

Committee Report

CONSENT CALENDAR

March 5, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Municipal and County Government
to which was referred HB 545,**

**AN ACT relative to the use of certain out-of-state banks
by the state treasurer and municipal and county
treasurers or trustees. Having considered the same,
report the same with the recommendation that the bill
OUGHT TO PASS.**

Rep. Tony Piemonte

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Municipal and County Government
Bill Number:	HB 545
Title:	relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees.
Date:	March 5, 2021
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill would allow out-of-state banks with a branch in New Hampshire to accept deposits and investments of public funds from the state treasurer as well as city, town, and school district treasurers.

Vote 18-0.

Rep. Tony Piemonte
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Municipal and County Government

HB 545, relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees. **OUGHT TO PASS.**

Rep. Tony Piemonte for Municipal and County Government. This bill would allow out-of-state banks with a branch in New Hampshire to accept deposits and investments of public funds from the state treasurer as well as city, town, and school district treasurers. **Vote 18-0.**

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 545

BILL TITLE: relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees.

DATE: March 3, 2021

LOB ROOM: Hybrid

MOTIONS: OUGHT TO PASS

Moved by Rep. Piemonte

Seconded by Rep. McBride

Vote: 18-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep John MacDonald, Clerk



2021 SESSION

Municipal and County Government

Bill #: 545 Motion: OTP AM #: _____ Exec Session Date: 3/1/21

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Dolan, Tom Chairman	18		
Piemonte, Tony Vice Chairman	1		
MacDonald, John T. Clerk	2		
Tripp, Richard P.	3		
Guthrie, Joseph A.	4		
Lascelles, Richard W.	5		
McBride, Everett P.	6		
Melvin, Charles R.	7		
Ayer, Paul F. <u>LANE</u>			X
Pauer, Diane	8		
Porter, Marjorie A.	9		
Treleaven, Susan GS	10		
Gilman, Julie D. <u>Pimentel</u>	11		
Maggiore, Jim V.	12		
Stavis, Laurel	13		
Mangipudi, Latha D.	14		
Vann, Ivy C.	15		
Klee, Patricia S.	16		
Gallager, Eric B.	17		
TOTAL VOTE:	18	0	

Public Hearing

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 545

BILL TITLE: relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees.

DATE: March 1, 2021

LOB ROOM: Hybrid **Time Public Hearing Called to Order:** 2:15 p.m.

Time Adjourned: 2:45 p.m.

Committee Members: Reps. Dolan, Piemonte, J. MacDonald, Tripp, Guthrie, Lascelles, McBride, Melvin, Ayer, Pauer, Porter, Treleaven, Gilman, Maggiore, Stavis, Mangipudi, Vann, Klee and Gallager

Bill Sponsors:

Rep. Laflamme

Rep. Merner

TESTIMONY

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

Rep. Laflamme - Prime sponsor of the bill. Bills previously passed this committee 19-1. Passed House on a voice vote in the House. It gives New Hampshire towns municipalities the flexibility to use local banks that are not chartered in New Hampshire.

Katy Horgan, NH Association of Counties - Supports the bill. Example, Bangor Savings Bank.

Carrie Klebe, Finance Director for Coos County - Supports the bill. Numerous banks of merged with out of state banks that are not chartered in New Hampshire.

Timothy Felten, Chief Financial Officer, Newburyport Bank - Our commitment to the State of New Hampshire is solid. Supported Families First. Purchased tax credits that benefit NH. This will allow an even playing field for all banks. It insures fairness, 1a - 1d we will support of the bill. The bill needs more refinement and would do a disservice to the municipalities.

Kristie Merrill, NH Bankers Association - No position on this bill.

Rob Dietel, Attorney to the NH Bankers Association. We represent 37 Banks in New Hampshire. We are recommending a study committee. This is a very complicated issue. This bill is nearly to the bill last year. We want to make sure other chartered banks have the right balance. We do want to get it right.

Rep. Porter: This bill came to us last year. It will further delay the relief for the people in the north country. How are the communities going to proceed? ANS: It was my understanding the funds were from the Nursing home and the House of Correction, and that was not an issue.

