HB 527 - AS AMENDED BY THE HOUSE

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2021 SESSION

21-0662
04/08

HOUSE BILL ***527***

AN ACT relative to the charitable gift annuities exemption.

SPONSORS: Rep. Infantine, Hills. 13

COMMITTEE: Commerce and Consumer Affairs

AMENDED ANALYSIS

This bill adds an exemption for a qualified charitable gift annuity issued by a charitable organization.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the charitable gift annuities exemption.

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

1 New Paragraph; Charitable Gift Annuities Exemption; Definition of Qualified Charitable Gift Annuity. Amend RSA 403-E:1 by inserting after paragraph V the following new paragraph:

VI.(a) "Qualified charitable gift annuity" also means a charitable gift annuity described by section 501(m)(5), Internal Revenue Code of 1986 (26 U.S.C. section 501(m)(5)), and section 514(c)(5), Internal Revenue Code of 1986 (26 U.S.C. 514(c)(5)), that is issued by a charitable organization that on the date of the annuity agreement:

(1) Has a minimum of $25,000 in unrestricted cash, cash equivalents, or publicly traded securities, exclusive of the assets funding the annuity agreement;

(2) Has been in continuous operation for at least 3 years or is a successor or affiliate of a charitable organization that has been in continuous operation for at least 3 years;

(3) Issues charitable gift annuities with payout ratios no greater than recommended by the American Council on Gift Annuities at the time of issuance; and

(4) Within 5 business days of receiving funds for a charitable gift annuity, re-insures said annuity by purchasing an annuity contract from a commercial insurance company licensed to transact business in the state of New Hampshire, and such insurer carrier assumes all risk, administration, and payment responsibility.

(b) A charitable organization that meets the requirements of subparagraph (a) may expend, or reallocate for current or future use, any residual balance that may remain after purchasing the commercially-insured annuity.

2 Charitable Gift Annuities Exemption; Disclosures. Amend RSA 403-E:3, II(a)(3)(B) to read as follows:

(B) The annuities issued by the organization shall be limited to qualified charitable gift annuities, as defined in RSA 403-E:1, V ***or RSA 403-E:1, VI***.

3 Charitable Gift Annuities Exemption; Disclosures. Amend RSA 403-E:3, II(b) to read as follows:

(b) Subsequently, each charitable organization that issues qualified charitable annuities shall, as part of its report submitted to the director pursuant to RSA 7:28, II and III, annually recertify that the annuities issued by the organization shall be limited to qualified charitable gift annuities, as defined in RSA 403-E:1, V ***or RSA 403-E:1, VI***.

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