Jason M.	✓		
Ammon, Keith Michael	✓		
Cole, Brian D	✓		
Post, Lisa C.M. Clerk	✓		
Porcelli, Susan M			✓
Walsh, Lilli M	✓		
Miles, Julie	✓		
Presa, Adam Joseph	✓		
Burroughs, Anita D	✓		
Herbert, Christopher J.		✓	
McAleer, Chris R	✓		
Spier, Carry	✓		
Gibbs, Merryl	✓		
Sullivan, Jared	✓		
Chourasia, Manoj	✓		
Salvi, Santosh	✓		
TOTAL VOTE:			

Ammon

16-1

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on HB 302

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: February 18, 2025

Subcommittee Members: Reps. Hunt, Potucek, Ammon, Herbert, McAleer and Spier

Comments and Recommendations: Review the amendment

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Ammon Seconded by Rep. Spier AM Vote: 6-0

Amendment # 2025-0138h

Moved by Rep. Ammon Seconded by Rep. Spier Vote: 6-0

Respectfully submitted,

Rep. John Hunt
Subcommittee Chairman

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on HB 302

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: 2/18/25

Subcommittee Members: Reps. Hunt, Potucek, Post, Osborne, Ammon, Cole, Porcelli, L. Walsh, Miles, Presa, Burroughs, Herbert, McAleer, Spier, Gibbs, J. Sullivan, Chourasia and Salvi

Comments and Recommendations:

Review the Amendment

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr)
(Please circle one)

Moved by Rep. Ammon Seconded by Rep. Spier AM Vote: 6-0

Adoption of Amendment # 0138H

Moved by Rep. Ammon Seconded by Rep. Spier Vote: 6-0

Amendment Adopted Amendment Failed

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr)
(Please circle one)

Moved by Rep. Seconded by Rep. AM Vote:

Adoption of Amendment #

Moved by Rep. Seconded by Rep. Vote:

Amendment Adopted Amendment Failed

Respectfully submitted,

Rep. Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on HB 302

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: February 11, 2025

Subcommittee Members: Reps. Hunt, Ammon, Cole, Presa, McAleer and Spier

Comments and Recommendations: Discussed HB302

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Ammon Seconded by Rep. Spier AM Vote: 6-0

Amendment # 2025-0138h

Moved by Rep. Ammon Seconded by Rep. Spier Vote: 7-0

Respectfully submitted,

Rep. Lisa Post
Subcommittee Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on **HB 302**

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: 2/11/25

Subcommittee Members: Reps. Hunt, Potucek, Post, Osborne, Ammon, Cole, Porcelli, L. Walsh, Miles, Presa, Burroughs, Herbert, McAleer, Spier, Gibbs, J. Sullivan, Chourasia and Salvi

Comments and Recommendations:

Discuss HB 302

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr)
(Please circle one)

Moved by Rep. Ammon Seconded by Rep. Spier AM Vote: 6-0

Adoption of Amendment # 2025-0138h

Moved by Rep. Ammon Seconded by Rep. Spier Vote: 7-0

☒ Amendment Adopted ☐ Amendment Failed

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr)
(Please circle one)

Moved by Rep. Ammon Seconded by Rep. Spier AM Vote: 7-0

Adoption of Amendment # 2025-0138h

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

☒ Amendment Adopted ☐ Amendment Failed

Respectfully submitted,


Rep. _____
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 302

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: January 15, 2025

LOB ROOM: 302-304

Time Public Hearing Called to Order: 11:00 a.m.

Time Adjourned: 11:37 a.m.

Committee Members: Reps. Hunt, Potucek, Post, Ammon, Cole, Porcelli, Miles, Presa, Burroughs, Herbert, McAleer, Spier, Gibbs, J. Sullivan, Chourasia and Salvi

Bill Sponsors:

Rep. Ammon
Rep. Osborne
Sen. Abbas

Rep. Beaulier
Rep. Sweeney
Sen. Avard

Rep. Warden
Rep. Alexander Jr.
Sen. Murphy

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

- This bill is the simplified version of the bill. There is a statute that enables the treasurer to invest in certain things, there is a list of approved assets. This would add, basically previous metals and digital assets above a certain market cap to that list. The easiest way to do it would be through an ETF. Instead of custody gold bars in a vault somewhere you would purchase shares of their ETF that are gold backed. The reason that you would want to do this is, we all have experienced inflation, the inflation numbers just came out this morning with 3% inflation. Over a period of many years, inflation eats away at the purchasing power of the dollar. This is my opinion and how I am thinking about this issue. Our Federal Government is \$36 trillion dollars in debt and growing. Bouncing from crisis to crisis, and every time it happens, they flood the zone with more money and that causes inflation. This would allow our state treasurer to potentially insulate some of our reserves from inflation and protect the value of our tax payer's money. Bitcoin is a scarce asset, so gold you have to dig out of the ground with bulldozers and equipment and energy and machines to get more gold and that limits the supply and Bitcoin is mined at a fixed rate. Over a long enough time period, you can protect your purchasing power as long as you are willing to withstand some volatility day-to-day and the treasurer would have to account for that. On a longtime scale, both of those vehicles help protect your dollar from eroding. In the last few years, we have lost 25- 30% of the value of the dollar.
- Questions: Chorasias, Hunt, Spier
- *Thomas McCarthy, Northern Virginia: in Support. I work for Satoshi Action Fund. We are a nonprofit organization dedicated to promoting education and advocacy for Bitcoin and digital assets at the state level. We have supported Bitcoin legislation that has passed in multiple states. This bill required the investments to be limited to digital assets with the market capitalization over 500 billion which ensures that only the most established and stable digital assets are considered. Currently, only Bitcoin meets these requirements. Stable coins must be backed by the US Dollar or short-term government oversight ensuring stability and reliability.

- Questions: Chorasias, Porcelli
- Michael Yamauchi: in Support. Bedford, NH. My background is as an entrepreneur and investor. It is important that New Hampshire safeguards itself from debt and inflation. HB 302 would be a diverse fund of assets than simply Bitcoin. HB 302 makes a lot of sense and I ask you to support this bill especially because it has a chance to make this state wealthy on the positive side.
- Nicolas Slaney, in Support. Hopkinton, NH. I am an engineer by trade, and have been a Bitcoiner since 2013 and have had the opportunity in the last couple of years to build a business on bitcoin at block. I served as an expert on the recent Commission on digital assets for the Governor with Representative Ammon. Bitcoin was created to provide a truly neutral currency for the world that anyone can use, being truly neutral that no one including our own government can control Bitcoin and is nearly impossible to change but I do not think Bitcoin is against our state's interests. The best governments in the world adopt Bitcoin and I want my home state of New Hampshire to be an early adopter.
- Rep. Potenza: in Opposition. No state shall enter into any treaty Alliance or Confederation Grant letter of Mark or reprisal coin money admit anything but gold and silver coin ATT tender and payment of debts. We should all know that because we took an oath to New Hampshire and the US Constitution.