Rob Dietel - This bill affects 9 different types of funds. This is not a simple solution.

Rep. Mangipudi: Why is this a big issue, when it passed this committee last year? ANS: We were part of the conversation and it was tabled in the Senate.

Rep. Stavis: Where is Bar Harbor Bank chartered? ANS: They are chartered in New Hampshire. We struggle with the notion of reciprocity. There is a trend nationally to have other banks purchase other banks.

Respectfully submitted,

Rep. John MacDonald
Clerk

House Remote Testify

Municipal and County Government Committee Testify List for Bill HB545 on 2021-03-01

Support: 23 Oppose: 0 Neutral: 2 Total to Testify: 4

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>
Felter, Timothy	Newburyport, MA tfelter@newburyportbank.com	A Member of the Public	Newburyport Bank	Support	Yes (5m)	No	2/26/2021 9:54 AM
Laflamme, Larry	Berlin, NH Larry.laflamme@leg.state.nh.us	An Elected Official	Myself	Support	Yes (5m)	No	2/21/2021 8:59 PM
Horgan, Kate	CONCORD, NH khorgan@dupontgroup.com	A Lobbyist	NH Association of Counties	Support	Yes (2m)	No	2/26/2021 9:58 AM
Klebe, Carrie	Columbia, NH carrie.klebe@cooscountynh.us	A Member of the Public	Myself	Support	Yes (1m)	No	2/26/2021 10:57 AM
Fish, Jennifer	Colebrook, NH jennifer.fish@cooscountynh.us	A Member of the Public	Myself	Support	No	No	2/27/2021 1:31 PM
Hamer, Heidi	Manchester, NH hhamer59@aol.com	An Elected Official	Myself	Support	No	No	2/28/2021 12:35 PM
Parshall, Lucius	Marlborough, NH lucius.parshall@leg.state.nh.us	An Elected Official	Myself	Support	No	No	2/28/2021 2:21 PM
Cornell, Patricia	Manchester, NH Cornell49@comcast.net	An Elected Official	Myself	Support	No	No	2/28/2021 4:37 PM
Smiley, Julie	Amherst, NH smilesjusa@yahoo.com	A Member of the Public	Myself	Support	No	No	2/28/2021 4:48 PM
Bartlett, Rep Christy	Concord, NH christydbartlett@gmail.com	An Elected Official	Merrimack 19	Support	No	No	2/28/2021 5:39 PM
Stevens, Representative Deb	Nashua, NH debstevens4ward7@gmail.com	An Elected Official	My 10K constituents	Support	No	No	2/28/2021 7:16 PM
Grassie, Chuck	Rochester, NH chuck.grassie@leg.state.nh.us	An Elected Official	Strafford 11	Support	No	No	2/28/2021 7:43 PM
Dontonville, Roger	Enfield, NH rdontonville@gmail.com	An Elected Official	Myself	Support	No	No	2/28/2021 10:33 PM

Craig, Kevin	Lancaster, NH Kevin.Craig@leg.state.nh.us	An Elected Official	Coos-4	Support	No	No	2/28/2021 11:04 PM
Merrill, Kristy	Concord, NH kmerrill@nhbankers.com	A Lobbyist	NH Bankers	Neutral	No	No	3/1/2021 8:29 AM
Dietel, Rob	Concord, NH rdietel@gcglaw.com	A Lobbyist	NH Bankers	Neutral	No	No	3/1/2021 8:30 AM
Benvenuti, Becky	Concord, NH bbenvenuti@nhmunicipal.org	A Lobbyist	New Hampshire Municipal Association	Support	No	No	3/1/2021 8:57 AM
Libby, Julie	North Haverhill, NH jlibby@co.grafton.nh.us	A Member of the Public	Myself	Support	No	No	3/1/2021 1:32 PM
Dorsett, Andrew	Lyman, NH andrew.dorsett@hotmail.com	A Member of the Public	Myself	Support	No	No	3/1/2021 1:33 PM
Levesque, Cassandra	Barrington, NH cassandra.levesque@leg.state.nh	An Elected Official	Myself	Support	No	No	3/1/2021 4:58 PM
Hamblet, Joan	Portsmouth, NH joan.hamblet@leg.state.nh.us	A Member of the Public	Myself	Support	No	No	3/1/2021 5:36 PM
Stacey, Cathy	Salem, NH cstacey@nhdeeds.com	An Elected Official	Myself	Support	No	No	2/26/2021 1:03 PM
Josephson, Timothy	Canaan, NH josephsonth@gmail.com	A Member of the Public	Myself	Support	No	No	2/26/2021 11:40 AM
Decoteau, Mark	Waterville Valley, NH wvmanager@watervillevalley.org	A Member of the Public	Myself	Support	No	No	2/25/2021 11:47 AM
Cooper, Scott	Guildhall, VT scott.cooper@bangor.com	A Member of the Public	Myself	Support	No	No	2/26/2021 9:10 AM

