

Bill as Introduced

HB 198 - AS INTRODUCED

2011 SESSION

11-0667

10/05

HOUSE BILL **198**

AN ACT relative to the investment options for county funds.

SPONSORS: Rep. F. Rice, Rock 15; Rep. Weyler, Rock 8; Rep. Nevins, Rock 15; Rep. Sheffert, Rock 15; Rep. K. Sullivan, Rock 15; Sen. Stiles, Dist 24; Sen. Morse, Dist 22

COMMITTEE: Municipal and County Government

ANALYSIS

This bill allows county treasurers the additional option of investing excess county funds in units of pooled money market funds which invest solely in obligations of the United States Treasury.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~(in brackets and struck through)~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT relative to the investment options for county funds.

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

- 1 1 County Treasurer; Excess Funds; Investment. Amend RSA 29:3 to read as follows:
2 29:3 Excess Funds. Whenever the county treasurer has in custody an excess of funds which are
3 not immediately needed for the purpose of expenditure the county treasurer may, with the approval
4 of the county commissioners and county executive committee and upon such terms as shall be
5 approved by the county commissioners, invest the same in participation units in the public deposit
6 investment pool established pursuant to RSA 383:22, ***or in units of pooled money market mutual***
7 ***funds which invest solely in obligations of the United States Treasury***, or in obligations fully
8 guaranteed as to principal and interest by the United States government. The obligations may be
9 held directly or in the form of securities of or other interests in any open-end or closed-end
10 management-type investment company or investment trust registered under 15 U.S.C. section 80a-1
11 et seq., if the portfolio of the investment company or investment trust is limited to such obligations
12 and repurchase agreements fully collateralized by such obligations. Any person who directly or
13 indirectly receives any such funds or moneys for deposit or for investment in securities of any kind
14 shall, prior to acceptance of such funds, make available at the time of such deposit or investment, an
15 option to have such funds secured by collateral having a value at least equal to the amount of such
16 funds. Such collateral shall be segregated for the exclusive benefit of the county. Only securities
17 defined by the bank commissioner in rules adopted pursuant to RSA 386:57 shall be eligible to be
18 pledged as collateral. At least yearly, the county treasurer, with the approval of the county
19 commissioners, shall review and adopt an investment policy for the investment of public funds in
20 conformance with the provisions of applicable statutes.
21 2 Effective Date. This act shall take effect 60 days after its passage.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 198

BILL TITLE: relative to the investment options for county funds.

DATE: January 25, 2011

LOB ROOM: 301 **Time Public Hearing Called to Order:** 10:58 am

Time Adjourned: 11:09 am

(please circle if present)

Committee Members: Reps. Ferrante, Sterling, B. Patten, Lockwood, Accornero, Belanger, Burt, Coffey, Copeland, Moore, Munck, Shackett, Stroud, DeStefano, Roberts, Hooper and Tatro

Bill Sponsors: Rep. F. Rice, Rock 15; Rep. Weyler, Rock 8; Rep. Nevins, Rock 15; Rep. Sheffert, Rock 15; Rep. K. Sullivan, Rock 15; Sen. Stiles, Dist 24; Sen. Morse, Dist 22

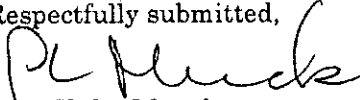
TESTIMONY

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

Rep. Rice – gives county treasurers more options in the investment of surplus funds.

***Edward Buck**, Rockingham County Treasurer – handout – one of the safest investments available. There are more investment types available to other units of government, including the state, than are to counties. Ans. The current Rockingham County investment policy would cover these investments. Ans. - This would not allow the investments that were problems for Orange County and Colorado. These are not speculative derivative products.

Respectfully submitted,


Rep. Philip Munck
Clerk

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

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HB198

Rep. Rice – gives county treasurers more options in the investment of surplus funds.

*Edward Buck, Rockingham County Treasurer – handout – one of the safest investments available. There are more investment types available to other units of government, including the state, than are to counties.

Ans. The current Rockingham County investment policy would cover these investment. Ans. - This would not allow the investments that were problems for Orange County and Colorado. These are not speculative derivative products.

Testimony



Rockingham County Treasurer
Edward R. (Sandy) Buck III

119 North Road
Brentwood, NH 03833-6624

Phone (603) 679-2256 x 9068
Email erbuck@yahoo.com

INVESTMENT OPTIONS FOR COUNTY FUNDS
HB198

SUMMARY

This bill allows county treasurers an additional option of investing excess county funds. It is an effort to introduce an enhancement in the investment option available to counties throughout New Hampshire. The Addendum we are proposing to Title 2, Chapter 29, Section 29:3 clearly states that investments **"...in units of pooled money market mutual funds which invest solely in obligations of the United States Treasury..."** would be plausible.