Respectfully submitted,

Lisa Post, Clerk, Commerce and Consumer Affairs

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 302 ✓

BILL TITLE: relative to enabling the state treasury to invest in precious metals and digital assets.

DATE: 1/15/25

ROOM: 302-304

Time Public Hearing Called to Order: _____

Time Adjourned: 11:37

(please circle if present)

Committee Members: Reps. Hunt, Potucek, Post, ~~Osborne~~, Ammon, Cole, Porcelli, L. ~~Walsh~~, Miles, Presa, Burroughs, Herbert, McAleer, Spier, Gibbs, J. Sullivan, Chourasia and Salvi

Bill Sponsors:

Rep. Ammon
Rep. Osborne
Sen. Abbas

Rep. Beaulier
Rep. Sweeney
Sen. Avard

Rep. Warden
Rep. Alexander Jr.
Sen. Murphy

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Support

Keith Jones

own Dig Assets

H2

Add precious metals inflation # eats away
of purchasing power. Fed gave 36 T in Net
Overs to crisis - flood market. State Treasurer to
inflation inflation of tax payers \$
125% year over year in bit coin, precious metals.
Bitcoin mined @ certain rate. - protect \$ money
not managing \$ supply. Crisis (Enabling) Insurance
those tools.

* Sullivan Bond, Cash, CDs? also RSA6

Q any concern low barrier to entry -

Gold to hold value - sub. Silver, platinum, Enable
Increasing & Digital currency will be diluted -

Keith - limit on capitalization any thing below
will be off market

McCluskey - Hm

12-

Op. Budget short term Rainy Day Fund fluctuates
4% % - narrow investment

Herbert W & B strongest \$ is dollar. Dollar if would be
devalued or deflated in Treasury security

Hunt

Give Treasurer ~~another~~ tool box.

Chambers

W & B adding that Security to Hedge risk.

Keith always Risk in Digital Assets

Why to add to p

Unconnected market when Stock goes down digital
go up - tool to use for State Insurance

Chair: Reduce risk itself - WFB

Rep Gibbs - Q - What Brian is backed by -

Keith Backed by Bitcoin ~~energy~~ Energy & Mathematics

Hunt Bonding Companies - Treasuries would not put risk in Bonds -

Gibbs - Backed by Algorithm - Suffice Correlation

K - Conversation is open to amendments

Spec - Treasuries? was recapture

Keith ↑

Tom McCarthy

Stash Action

testimony emailed to committee

Support Bill

Speaking document

- other states

provides

25% trading in A

Utah passed increase

high Quality assets

OK OK WY UT similar legislation

high asset protected - highly regulated products

only the most stable dig. assets. Back by US

HB 302 tools need protected by state

Hunt Subcommittee

Gibbs Subject to money reg. State or federal

McCarthy { yes that they are regulated / working on
federal Reg. math, codes open source

Chair Q Banks didn't know who held - Blockchain knows

Bitcoin Best performance over 10 years

Common person & States

Porculli leg. pending in States - do y. have recommendations
to think about amendment. L

McCarthy Support
Enabling - lay groundwork - gain to take time -
good stepping stone ready to make a purchase
legwork done. Asset class would rise to
million

Michael Yananehi
Support - HB302
investor
S
Crops WH 10 B in debt. Approx 1.4m
people since 2023 87⁰⁰⁰ per person debt -
How can we deal w/ this. Bitcoin
Strategy - Diverse fund of assets than
Bitcoin he is investor - Good investment
can grow 3% per year 20 year look forward.
General fund 250m invested portfolio about
570% rate of inflation losing 25 B in purchasing
power.

302
Nickerson S / enemy - (cloner)?
Support
Self
Technology is here
innovation - Bitcoin wants out
gov. Bitcoin sup

Rep 302
Potenza
strat 19
Oppose
Unconstitutional - tax revenue to
Backed by & not paper - High yielding Bitcoin
Bitcoin no legal tender -
then further - state reserves -

Register Your Opinion If Not Testifying

Date: 1/15/25

****Please Print All Information****

[illegible]

House Remote Testify

Commerce and Consumer Affairs Committee Testify List for Bill **HB302** on 2025-01-15

Support: 6 Oppose: 8 Neutral: 0 Total to Testify: 0

[Export to Excel](#)

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Signed Up</u>
Howland, Curtis	Manchester, NH howland@priss.com	A Member of the Public	Myself	Support	No	No	1/12/2025 8:19 PM
Carr, Susan	New Boston, NH scarr620@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/12/2025 9:30 PM
Pauer, Eric	Brookline, NH secretary@BrooklineGOP.org	A Member of the Public	Myself	Support	No	No	1/13/2025 7:28 AM
Cook, Nancy	New Boston, NH NCook478@aol.com	A Member of the Public	Myself	Oppose	No	No	1/13/2025 9:35 AM
Nosek, Ingrid Ostrem	New Boston, NH Ingrid-o-nosek@sbcglobal.net	A Member of the Public	Myself	Oppose	No	No	1/13/2025 4:02 PM
Najem, Chris	Salem, NH najemchris8@gmail.com	A Member of the Public	Myself	Support	No	No	1/13/2025 5:54 PM
Stave, Cynthia	New Boston, NH cindy@weberstave.com	A Member of the Public	Myself	Oppose	No	No	1/13/2025 6:17 PM
Stave, Joel	New Boston, NH jstave@protonmail.com	A Member of the Public	Myself	Oppose	No	No	1/13/2025 10:35 PM
Thomson, Barbara	New Boston, NH commbatty@gmail.com	A Member of the Public	Myself	Oppose	No	No	1/14/2025 3:13 PM
Richardson, Daniel	Nashua, NH daniel6_22@comcast	A Member of the Public	Myself	Oppose	No	No	1/14/2025 7:58 PM
Perra, Jason	Keene, NH barriga_aburrir1d@icloud.com	A Member of the Public	Myself	Oppose	No	No	1/14/2025 9:00 PM
McCarthy, Thomas	Vienna, VA tom@satoshiaction.io	A Lobbyist	Satoshi Action Fund	Support	No	No	1/14/2025 11:44 PM
Najem, Brittany	Salem, NH B.l.najem@outlook.com	A Member of the Public	Myself	Support	No	No	1/15/2025 2:38 AM