Testimony

Archived: Thursday, April 22, 2021 9:17:20 AM

From: [Klatskin, Jo Ann](#)

Sent: Friday, February 26, 2021 9:46:01 AM

To: ~House Municipal and County Govt

Subject: throu479: HB545 Written Testimony

Importance: Normal

Attachments:

HB 545 Written Testimony of Newburyport Bank.pdf ;

Please see the attached written testimony from Newburyport Bank being submitted by Timothy Felter, the bank's CFO/Treasurer, regarding HB545 being heard Monday, March 1. Thank you.

Jo Ann Klatskin

Senior Vice President

Government Banking Manager



Newburyport Bank

137 Portsmouth Avenue, Exeter, NH 03833

Office: 603-294-0735

Cell: 603-425-3445

NewburyportBank.com

Confidentiality Notice: The material contained in or accompanying this electronic transmission may contain confidential information which is the property of the Newburyport Five Cents Savings Bank d/b/a Newburyport Bank ("Newburyport Bank") and is legally privileged. The information is intended only for the individual or entity named above. If you are not the intended recipient, you are hereby notified that disclosing, copying, distributing, or taking any action in reliance on the contents of this email is strictly prohibited. If you have received this information in error, please notify us immediately.

Archived: Thursday, April 22, 2021 9:19:35 AM
From: [Ryan Hale](#)
Sent: Monday, March 1, 2021 8:59:26 AM
To: [Heather Goley](#)
Cc: [Kristy Merrill](#)
Subject: HB 545
Importance: Normal

Good Morning Heather,

I hope you had a great weekend!

I tried signing up Kristy Merrill, the NH Bankers President earlier this morning to testify on HB 545, before the 30 min cutoff, and was unable to click the box. Any assistance you may be able to provide would be greatly appreciated. I can be reached on my cell at 603-785-2028 if a call is easier.

Thank you very much in advance.

Ryan



Ryan Hale, IOM | VP/Government Relations

New Hampshire Bankers Association | PO Box 2586 | Concord | NH | 03302

Office: [603.224.5373](tel:603.224.5373) | Cell: [603.785.2028](tel:603.785.2028) | www.nhbankers.com

Archived: Thursday, April 22, 2021 9:19:35 AM

From: [Kate Horgan](#)

Sent: Friday, February 26, 2021 10:20:38 AM

To: ~House Municipal and County Govt

Subject: HB 545

Importance: Normal

Attachments:

HB 545 NHAC Letter 2.26.21.pdf ;

Members of the Municipal and County Government Committee,

Attached please find a letter of support from the NH Association of Counties for HB 545. Please let me know if you have any questions. Thank you.

-Kate

Kathryn Horgan

The Dupont Group

29 School St. | Ste. 200 | Concord, NH 03301

603-228-3322 x111

khorgan@dupontgroup.com



signature_134
4789256

--

Archived: Thursday, April 22, 2021 9:19:35 AM

From: [Ryan Hale](#)

Sent: Monday, March 1, 2021 8:40:05 AM

To: ~House Municipal and County Govt

Subject: HB 545

Importance: Normal

Attachments:

HB 545 Testimony .pdf ;

Good Morning Municipal and County Government Committee Members,

Please find attached the NH Bankers testimony for today's hearing on HB 545. We look forward to the opportunity to address the Committee this afternoon. Kristy Merrill, president of the association will be speaking on behalf of the association. Unfortunately we've attempted several times to sign up to speak but the system is not allowing us. She plans to raise her hand during the hearing to be called on. Please feel to reach out to me with any questions.

