

HB 722-FN - AS INTRODUCED

2025 SESSION

25-0688

07/05

HOUSE BILL **722-FN**

AN ACT relative to establishing causes of actions against educational institutions that charge excessive tuition rates.

SPONSORS: Rep. Corcoran, Hills. 28

COMMITTEE: Judiciary

ANALYSIS

This bill:

I. Creates criminal penalties for educational institutions that charge excessive tuition rates.

II. Creates civil rights of action against educational institutions that charge excessive tuition rates.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 establishing causes of actions against educational institutions that charge excessive tuition rates.

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

1 1 Short Title. This act shall be known as the New Hampshire Predatory College Degree
2 Consumer Protection Act.

3 2 New Paragraph; Trade and Commerce; Regulation of Business Practices for Consumer
4 Protection; Acts Unlawful. Amend RSA 358-A:2 by inserting after paragraph XVIII the following
5 new paragraph:

6 XIX. Charging or receiving, or soliciting to charge or receive, an unreasonable rate of tuition
7 for degree programs that exceed the statutory threshold set by RSA 358-A:10-b. For the purpose of
8 this paragraph, an "unreasonable rate" means a rate that is exorbitant and disproportionate to the
9 services performed.

10 3 New Section; Actions Against Unreasonable Rates of Tuition. Amend RSA 358-A by inserting
11 after section 10-a the following new section:

12 358-A:10-b Actions Against Unreasonable Rates of Tuition.

13 I. As used in this section, the following terms shall have the following meaning:

14 (a) "Educational institution" means post-secondary degree-granting institutions.

15 (b) "Person" means United States citizens.

16 II. Any educational institution that charges a tuition rate for a degree that has a total cost
17 (including tuition and fees, but excluding room, board, and transportation) calculated over the
18 average number of semesters required to attain the degree that exceeds the threshold set in
19 paragraph III shall be in violation of RSA 358-A:2.

20 III. If 30 percent of the average, annualized, 4-year, pre-tax, inflation adjusted salary of
21 graduates of the degree program, whether working in the field that the degree program specializes
22 in or not, is insufficient to cover the annual payment on a 10 year payoff schedule for the total cost of
23 the program at an annual percentage rate equal to that charged on January 1 of the year the degree
24 is completed by the Federal Family Education Loan (FFEL) program, or similar or successor
25 program if FFEL is discontinued, then the educational institution charging such rate shall have
26 exceeded the permissible threshold permitted under this paragraph.

27 IV. Educational institutions shall be immune from criminal or civil actions under this
28 section if the person or persons involved in the purported transaction with the educational
29 institution:

30 (a) Is not a United States citizen at the time of matriculation;

HB 722-FN - AS INTRODUCED
- Page 2 -

1 (b) Signs, witnesses, and notarizes a form stating, in red ink and in minimum 50 point
2 font:

3 "I understand that this degree program is abusive under the definition in the New Hampshire
4 Predatory College Degree Consumer Protection Act, and I waive my right to sue for unfair trade
5 practices."

6 V. Educational institutions that charge tuition rates that exceed the permissible statutory
7 threshold under paragraph III shall, in addition to all other fines, penalties, and remedies provided
8 for in this chapter, be liable to any person for the total cost of tuition and fees paid, plus interest, for
9 the degree program or programs in which the person was enrolled.

10 VI. The statute of limitations for civil actions under this section shall be 10 years from the
11 date from which a final tuition or fee payment was credited to a person's educational institution
12 account.

13 VII. Under this section, attorneys fees for class action lawsuits:

14 (a) Shall be capped at 10 percent of the total amount awarded; and

15 (b) Shall only be awarded to persons, as defined in this section, and their successors and
16 assigns.

17 4 Effective Date. This act shall take effect January 1, 2026.

**HB 722-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to establishing causes of actions against educational institutions that charge excessive tuition rates.