Laurent, Chris

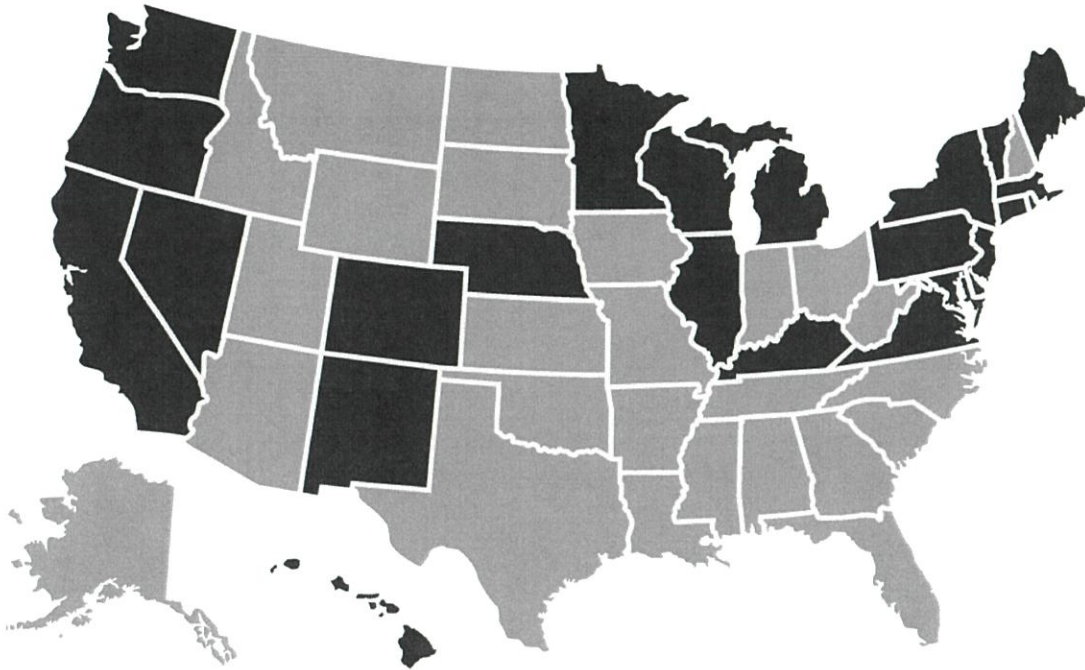
Derry, NH
Chlaurent1221@icloud.com

A Member of the Public Myself

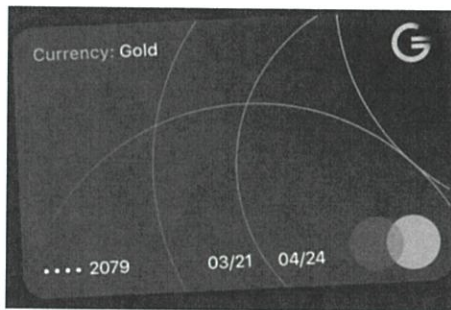
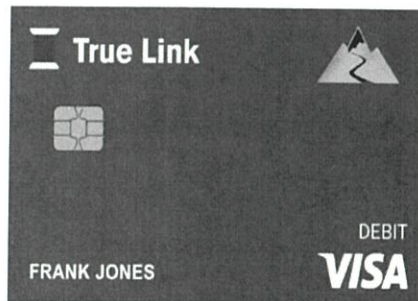
Support No No

1/15/2025 2:49 AM

STATES THAT HAVE PASSED LEGAL TENDER OR HAVE GOLD LEGISLATION PENDING



Gold –linked credit cards are free or nearly free (True-link & Glint):



GOLD TAXES IN OTHER STATES

Massachusetts exempts sales of \$1,000 or more of gold, silver, and rare coins from the state sales tax. However, purchases under \$1,000 are subject to a 6.25% sales tax. Local taxes may also apply.

Maine's sales tax is 5.5%. There are no exemptions for sales of gold and silver bullion, regardless of the amount or form.

Vermont has a 6% minimum sales tax on gold and silver, plus local taxes. There are no exemptions for precious metals. When you sell gold or silver for a profit

HB 302

New Hampshire State Treasury Investment Policy for the State's Operating Funds

I. PURPOSE

The purpose of this Investment Policy (the "Policy") is to set general guidelines to provide a clear understanding of the investment objectives of the State's Operating Funds ("Funds"). The Policy shall be used as a guideline for the State Treasurer's Office as well as for the investment advisor, the investment managers, and the custodial agents hired by the State.

This policy is intended to accomplish the stated objectives while ensuring compliance with state and federal laws. This policy is also designed to strengthen internal controls over the safeguarding of the State cash and investments.

This policy applies only to Operating Funds under the administration of the State Treasury. They do not apply to funds belonging to the New Hampshire Turnpike System, State Revolving Fund, Rainy Day Fund, nor to any trust or custodial funds, all of which are governed by their own investment guidelines.

II. INVESTMENT OBJECTIVES

The investment objective of the State's Operating Funds in order of priority, are the following:

- **Safety of Principal** – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- **Maintenance of Liquidity** - The State's Funds shall remain sufficiently liquid to enable the State to meet all operating requirements which might be reasonably anticipated, including but not limited to payroll, accounts payable, capital projects, debt service, and any other payments.
- **Return on Investment** - The State's Funds shall be managed with the objective of attaining a market rate of return (or higher) throughout the budgetary and economic cycles, taking into account the State's risk constraints and cash flow characteristics of the portfolio.

III. INVESTMENT ADVISORY COMMITTEE

The State has established an Investment Advisory Committee to oversee and monitor management of the Operating Funds portfolio. The Investment Advisory Committee shall consist of three members; the Treasurer, the Deputy Treasurer and Assistant Treasurer, and/or others designated by the State Treasurer.