Be well,

Ryan



Ryan Hale, IOM | VP/Government Relations

New Hampshire Bankers Association | PO Box 2586 | Concord | NH | 03302

Office: [603.224.5373](tel:603.224.5373) | Cell: [603.785.2028](tel:603.785.2028) | www.nhbankers.com

Archived: Thursday, April 22, 2021 9:19:35 AM
From: [Becky Benvenuti](#)
Sent: Monday, March 1, 2021 8:57:14 AM
To: ~House Municipal and County Govt
Subject: HB 545 - Testimony
Importance: Normal
Attachments:
HB 545_OutStateBanks_2021-03-01.pdf ;

Good Morning Committee Members,

Attached please find testimony in support of HB 545.

Thank you,

Becky



Becky I. Benvenuti
Government Finance Advisor
NH Municipal Association
25 Triangle Park Drive
Concord, NH 03301
Tel: (603) 230-3308
Email: bbenvenuti@nhmunicipal.org
www.nhmunicipal.org

President

Wendy Piper
Grafton County Commissioner

Vice President

Tom Tombarello
Rockingham County Commissioner

At Large Member

Toni Pappas
Hillsborough County Commissioner

At Large Member

Cathy Stacey
Rockingham County Register of Deeds



Association of Counties

**29 School St., Ste. 200
Concord, NH 03301**

info@nhcounties.org

www.nhcounties.org

Immediate Past President

Chuck Weed
Cheshire County Commissioner

Treasurer

Suzanne Collins
Coos County Treasurer

Bylaws Chair

Chris Coates
Cheshire County Administrator

Friday, February 26, 2021

Chairman Dolan
Municipal & County Government Committee
Concord, NH 03301

Chairman Dolan and Members of the Municipal and County Government Committee:

The NH Association of Counties would like to register its support for HB 545, relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees. This bill was passed overwhelmingly by this committee and the NH House in 2020, however due to COVID 19 it was not allowed an opportunity to be heard in the Senate.

This bill would allow NH counties to expand their banking opportunities to institutions that may not be chartered in NH but are local banks. For example, Bangor Savings Bank in Colebrook is the original First Colebrook Bank, that has been in the same location since 1889. This is extremely important to our more rural counties that must drive extended distances to complete county banking. While technological enhancements have increased some banking access there are still some items, particularly in our nursing homes where we need to have cash on hand and transactions cannot be completed electronically. It would also allow us to seek out the best banking opportunities for our counties.

The Association believes that HB 545 would be a benefit to all NH counties and may have a very meaningful impact on how counties complete their banking business. We would recommend that you vote this bill Ought to Pass.

Sincerely,

Wendy Piper
President
NH Association of Counties



HB 545, relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees.

**Testimony Presented by Kristy Merrill, President
House Municipal and County Government Committee
Monday, March 1, 2021**

Chairman Dolan and honorable members of the House Municipal and County Government Committee, my name is Kristy Merrill, and I'm the President of the NH Bankers Association. NH Bankers represent 37 state and federally chartered banks which employ nearly 6,000 employees. Our attorney Rob Dietel from Gallagher, Callahan & Gartrell is also on the call today and is available to answer any legal questions committee members may have.

While the NH Bankers does not have an official position, we do come before the Committee today to respectfully ask that HB 545 be amended by replacing the entire bill with a study committee. Turning HB 545 into a study committee will allow for a more thorough review and allow for input from various stake holders to ensure the proposal creates a level playing field.,

As I mentioned in my introduction, the NH Bankers membership consists of NH chartered banks, banks chartered in other states, and nationally chartered banks. Municipal deposits are a very complex issue and affects the members of our association in different ways, depending on their charter.

Under the current municipal deposit statutes, banks chartered in other states are limited in the types of municipal deposits they can accept while New Hampshire chartered banks and nationally chartered banks with a physical presence do not have the same limitations. This proposal attempts to break down the barriers these statutes currently create, giving out-of-state chartered banks greater access to municipal deposits.