EXAMPLES

- Wells Fargo Advantage 100% Treasury Money Market Fund – WFTXX
- Dreyfus 100% U.S. Treasury Money Market Fund
- Fidelity U.S. Treasury Money Market Fund -- (FDLXX)
- Vanguard Admiral Treasury Money Market Fund -- (VUSXX)

POINTS

- Direct obligations of the Federal Government, more specifically Treasury Bills (90 days or less maturity) are and have been treated by the capital markets as the only "risk free" investment available. This is due to the fact that the full faith and credit of the federal government back them.
- All registered money mutual funds are required by the Securities and Exchange Commission (SEC) **not** to extend maturity beyond 90 days. This coupled with the fact Treasury Bills are purchased at a discount from face value virtually eliminates the chance of any principle loss.
- The intent of our specific proposal does not introduce any detectable risks to what is currently being offered.
- In fact, our proposal represents the **safest possible investment solution**. Our intent is simply to introduce a more competitive cost efficient manner for the county to manage cash assets.
- This addendum will allow county treasurers to better fulfill their fiduciary responsibilities to the counties.

In conclusion, I strongly feel that introducing a more competitive solution to the current menu of investment options will be a benefit to all.

Edward R. Buck III
Rockingham County Treasurer

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 198

BILL TITLE: relative to the investment options for county funds.

DATE: January 27, 2011

LOB ROOM: 301

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Shackett

Seconded by Rep. Copeland

Vote: 14-2 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: NO

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Philip Munck, Clerk



Phil Munck

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 198

BILL TITLE: relative to the investment options for county funds.

DATE: 1/27/11

LOB ROOM: 301

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. *Shackett*

Seconded by Rep. *Copeland*

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Philip Munck, Clerk

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: 198 Title: investment options for county funds

PH Date: 1 / 25 / 11 Exec Session Date: 1 / 27 / 11

Motion: OTP Amendment #: _____

MEMBER	YEAS	NAYS
Ferrante, Beverly A, Chairman	✓	
Sterling, Franklin W, V Chairman	✓	
Patten, Betsey L	✓	
Lockwood, Priscilla P	✓	
Accornero, Harry	✓	
Belanger, James P	✓	
Burt, John A	✓	
Coffey, James E	✓	
Copeland, Timothy D	✓	
Moore, Robert W	Abs	
Munck, Philip L	✓	
Shackett, Jeffrey S	✓	
Stroud, Kathleen M	✓	
DeStefano, Stephen T		✓
Roberts, Kris E		✓
Hooper, Dorothea D	✓	
Tatro, Bruce L	✓	
TOTAL VOTE:	14	2

Committee Report

REGULAR CALENDAR

February 1, 2011

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on MUNICIPAL AND COUNTY
GOVERNMENT to which was referred HB198,**

**AN ACT relative to the investment options for county
funds. Having considered the same, report the same
with the recommendation that the bill OUGHT TO
PASS.**

Rep. Kathleen M Stroud

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	MUNICIPAL AND COUNTY GOVERNMENT
Bill Number:	HB198
Title:	relative to the investment options for county funds.
Date:	February 1, 2011
Consent Calendar:	NO
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill allows county treasurers an additional option when investing surplus county funds for all New Hampshire counties. It clearly states that monies must be invested in pooled money market funds invested solely in us treasury bonds.

Vote 14-2.

Rep. Kathleen M Stroud
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

MUNICIPAL AND COUNTY GOVERNMENT

HB198, relative to the investment options for county funds. **OUGHT TO PASS.**

Rep. Kathleen M Stroud for MUNICIPAL AND COUNTY GOVERNMENT. This bill allows county treasurers an additional option when investing surplus county funds for all New Hampshire counties. It clearly states that monies must be invested in pooled money market funds invested solely in us treasury bonds. **Vote 14-2.**

Original: House Clerk

Cc: Committee Bill File

COMMITTEE REPORT

COMMITTEE: _____

BILL NUMBER: 198

TITLE: investment options for county funds

DATE: 1/27/11 CONSENT CALENDAR: YES NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2nd year of biennium)

Amendment No. _____

STATEMENT OF INTENT:

THIS BILL ALLOWS COUNTY TREASURERS AN ADDITIONAL OPTION WHEN INVESTING SURPLUS COUNTY FUNDS. FOR ALL NH COUNTIES, IT CLEARLY STATES THAT MONIES MUST BE INVESTED IN POOLED MONEY MARKET FUNDS INVESTED ~~AND~~ SOLELY IN US TREASURY BONDS.

COMMITTEE VOTE: 14-2



RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep. Jeffrey Shackel
For the Committee

BAF