The Investment Advisory Committee will be charged with the following responsibilities:

- 1) Review and update the Policy at least annually in response to changes in applicable laws, changing economic and market conditions, and current income needs of the State;
- 2) Monitor the investment program to ensure that proper controls are in place to ensure the integrity and security of the State's portfolios;
- 3) Assure that the State is in compliance with the State's written investment policies;
- 4) Meet periodically to deliberate such topics as economic outlook, portfolio diversification, and maturity structure, cash flow forecasts, potential risks, and the target rate of return on the investment portfolio.

The Committee may retain the services of a third-party investment adviser, registered under the Investment Advisers Act of 1940 or exempt from registration, to assist in performing its duties.

IV. DELEGATION OF AUTHORITY AND RESPONSIBILITIES

State Treasury Office

The Treasurer is authorized to invest the State's Operating Funds within the established guidelines and has also delegated this authority to the Deputy Treasurer and the Assistant Treasurer responsible for cash and investment management.

For any transfer of cash equal to or greater than \$50 million in a single transaction, the Treasurer and/or Deputy Treasurer shall be notified and approve the transaction. Additionally, all investments, security purchases or sales shall be approved by the Treasurer or Deputy Treasurer in the Treasurer's absence, or by Assistant Treasurer in the Deputy Treasurer's absence.

Investment Adviser

The State may engage the services of one or more external investment advisers (each an "Investment Adviser") to assist in the management of the State's investment portfolio in a manner consistent with the State's objectives. Such advisers must be registered under the Investment Advisers Act of 1940.

V. STANDARDS OF CARE

Prudence – Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering first the safety and liquidity of capital and next the probable income to be derived.

Ethics and Conflicts of Interest – Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees shall refrain from undertaking personal investment transactions with the same broker or account representative with whom business is conducted on behalf of the State.

VI. APPROVED INVESTMENTS

The following are approved investment vehicles as defined in RSA 6:8 and 383-B: 3-303:

*Standards
Meaning
Bond Rating*

- 1) **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
- 2) **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).
- 3) **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
- 4) **Corporate and Other Debt Obligations** – U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit institution, or other entity.
- 5) **Municipals**– Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of any U.S. state, territory or local government.
- 6) **Negotiable Bank Deposit Obligations** - Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, or by a federally or state-licensed branch of a foreign bank or financial institution.
- 7) **Bank Deposits, including CDs** - Non-negotiable interest bearing time certificates of deposit, savings accounts or deposit accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured or collateralized, as required by the requirements of New Hampshire RSA 6:8.
- 8) **Insured Bank Deposits** - Interest bearing time certificates of deposit, savings accounts or deposit accounts fully insured by the Federal Deposit Insurance Corporation (FDIC).
- 9) **Repurchase Agreements** - Repurchase agreements (Repo or RP) that meet the following requirements:
 - a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the

unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.

- b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
 - c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the investor's custodial account or in a separate account in the name of the investor.
 - d. Acceptable underlying securities must be securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
 - e. Underlying securities must have an aggregate market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
 - f. The term of any repurchase agreement transaction must be 1 year or less.
- 10) **Money Market Funds** - Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
 - 11) **Fixed-Income Mutual Funds and ETFs** - Shares in open-end and no-load mutual funds or exchange-traded funds (ETFs) whose stated offering investment strategy is to invest in investment grade fixed-income securities.
 - 12) **Local Government Investment Pools** – State, local government or privately-sponsored investment pools that are authorized pursuant to state law.

VII. INVESTMENT LIMITS AND SPECIFICATIONS

The State's Funds shall be diversified to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. The maximum percentage of the State's funds permitted in each eligible security based on book value at the date of acquisition shall be as follows:

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity
U.S. Treasury	100%	100%	N/A	5 Years
GNMA		40%		
Other U.S. Government Guaranteed		10%		
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB	100%	50% ⁴	N/A	5 Years
Federal Agency/GSE other than those above		10%		
Commercial Paper (CP)	50% ²	5% ³	Highest ST Rating Category (A-1/P-1, or equivalent)	365 Days
Corporates	50% ²	5% ³	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5 Years
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5 Years
Negotiable Bank Certificates of Deposit	50% ²	5% ³	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3, or equivalent)	5 Years
Collateralized Bank Deposits	100%	None, if fully collateralized	None, if fully collateralized.	3 Years
FDIC-Insured Bank Deposits	25%	FDIC limit for insurance	None, if fully FDIC-insured.	3 Years
Repurchase Agreements (Repo or RP)	40%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent)	1 Year

Money Market Funds (MMFs)	100%	50%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Fixed-Income Mutual Funds & ETFs	50%	20% ⁵	N/A	3 year Avg. Duration
Local Government Investment Pools	100%	50%	Highest Fund Quality and Volatility Rating Categories by all NRSROs, <i>if rated</i> (AAAm/AAAf, S1, or equivalent)	N/A

Notes:

¹ Rating by at least one SEC-registered NRSRO, unless otherwise noted. ST=Short-term; LT=Long-term.

² Maximum allocation to all commercial paper, corporate and negotiable certificates of deposit, excluding fixed-income mutual funds and ETFs is 75% combined.

³ Maximum across all non-government permitted investment sectors (excluding Treasuries, U.S. Federal Agencies and Agency MBS) is 5% combined per issuer.

⁴ Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 50%.

⁵ Issuer limits applies per fund; the funds' underlying securities are excluded from the policy's investment restrictions.

⁶ Concentration limits and rating requirements apply at the time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.

VIII. GENERAL INVESTMENT AND PORTFOLIO LIMITS

1. General investment limitations:
 - a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
 - b. The minimum credit quality of any investment is A-/A3 long-term, or A-1/P-1 short-term, or its equivalent, by at least one SEC-registered NRSRO, at time of purchase.
 - c. Minimum ratings are based on the highest rating by any one NRSRO, unless otherwise specified.
 - d. Concentration limits and rating requirements apply at time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.
2. Investment in the following are permitted, provided they meet all other policy requirements:
 - a. Callable, step-up callable, called, pre-refunded, putable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector.
 - b. Variable-rate and floating-rate securities.
 - c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector.
 - d. Zero coupon issues and strips, excluding mortgage-backed interest-only structures (I/Os).

- e. Treasury TIPS.
- 3. The following are **NOT PERMITTED** investments:
 - a. Trading for speculation.
 - b. Derivatives (other than callables and traditional floating or variable-rate instruments).
 - c. Mortgage-backed interest-only structures (I/Os).
 - d. Inverse or leveraged floating-rate and variable-rate instruments.
 - e. Currency, equity, index and event-linked notes (e.g. range notes), or other structures that could return less than par at maturity.
 - f. Convertible, high yield, and non-U.S. dollar denominated debt.
 - g. Short sales.
 - h. Use of leverage.
 - i. Futures and options.
 - j. Mutual funds, other than fixed-income mutual funds and ETFs, and money market funds as previously defined.
 - k. Equities, commodities, currencies and hard assets.