HB 545 is nearly identical to a proposal from last year, HB 1119. We worked closely with the sponsor to come up with a solution that created a level playing field for all. In the end though we felt HB 1119 did not achieve that goal and we asked the Committee, as we're doing today, to turn the bill into a study committee.

We want to ensure that this legislation does not harm out-of-state banks who currently hold municipal deposits, that NH banks also have comparable access to municipal deposits in other states, and that municipalities that are seeking additional options are not negatively impacted (we understand this is not the intent). In order to accomplish this, we believe it's important to carefully work with the various stakeholders to strike the right balance.

It's important to point out, that in trying to come up with a workable solution last year, we had conversations with the Treasurer due to the role they would play. This conversation occurred with former Treasurer Bill Dwyer. We are unaware if any such conversation has occurred with our current Treasurer, Monica Mezzapelle, but certainly believe that would be appropriate.

We understand the rationale behind the desire to bring this language forward originates from a constituent in Coos County having challenges addressing their banking needs. Specifically, there was an interest in



placing nursing home and prison resident's funds in a bank who is chartered out-of-state. After legal review of existing statutes, those funds are not considered to be publicly owned funds and could be deposited in the county's bank of choice.

Again, the NH Bankers does not have a position on HB 545. We just want to get it right for banks that do business here and that is why we are respectfully asking the Committee to amend this bill and turn it into a study committee to ensure what eventually does pass is the right solution for all.

That ends my testimony. I'm happy to take any questions and if I'm not able to answer them, as I mentioned earlier, our attorney Rob Dietel from Gallagher, Callahan & Gartrell is on the call and available. Thank you for your time and consideration.

Newburyport Bank

Newburyport Bank Written Testimony

HB 545 – March 1, 2021

Thank you Chairman Dolan and Honorable members of the House Municipal and County Government Committee for allowing submission of written testimony. My name is Timothy Felter and I am the Senior Executive Vice President, Chief Financial Officer, and Treasurer of Newburyport Bank, a \$1.2 billion bank located on the Seacoast of New Hampshire and in northern Massachusetts. While the Bank is a 167 year old bank headquartered in Massachusetts, half of our branches are now located in New Hampshire – Dover, Exeter, Hampton, and Portsmouth (2). After just seven years with branches in New Hampshire, the bank has over \$246 million in loans and \$138 million in deposits in NH. The Bank's 2020 payroll for 37 NH employees was over \$2.7 million. Our commitment to the state of New Hampshire is solid.

The Bank has been a good corporate citizen. Our employees have been active in the community. The Bank and its related charitable foundation have made over \$675,000 of contributions to New Hampshire non-profit programs since the opening of our first branch. For example, the Bank supported the Mayor of the City of Portsmouth's initiative, The Clipper Strong Fund, during the COVID-19 pandemic. The Bank has supported Families First – a full-service community health center in Portsmouth – for eight consecutive years. Our support of New Hampshire organizations is not limited to time and cash contributions. The Bank has been an active purchaser of tax credits through the New Hampshire Community Development Finance Agency. We have purchased \$121,000 of credits to benefit 12 projects.

I am testifying here today with the expectation of leveling the field for our Government Banking Division. Current New Hampshire laws require banks chartered by other states to post collateral for New Hampshire municipal deposits. Out-of-state banks which have national charters do not have the same requirements. The Bank formally started offering deposit and loan products to government entities in New Hampshire in 2019. While we quickly learned that we were not on a level playing field with other out-of-state banks, we forged forward. Due to how the statute is currently written, out-of-state banks must incur additional cost in providing protection above FDIC limits for municipal deposits. The result is that the rate of return to the municipality is lowered to offset the cost. Many of the MA-chartered banks offer Depositors Insurance Fund (DIF) which protects all funds above the FDIC limit. Since the ultimate goal is to protect public monies, if the statute were changed to allow other protection such as DIF in lieu of collateral, public funds would be protected and have more banking choices at competitive rates of return.