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund</i>	None			
Expenditures*	Indeterminable			
<i>Funding Source</i>	General Fund, CCSNH Operating Expense, USNH Operating Expense			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	Indeterminable			
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	Indeterminable			

METHODOLOGY:

This bill adds, deletes, or modifies a criminal penalty, or changes statute to which there is a penalty for violation. Therefore, this bill may have an impact on the judicial and correctional systems, which could affect prosecution, incarceration, probation, and parole costs, for the state, as well as county and local governments. A summary of such costs can be found at: https://gencourt.state.nh.us/lba/Budget/Fiscal_Notes/JudicialCorrectionalCosts.pdf

This bill establishes causes of actions against educational institutions that charge excessive tuition rates.

Community College System of New Hampshire (CCSNH)

This bill creates criminal penalties and civil rights of action against higher education institutions in New Hampshire in instances where the cost of tuition exceeds wages via a calculation outlined

in the bill. CCSNH states this bill does not require the institutions to calculate and track cost or graduate earnings, therefore, it assumes the burden of demonstrating such would be on the individual or individuals bringing any such action, however in responding to any action brought, the institution would incur costs. CCSNH states it cannot predict the life choices of individual graduates or other personal or economic circumstances that would affect their future earnings, particularly circumstances that are unrelated to the educational program or labor market. If CCSNH were subject to a lawsuit pursuant to this statute, it states it would incur costs and be subject to damages. While this is impossible to predict, CCSNH states costs could be anywhere from \$10,000 to \$500,000 per year.

University System of New Hampshire (USNH)

USNH states that the threshold calculation in this bill would require detailed earnings data for graduated students by degree program to determine the “average, annualized, 4-year, pre-tax, inflation adjusted salary of graduates of the degree program.” This calculation requires access to record-level earnings data for USNH graduates who reside in many different jurisdictions (about 50 percent of USNH students come from other states). The requisite level and completeness of earnings detail for every USNH graduate is available only through the IRS. A similar exercise is underway to comply with the recently enacted Financial Value Transparency and Gainful Employment Act (FVT/GE), which compares earnings to student debt (according to different measures/standards from those in the proposed legislation). Compliance efforts have required significant resources directly involving the IRS, the U.S. Department of Education (USED), and nearly all U.S. postsecondary education institutions. Under this process, the postsecondary institutions have been working through USED to submit record-level student data which are matched with national student loan and IRS earnings data. The governmental agencies are responsible for computing the required calculations. Postsecondary institutions, USNH included, have been working on the FVT/GE reporting requirement for many months, investing hundreds of hours, to collect, review, analyze, securely transmit, and ensure the accuracy of highly granular and sensitive individual student data.

USNH states that compliance with this bill is only possible with the following assumptions:

- The IRS and USED agree to dedicate federal resources to engage in a parallel but separate reporting and analysis track with different parameters from FVT/GE on an annual basis to enable compliance with NH law.
- The IRS agrees to compute, on behalf of NH postsecondary institutions, the average annualized 4-year, pre-tax, inflation-adjusted salaries by degree program by institution to protect the privacy of individual earnings data.

- There is adequate opportunity within NH law to thoroughly ascertain technical requirements and to develop an overarching reporting protocol at a pace necessarily dictated by the IRS and USED (relevant only if the previous assumptions bear out).

USNH states this bill would increase its operating expenses by an indeterminable amount. Any estimate of the cost of compliance is speculative, since compliance itself is wholly dependent on the cooperation of the federal governmental agencies. Assuming their cooperation, USNH institutions would need extensive clarifications to the proposed legislation to effectively assess the cost and effort for compliance. Based on the extensive effort required thus far to work toward federal FVT/GE compliance as described above, the range of expense increase could be \$100,000 to \$500,000 annually.

AGENCIES CONTACTED:

Judicial Branch, Judicial Council, Department of Justice, Department of Corrections, New Hampshire Association of Counties, New Hampshire Municipal Association, Community College System of New Hampshire, and University System of New Hampshire