IX. SAFEKEEPING AND CUSTODY

All investment securities purchased by the State or held as collateral on deposits or investments shall be held by the State or by a third-party custodial agent that may not otherwise be counterparty to the investment transaction.

All securities in the State's Funds will be held in the name of the State and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. On a monthly basis, the custodial agent will provide reports that list all securities held for the State, the book value of holdings, and the market value as of month-end.

Original copies of non-negotiable certificates of deposit and confirming copies of all other investment transactions must be delivered to the State or its custodial agent.

X. REPORTING REQUIREMENTS

On a monthly basis, a report shall be provided including a listing of the existing portfolio in terms of investment securities, market value, maturity date, market yield, and other features deemed relevant. The market values presented in these reports will be consistent with accounting guidelines and GASB Statement 31 and 72 pertaining to the valuation of investments and the treatment of unrealized gains/losses. In addition, the investment report summarizes (i) recent market conditions, economic developments and anticipated investment conditions, (ii) a description of all securities held in the investment portfolio at quarter end, (iii) the total rate of return for the quarter and year-to-date versus appropriate benchmarks (where applicable), (iv) Investment Adviser and internal compliance with this Investment Policy, and (v) any areas of policy concern warranting possible revisions to current or planned investment strategies.

XI. AUTHORIZED BROKER/DEALERS

The Treasurer will maintain a list of broker/dealers that are approved for investment purposes. All broker/dealers who desire to provide investment services to the Treasurer will be provided with a current copy of the State's Investment Policy. Before an organization can provide investment services to the Treasurer, it must confirm in writing that it has received and reviewed the Treasurer's Investment Policy.

At the request of the Treasurer, broker/dealers will supply the Treasurer with information sufficient to adequately evaluate their financial capacity and creditworthiness. The following information will be provided:

- audited financial statements;
- regulatory reports on financial condition;
- proof of Financial Institution Regulatory Authority ("FINRA") certification and of state registration;
- any additional information requested by the Treasurer in evaluating the creditworthiness of the institution.

Only firms meeting the following requirements will be eligible to serve as broker/dealers for the State:

- 1) "Primary" dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) Registered as a dealer under the Securities Exchange Act of 1934;
- 3) Member of FINRA;
- 4) Registered to sell securities in the State of New Hampshire; and
- 5) Engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

If an external third-party Investment Adviser is engaged, the Treasurer may designate that Investment Adviser to maintain a list of approved broker/dealers.

XII. ENGAGEMENT OF INVESTMENT ADVISERS

The Treasurer may engage one or more qualified firms to provide investment advisory services to the State. All investment advisory firms who desire to provide investment services to the Treasurer will be provided with current copies of the Treasurer's Investment Policy. Before an organization can provide investment services to the Treasurer, it must confirm in writing that it has received and reviewed the State's Investment Policy.

Only firms meeting the following requirements will be eligible to serve as an investment adviser for the State:

- 1) Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- 2) Must provide to the Treasurer a copy of Form ADV, Part II; and
- 3) Must be registered to conduct business in the State of New Hampshire.

Any firm engaged by the Treasurer to provide investment services shall:

- 1) Maintain a list of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment services in the State of New Hampshire;
- 2) Provide monthly reports of transactions and holdings to the Treasurer;
- 3) Provide quarterly performance reports that display investment performance in comparison to the Treasurer's investment benchmarks and which show that the manager has solicited at least three bids for any security purchased or sold on behalf of the Treasurer; and
- 4) Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to the Treasurer.

XIII. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

With the exception of i) deposits and ii) investments in New Hampshire community (state-chartered) banks, all securities purchases and sales will be transacted only with designated broker/dealers through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers, taking into consideration current market conditions. Electronic bids will be accepted.

The Treasurer will accept the bid which, in the sole judgment of the Treasurer or his/her designee: (a) offers the highest rate of return within the maturity required; (b) optimizes the investment objective of the overall Investment Portfolio, including diversification requirements. When selling a security, the Treasurer will select the bid that generates the highest sale price, consistent with the diversification requirements.

XIV. INTERNAL CONTROLS

The Treasurer shall establish a framework of internal controls governing the administration and management of the Treasurer's Operating Funds Portfolio. Such controls shall be designed to prevent and control losses of the Treasurer monies arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

XV. PERFORMANCE STANDARDS

The State's Investment Adviser shall prepare a monthly portfolio report including: (i) a listing of the existing portfolios in terms of investment securities, amortized book value, maturity date, yield-on-cost, market value, credit ratings, and other features deemed relevant and (ii) a listing of all transactions executed during the month.

The State's Investment Adviser shall prepare and submit to the Investment Advisory Committee a "Quarterly Investment Report" that summarizes (i) recent market conditions, economic

developments, and anticipated investment conditions, (ii) the investment strategies employed in the most recent quarter, (iii) a description of all securities held in investment portfolios at quarter end, (iv) the total rate of return for the quarter and year-to date versus appropriate benchmarks, and (v) any areas of policy concern warranting possible revisions to current or planned investment strategies. The market values presented in these reports will be consistent with GASB account guidelines pertaining to the valuation of investments and the treatment of unrealized gains/losses

The Operating Funds Portfolio will be designed to obtain at least a market level rate of return, given budgetary and economic cycles, commensurate with the State's investment risk and cash flow needs. The portfolio management approach will be active, allowing periodic restructuring of the Portfolio to take advantage of current and anticipated interest rate movements. The returns on the Portfolios will be compared on a quarterly basis to indices of U.S. Treasury securities having similar maturities or to other appropriate benchmarks. For funds having a weighted average maturity greater than 90 days, performance will be computed on a total return basis.

XVI. OTHER CONSIDERATIONS

Cost of Banking and Investment Services: Costs associated with banking services are paid either through hard dollar fees or by maintaining a sufficient balance to compensate the bank for services rendered ("compensating balances"). In extremely low interest rate environments, it is likely the State will incur bank service fees in an amount greater than the income generated from deposited funds. Bank service fees may settle monthly, quarterly, or annually. Fees will reduce any return realized.

XVII. ADOPTION & REVIEW

The Treasurer reviews and approves the investment policy at least annually.