P.O. Box 350, Newburyport, MA 01950

tel 844.639.3483

Member FDIC
Member DIF

NewburyportBank.com

JOURNEY WELL

While the bill generally does ensure fairness for tax paying businesses in NH, there are some aspects which cause the current version of HB 545 to fall short of its potential good – to provide municipalities with access to more banking choices. The Bank is generally supportive of the language in sections 1- a through d. However, these sections have requirements that should be expectations of all banks in NH. In addition, section 1-d requires only certain banks to spend additional money to prove their presence in NH. Further changes to the bill are needed to ensure that all tax paying banks are treated fairly.

Banks have played an important part in our country's response to the COVID-19 pandemic. Community banks in particular have been supportive of local businesses, community support organizations, and individuals. We are committed to working with the legislature to ensure that NH municipalities have the same opportunity to get top quality banking services at a fair price. While we agree with the spirit of the bill, we believe more refinement of the language is needed, particularly since it could have unintended consequences that would ultimately do a dis-service to NH municipalities.

This concludes my written testimony. Thank you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "T. Felter". The signature is fluid and cursive, with the first letter of the first name being a large, stylized capital 'T'.

Timothy L. Felter

Senior EVP, Chief Financial Officer, and Treasurer



March 1, 2021

Honorable Tom Dolan, Chairman
House Municipal and County Government Committee
Legislative Office Building Room 301
Concord, NH 03301

Via Electronic Mail Only

Re: HB 545 relative to use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees

Dear Chairman Dolan and Committee Members:

I write to express the support of the New Hampshire Municipal Association for HB 545, as it relates to the benefit for municipalities, particularly for the more rural towns and cities in the north country.

NHMA's legislative policies include supporting measures that enable municipalities to exercise existing authority more efficiently and with greater discretion. Because many of the original community banks in the north country have over time merged with banks that are chartered out of state in Maine and Vermont, these community banks (former New Hampshire banks) can no longer be utilized by municipalities for their depositing and investment needs. Under RSA 41:29 municipal deposits are required to be made on a weekly basis, or a daily basis whenever funds remitted from all departments collectively totals \$1,500 or more. In consideration of the very rural nature and long distances between towns, enabling municipalities to work with a bank that is located within their community or even a neighboring community would improve the efficient operation of town business and decrease staff travel time and costs.

For these reasons, we respectfully ask that you vote ought to pass on HB 545.

Respectfully submitted,

Becky Benvenuti

Becky I. Benvenuti
Government Finance Advisor

N E W H A M P S H I R E M U N I C I P A L A S S O C I A T I O N

25 Triangle Park Drive • Concord, NH 03301 • Tel: 603.224.7447

NHMAinfo@nhmunicipal.org • governmentaffairs@nhmunicipal.org • legalinquiries@nhmunicipal.org

www.nhmunicipal.org

Bill as
Introduced

HB 545 - AS INTRODUCED

2021 SESSION

21-0753

10/08

HOUSE BILL **545**

AN ACT relative to the use of certain out-of-state banks by the state treasurer and
 municipal and county treasurers or trustees.

SPONSORS: Rep. Laflamme, Coos 3; Rep. Merner, Coos 7

COMMITTEE: Municipal and County Government

ANALYSIS

This bill allows out-of-state banks with a branch in New Hampshire to accept deposits and investments of public funds from the state treasurer and city, town, and school district treasurers.

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 use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees.

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

1 1 State Treasurer; Bank Deposits. Amend RSA 6:7 to read as follows:

2 6:7 Bank Deposits. The treasurer may deposit any portion of public moneys, in the treasurer's
3 possession, in federally insured banks [~~chartered under the laws of New Hampshire or the federal~~
4 ~~government, with a branch within the state]~~ **authorized to accept deposits under RSA 6:8, I and**
5 **I-a.** At the discretion of the treasurer, balances may be collateralized if those balances are deemed
6 to be significant in relation to the equity position of the federally insured bank. Other conditions
7 being equal, those federally insured banks shall receive preference which allow interest on balances.
8 As used in this section the term "public moneys" shall include the general funds of the state and any
9 funds of which the state treasurer acts as custodian or agent.