This policy was last reviewed and approved on January 17, 2024.

XVIII. APPENDIX - DEFINITIONS

Accretion: The increase in the value of a discounted instrument as time passes and as the maturity date gets closer. The value of the instrument will accrete (grow) at the interest rate implied by the discounted issuance price, the value at maturity, and the term to maturity.

Accrued Interest: The interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

Agency: A debt security issued by an agency or instrumentality of the United States. Agencies are backed by each particular agency or instrumentality of the United States with a market perception that there is an implicit government guarantee.

Amortized Cost: The original cost of the principal adjusted for the periodic reduction of any discount or premium from the purchase date until a specific date (also called "Book Value").

Amortization: The systematic reduction of the amount owed on a debt issue through periodic payments of principal. The decrease in the value of a premium instrument as time passes and as the maturity date gets closer. The value of the instrument will amortize (decrease) at the interest rate implied by the discounted issuance price, the value at maturity, and the term to maturity.

Ask/Offer: The price at which securities are offered.

Bid: The indicated price at which a buyer is willing to purchase a security or commodity.

Bond: A long-term debt instrument of a government or corporation promising payment of the original investment plus interest by a specified future date.

Broker: A broker facilitates security trades on behalf of investors (see Dealer).

Collateralization: Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

Credit Quality: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CUSIP: A unique identifier for a security developed by the Committee on Uniform Security Identification Procedures (CUSIP). The identifier is a nine-digit alphanumeric character. The first six characters identify the issuer, the following two identify the issue, and the final character is a check digit. CUSIPs are correlated to an alphabetical listing of the issuer's name.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for their own account. (see Broker).

Delivery (Settlement): There are typically four types of delivery or settlement of securities: cash, which is the same day as the transaction occurred; regular, which trade day plus one; corporate, which is trade day plus two; and forward, which typically occurs three to thirty days after the trade date.

Delivery Versus Payment (DVP): A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount: The sale/purchase of a fixed-income security when the transaction price is lower than the face value.

Duration: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Federal Deposit Insurance Corporation (FDIC): FDIC is one of the two agencies that supply deposit insurance to depositors in American depository institutions.

Federal Farm Credit Bank (FFCB): FFCB is a government sponsored enterprise that is a network of cooperatively-owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities.

Federal Home Loan Bank (FHLB): FHLB is a network of 11 regional banks that provide cash to other banks in order to keep money flowing to consumers and businesses.

Federal Home Loan Mortgage Corporation (FHLMC): FHLMC is a stockholder-owned, government sponsored enterprise chartered by Congress in 1970 in support of homeownership for middle-income Americans.

Federal National Mortgage Association (FNMA): FNMA is a government-sponsored enterprise that makes mortgages available to low- and moderate-income borrowers.

Fixed-income security: An investment that generates periodic interest payments.

Financial Industry Regulatory Authority (FINRA): FINRA is a private corporation, authorized by Congress, that acts as a self-regulatory organization. FINRA is the successor to the National Association of Securities Dealers, Inc. and the member regulation, enforcement, and arbitration operations of the New York Stock Exchange. FINRA also provides BrokerCheck, which is a service to obtain information regarding brokers, brokerage firms, and investment advisors.

Generally Accepted Accounting Principles (GAAP): GAAP refer to a common set of accepted accounting principles, standards, and procedures that companies and their accountants must follow when they compile their financial statements. GAAP is a combination of authoritative standards (set by policy boards) and the commonly accepted ways of recording and reporting accounting information. GAAP improves the clarity of the communication of financial information.

Governmental Account Standards Board (GASB): GASB is a non-profit entity that was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities.

Government National Mortgage Association (GNMA): GNMA is a federal government corporation that guarantees principal and interest payments on mortgage-backed securities issued by approved lenders.

Government Sponsored Enterprises (GSEs): Federally-chartered agency or instrumentality of the United States Government.

Investment: A commitment of dollars for a period of time with the expectation of receiving future payments and/or appreciation and compensate the investor for the time that the funds are committed and the uncertainty of a future return.

Investment Company Act of 1940: Federal legislation, which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Local Government Investment Pool (LGIP): An investment by local governments in which their money is pooled as a method for managing local funds.

Maturity: The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder.

Money Market Fund: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos, and federal funds).

Municipal Bond: A municipal bond is a debt security issued by a local government, such as county, state, city, special improvement district, to finance its capital expenditures, including the construction of highways, bridges or schools. Municipal bonds can issue taxable or tax-exempt from federal, state, and local taxes.

Mutual Fund: A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. These investors may be retail or institutional in nature. Mutual funds have advantages and disadvantages compared to direct investing in individual securities.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. The most recognized NRSROs are Fitch, Moody's, and Standard and Poor's.

Premium: The sale/purchase of a fixed income security when the transaction price is greater than the par amount.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers and banks.

Principal: A single capital sum, separate and apart from interest, income, or expenses, which may be further defined as the amount borrowed, lent, or otherwise invested. Interest, income, or expenses may be expressed as a percentage of the principal.

Repurchase Agreements (REPO): An agreement with an approved broker/dealer that provides for the sale and simultaneous purchase of an allowable collateral security. The difference in the sale and purchase price is the earning rate on the agreement. A master repurchase agreement must be in place with the approved broker/dealer.

Rule 2a-7 of the Investment Company Act: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13- month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Securities and Exchange Commission (SEC): The government agency that regulates and supervises the securities industry. The commission administers federal law, formulates and enforces rules to protect against malpractice, and seeks to ensure that companies provide the fullest possible disclosure to investors. All of the national exchanges and virtually all institutions in the securities industry fall under its jurisdiction.

Security: A type of investment instrument that represents either an ownership interest in a government or corporate entity or an evidence of debt issued by such entity, and has a market value which may fluctuate.

Sweep Account: Per the Securities Exchange Act of 1934, bank-facilitated transactions as part of a program for the investment or reinvestment of deposit funds into any no-load, open ended investment management company registered as a money market fund under the Investment Company Act of 1940.

Total Return: The sum of all investment income plus realized and unrealized gains and losses.

Uniform Net Capital Rule: SEC Rule 15C3-1 outlining capital requirements for broker/dealers who must maintain a maximum ratio of indebtedness to liquid capital of 15 to 1. Indebtedness covers all money owed to a firm, including margin loans, and commitments to purchase securities (one reason new issues are spread among members of underwriting syndicates). Liquid capital includes cash and assets easily converted to cash.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio, weighted by the individual securities.