10 2 State Treasurer; Investment of Public Funds. Amend RSA 6:8 to read as follows:

11 6:8 Investment of Funds.

12 I. All funds over which the state has exclusive control, aside from such sums of money as the
13 treasurer may deem necessary to hold or deposit for meeting current expenses, shall be invested by
14 the treasurer, with the approval of the governor and council, in obligations of the United States
15 government, in obligations of any county government, municipal government, or district or division
16 thereof within the state of New Hampshire, in obligations which are legal investments for depository
17 banks pursuant to RSA 383-B:3-303, in participation units in the public deposit investment pool
18 established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates
19 of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally
20 insured banks chartered under the laws of New Hampshire [~~or~~], the federal government with a
21 branch within the state, **or any other state with a branch in this state as provided in**
22 **paragraph I-a.**

23 **I-a. In order for a bank chartered under the laws of another state to be eligible to**
24 **accept deposits of public funds, the following conditions shall be satisfied:**

25 (a) **The state in which the out-of-state bank is chartered must permit a New**
26 **Hampshire-chartered bank to accept public funds in deposit in that state in substantially**
27 **the same manner and subject to substantially the same terms and conditions as is**
28 **permitted for banks chartered in that state.**

1 **(b) The out-of-state bank engages in lending activity in New Hampshire in an**
2 **aggregate amount that is not less than the average amount of the deposits of all of its state,**
3 **county, municipal, and other public deposits in the state in each calendar year.**

4 **(c) The out of state bank pays the business enterprise tax or business profits tax**
5 **based on its business activity in the state during its fiscal year.**

6 **(d) Before accepting such deposits, the out-of-state bank shall furnish to the**
7 **state treasurer an opinion of legal counsel that the condition of subparagraph (a) has been**
8 **met. The treasurer shall confirm receipt of the opinion in writing not later than 60 days of**
9 **receipt of the opinion, and shall make the opinion publicly available on the department's**
10 **website. Thereafter, the out-of-state bank shall certify in writing under oath to the**
11 **treasurer not later than March 31 in each year that it has complied with the requirements**
12 **of subparagraphs (b) and (c) for the prior calendar or fiscal year and shall disclose the**
13 **average amount of such deposits accepted and the number and aggregate amount of all**
14 **loans made in such calendar year. A violation of this paragraph shall be a misdemeanor.**

15 II. The treasurer may also invest public funds in interest-bearing deposits which meet all of
16 the following conditions:

17 (a) The funds are initially invested through a federally insured bank [~~chartered under~~
18 ~~the laws of New Hampshire or the federal government with a branch within the state]~~ **authorized**
19 **to accept deposits in New Hampshire under paragraphs I and I-a of this section,** selected by
20 the treasurer.

21 (b) The selected bank arranges for the redeposit of funds which exceed the federal
22 deposit insurance limitation of the selected bank in deposits in one or more federally insured
23 financial institutions located in the United States, for the account of the treasurer.

24 (c) The full amount of principal and any accrued interest of each such deposit is covered
25 by federal deposit insurance.

26 (d) The selected bank acts as custodian with respect to each such deposit for the account
27 of the treasurer.

28 (e) On the same date that the funds are redeposited by the selected bank, the selected
29 bank receives an amount of deposits from customers of other federally insured financial institutions
30 equal to or greater than the amount of the funds initially invested through the selected bank by the
31 treasurer.

32 3 Counties; Investments; Banks. Amend RSA 23:16, II to read as follows:

33 II. The funds shall be invested only [~~by deposit in some savings bank or in the savings~~
34 ~~department of a national bank or trust company in this state, or in shares of any building and loan~~
35 ~~association or cooperative bank, incorporated and doing business under the laws of this state, or in~~
36 ~~the shares of any federal savings and loan association, located and doing business in this state, or]~~ in
37 bonds, notes or other obligations of the United States government, or in state, county, town, city,

1 school district, water and sewer district bonds and the notes of towns or cities in this state; and such
2 stocks and bonds as are legal for investment by New Hampshire [~~savings~~] banks and when so
3 invested, the trustees shall not be liable for the loss thereof; [~~and~~] in any common trust fund
4 established by the New Hampshire Charitable Foundation in accordance with RSA 292:23; **and in**
5 **deposits, including money market accounts, or certificates of deposit, or repurchase**
6 **agreements, and all other types of interest bearing accounts, of federally insured banks**
7 **authorized to accept deposits under RSA 6:8, I and I-a.** The trustees may retain investments
8 as received from donors until the maturity thereof.