Yield Curve: A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-Maturity (YTM): The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Yield-to-Worst (YTW): The YTW is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The YTW is calculated by making worst-case scenario assumptions on the issue by calculating the return that would be received if the issuer uses provisions, including prepayments or calls.

Testimony in Support of House Bill 302, An Act Relative to Enabling the State Treasury to Invest in Precious Metals and Digital Assets

Representatives of the Commerce and Consumer Affairs Committee,

Thank you for the opportunity to provide testimony in favor of House Bill 302 which would allow the State of New Hampshire to invest and hold precious metals and Digital Assets such as Bitcoin and Stablecoins. My name is Thomas McCarthy and I live in Northern Virginia just outside of Washington DC. I work for Satoshi Action Fund, we are a nonprofit organization dedicated to promoting education and advocacy for Bitcoin and digital assets at the state level.

We have supported Bitcoin and digital asset legislation that has passed in multiple states, and I am grateful for the opportunity to speak with you today.

A critical responsibility of this state is safeguarding the value of public funds that provide essential services to New Hampshire residents. We believe HB 302 will provide New Hampshire with more tools to achieve these goals.

Since Bitcoin was first regulated by the Commodities Future Trading Commission in 2018, its adoption and utility as a financial asset have expanded significantly, leading to a dramatic increase in its price.

Over this same period, the purchasing power of dollars held by New Hampshire has been steadily eroded due to inflation by approximately 25%. Even bond strategies have not been immune, since investing in treasury bonds would have still seen a decrease in value by approximately 10%.

However, just a small allocation into Bitcoin could have completely offset these losses.

You can see this information in the chart provided.

This troubling trend underscores the important need for new financial strategies in the treasurer's toolbox to protect the purchasing power of funds entrusted to New Hampshire by its residents.

Last year, Utah passed HB 348, which allows the state Treasurer in Utah to invest in precious metals. Building on this progress, Satoshi Action Fund is working with those bill sponsors to increase the scope of the legislation and include high-quality digital assets such as Bitcoin. We are waiting and expect this legislative update to be introduced shortly.

Other states are following suit. North Dakota heard this legislation yesterday and we expect Oklahoma, Kansas, Iowa, Montana, Utah, Wyoming, and others to introduce similar legislation.

One concern we have heard is how New Hampshire would safely secure its digital asset holdings. The legislation stipulates stringent requirements for secure custody solutions to ensure that any digital assets acquired are protected by robust technological and governance frameworks.

These options include either implementing state-of-the-art custody technology or partnering with federal and state banks that hold highly-regulated exchange-traded products.

Additionally, the bill requires that investments be limited to digital assets with a market capitalization of over \$500 billion which ensures that only the most established and stable assets are considered. Currently, only Bitcoin meets this requirement.

Under the legislation, stablecoins must be backed by U.S. dollars or short-term government bonds and are subject to U.S. regulatory oversight, ensuring their stability and reliability.

The economic challenges of the past few years have underscored the importance of proactive and adaptive policymaking. States that fail to modernize their investment strategies risk falling behind and losing their purchasing power to inflation.

HB 302 provides New Hampshire with the tools it needs to stay ahead, protect the services provided by the state, and serve as a model for other states seeking to navigate the changing financial landscape.

Thank you for your time and I look forward to answering your questions.

Susan Carr

Digital assets, crypto, is not a good idea. Crypto requires a lot of energy. Countries doing well with this have invested in alternate energy positioning them well for growth. The US has not and Trump is not a supporter of new energy sources.

Nancy Cook

We need fiscal responsibility! We do not need to have our precious dollars invested in risky investments - especially crypto knowing its history. The people of this state are already struggling to even live here and pay their taxes. What happens if the state loses big time with crypto - a scenario that is not impossible at all - and we have that tax burden as well. Terrible idea!!!

Ingrid Ostrem Nosek

Please vote NO! This is so wrong.

Chris Najem

Dear Chair and Members of the Commerce and Consumer Affairs Committee,

I am here today to express my strong support for the creation of a Bitcoin Strategic Reserve (bill introduced by Rep. Keith Ammon), in New Hampshire, with an important amendment: the legislation should explicitly specify “Bitcoin” rather than the broader term “cryptocurrency.” Bitcoin is a distinct, decentralized, and transparent asset with unmatched security, while many other cryptocurrencies lack these qualities and carry greater risks.

New Hampshire has a proud tradition of leadership: we were the first to declare independence, adopt a state constitution, and hold the first presidential primary. By adopting Bitcoin strategically, we can once again lead the nation—ensuring New Hampshire remains a hub of innovation, economic growth, and fiscal resilience. I urge you to amend the bill and position NH at the forefront of the Bitcoin economy.

Thank you for your time and consideration.

Long time NH resident and Bitcoin enthusiast

Cynthia Stave

I absolutely do NOT want state funds going into crypto. Not enough people understand it so it would be very easy to "game" the system. I don't trust my government to give them that power.

Joel Stave

"Digital assets" (crypto currency) has been wildly volatile. It is not a safe investment for our tax dollars.

Daniel Richardson

Do not engage in foolishness. Not one representative understands blockchain technology, even though some fool themselves to think they are so smart. Citizens can gamble; Government shall not! Citizens preserve wealth for decades into the future; Governments shall not tax more than is necessary for the next budget cycle. Governments do not accumulate wealth.

Every economics think tank (like Mises Institute) and freedom consortium (like JBS) has already spoken on the evils and pitfalls of blockchain technology in regard to digital currency. The answer always comes back DONT DO IT. This technology empowers the entire banking system to surveil even the most mundane of citizens activities and keep those records to manipulate and blackmail, at will, those very citizens.

Brittany Najem

As a proud 34-year resident of New Hampshire, I support HB 302 and establishing a State Bitcoin strategic reserve. This legislation will set a powerful precedent, showcasing forward-thinking leadership and instilling a strong sense of optimism for our state's economic future. By being the first in the nation to take this step, New Hampshire could redefine state-level financial strategies in the digital age.

Chris Laurent

My name is Christopher Laurent. I've been a taxpaying member of New Hampshire, my whole life, and I would love to see New Hampshire be one of the states that gets on board early with this new and exciting technology being made available to us in crypto

New Hampshire Credit Unions



Creating Cooperative Power

January 15, 2025

The Honorable John Hunt
Chairman
House Commerce and Consumer Affairs Committee
LOB 302
107 North Main Street
Concord, NH 03301

Dear Chairman Hunt:

On behalf of New Hampshire credit unions and the Cooperative Credit Union Association, Inc. (“CCUA”), please accept this letter in opposition to HB 359, which would prohibit the denial of banking and insurance services based on any factor that is not quantitative, impartial, and risk-based as measured by an objective standard. CCUA is the state credit union trade association, serving 14 federally and state-chartered credit unions that are cooperatively owned by 761,000 consumers as members.

Credit unions have zero tolerance for any form of discrimination and are highly regulated in this area. Both federally and state-chartered credit unions are subject to regular inspections by the National Credit Union Administration (NCUA) and the New Hampshire Banking Department. These inspections review an institution’s lending practices and ensure that no institution is violating federal and state anti-discrimination laws. At the federal level, credit unions are subject to the Equal Credit Opportunity Act, the Fair Housing Act, the Dodd-Frank Act, and the Consumer Credit Protection Act. Both the Consumer Financial Protection Bureau and the Federal Trade Commission have broad authority to aggressively pursue claims of discrimination in the banking system. At the state level, the Banking Department has clear authority to investigate complaints and refer them to the Department of Justice for review and legal action.

This legislation would also create a two-tiered system in the credit union industry, as it would only apply to state-chartered credit unions. Federally chartered credit unions are regulated at the federal level by the NCUA. As a result, banking customers would have different rights and responsibilities at different credit unions without knowing the type of charter the institution holds. This could cause unnecessary confusion for consumers.

The costs of banking services could also be impacted by this legislation. Adding additional compliance processes, on top of the already high level of compliance required for financial institutions, could increase risk and lending costs—costs which would ultimately be borne by the end consumer.

The Cooperative Credit Union Association and New Hampshire’s credit unions respectfully ask that you vote HB 359 inexpedient to legislate. We would be happy to discuss this further or answer any questions you may have.

Sincerely,

Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.

HB 302 - AS INTRODUCED

2025 SESSION

25-0700

07/05

HOUSE BILL **302**

AN ACT relative to enabling the state treasury to invest in precious metals and digital assets.

SPONSORS: Rep. Ammon, Hills. 42; Rep. Beaulier, Graf. 1; Rep. Warden, Hills. 39; Rep. Osborne, Rock. 2; Rep. Sweeney, Rock. 25; Rep. Alexander Jr., Hills. 29; Sen. Abbas, Dist 22; Sen. Avard, Dist 12; Sen. Murphy, Dist 16

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill enables the state treasurer to invest state funds into precious metals and digital assets.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
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 Twenty Five

AN ACT relative to enabling the state treasury to invest in precious metals and digital assets.

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

1 1 New Section; State Treasurer and State Accounts. Amend RSA 6 by inserting after section 8-c
2 the following new section:

3 6:8-d Strategic Reserve Established.

4 I. In this section:

5 (a) "Exchange-Traded Product" or "ETP" means any financial instrument that is
6 approved by the Securities and Exchange Commission, the Commodities Future Trading
7 Commission, or the state securities commissioner that is traded on a United States-regulated
8 exchange and derives its value from an underlying pool of assets, such as stocks, bonds,
9 commodities, or indexes.

10 (b) "Precious metal" means any of the following, whether in coin, bullion, or other form:

11 (1) Silver;

12 (2) Gold; or

13 (3) Platinum.

14 (c) "Qualified custodian" means any federal or state-chartered bank, trust company, or
15 special purpose depository institution or a company regulated by the state which custodies digital
16 assets for an approved exchange-traded product.

17 (d) "Secure custody solution" means a technological product or blended product and
18 service which has all of the following characteristics:

19 (1) The cryptographic private keys that secure digital assets are exclusively known
20 by and accessible by the government entity.

21 (2) The cryptographic private keys that secure digital assets are exclusively
22 contained within an encrypted environment and accessible only via end-to-end encrypted channels.

23 (3) The cryptographic private keys that secure digital assets are never contained by,
24 accessible by, or controllable via a smartphone.

25 (4) Any hardware that contains the cryptographic private keys that secure digital
26 assets is maintained in at least two geographically diversified specially designated secure data
27 centers.

28 (5) The secure custody solution enforces a multi-party governance structure for
29 authorizing transactions, enforces user access controls, and logs all user-initiated actions.

1 (6) The provider of the secure custody solution has implemented a disaster recovery
2 protocol that ensures customer access to assets in the event the provider becomes unavailable.

3 (7) The secure custody solution undergoes regular code audits and penetration
4 testing from audit firms.

5 (e) "Stablecoin" means a digital asset that is issued by a corporation and is redeemable,
6 on demand, by the holder, at par for a fixed monetary value in equivalent United States dollars.

7 (f) "Staking" means committing digital assets to a blockchain network to participate in
8 such blockchain network's operations by validating transactions, proposing and attesting to blocks,
9 and securing the network.

10 (g) "Staking as a service" means the provision of technical staking services, including the
11 operation of nodes and the associated infrastructure necessary to facilitate participation in
12 blockchain networks' consensus mechanisms, by the service provider on behalf of an individual or
13 entity that owns the digital assets being staked.

14 II. Notwithstanding RSA 6:8, the state treasurer may invest a portion of public funds in
15 precious metals, any digital asset with a market capitalization of over \$500 billion averaged over the
16 previous calendar year, and stablecoins from the general fund, the revenue stabilization fund
17 established in RSA 9:13-e, and any other funds as authorized by the legislature.

18 III. The state treasurer shall not invest more than 10 percent of the total amount of public
19 funds in any of the authorized investments under paragraph II.

20 IV. Any digital assets acquired by any fund listed in paragraph II shall be held:

21 (a) Directly by the state treasurer through the use of a secure custody solution;

22 (b) On behalf of the state by a qualified custodian, or

23 (c) In the form of an exchange traded product issued by a registered investment
24 company.

25 V. The state treasurer may engage in lending or staking of qualifying digital assets if:

26 (a) The treasurer's office retains legal ownership of the digital asset; and

27 (b) The lending or staking is conducted using a third-party solution.

28 VI. Any precious metals acquired under this chapter shall be held:

29 (a) As an exchange traded product;

30 (b) In physical form by a qualified custodian; or

31 (c) Directly by the state in physical form or in conjunction with another state in a rule to
32 be established by the treasurer.

33 2 Effective Date. This act shall take effect 60 days after its passage.