9 4 County Treasurer; Out-of-state Banks; Deposits. Amend RSA 29:1, I to read as follows:

10 I. The county treasurer shall have custody of all moneys belonging to the county, and shall
11 pay out the same only upon orders of the commissioners. The county treasurer shall deposit the
12 same in participation units in the public deposit investment pool established pursuant to RSA
13 383:22, or in federally insured banks **authorized to accept deposits under RSA 6:8, I and I-a.**
14 **In addition,** [~~chartered under the laws of New Hampshire or the federal government with a branch~~
15 ~~within the state, except that~~] funds may be deposited in federally insured banks outside the state if
16 such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank
17 collateral security for such deposits of the following types:

18 (a) United States government obligations,

19 (b) United States government agency obligations; or

20 (c) Obligations of the state of New Hampshire in value at least equal to the amount of
21 the deposit in each case.

22 5 County Treasurer; Out-of-state Banks; Investments. Amend RSA 29:1, IV to read as follows:

23 IV. Whenever the county treasurer has in custody an excess of funds which are not
24 immediately needed for the purpose of expenditure, the treasurer shall, with the approval of the
25 commissioners, invest the same in obligations of the United States government, in participation
26 units in the public deposit investment pool established pursuant to RSA 383:22, or in deposits,
27 including money market accounts, or certificates of deposit, or repurchase agreements, and all other
28 types of interest bearing accounts, of federally insured banks [~~chartered under the laws of the state~~
29 ~~of New Hampshire or the federal government with a branch within the state~~] **authorized to accept**
30 **deposits under RSA 6:8, I and I-a.** Any person who directly or indirectly receives any such funds
31 or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such
32 funds, make available at the time of such deposit or investment, an option to have such funds
33 secured by collateral having a value at least equal to the amount of such funds. Such collateral shall
34 be segregated for the exclusive benefit of the county. Only securities defined by the bank
35 commissioner in rules adopted pursuant to RSA 383-B:3-301(e) shall be eligible to be pledged as
36 collateral. At least yearly, the county treasurer, with the approval of the county commissioners,

1 shall review and adopt an investment policy for the investment of public funds in conformance with
2 the provisions of applicable statutes.

3 6 County Treasurer; Investments. Amend RSA 29:1, V(a) to read as follows:

4 (a) The funds are initially invested through a federally insured bank [~~chartered under~~
5 ~~the laws of New Hampshire or the federal government with a branch within the state~~] **authorized**
6 **to accept deposits under RSA 6:8, I and I-a**, selected by the treasurer.

7 7 Town Trust Funds; Investments. Amend RSA 31:25 to read as follows:

8 31:25 Custody; Investment. The trustees shall have the custody of all trust funds held by their
9 town. Any person who directly or indirectly receives any such trust funds for deposit or for
10 investment in securities of any kind shall, prior to acceptance of such funds, make available at the
11 time of such deposit or investment an option to have such funds secured by collateral having value at
12 least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit
13 of the town depositing or investing such funds. Only securities defined by the bank commissioner, as
14 provided by rules adopted pursuant to RSA 383-B:3-301(e), shall be eligible to be pledged as
15 collateral. The funds shall be invested only in deposits in [~~any~~] federally [~~or state-chartered bank or~~
16 ~~association authorized to engage in a banking business in this state~~] **insured banks authorized to**
17 **accept deposits under RSA 6:8, I and I-a**, or in deposits in any credit union in this state, or in
18 state, county, town, city, school district, water and sewer district bonds and the notes of towns or
19 cities in this state; and such stocks and bonds as are legal for investment by any bank [~~or~~
20 ~~association~~] chartered by this state to engage in a banking business; and in participation units in the
21 public deposit investment pool established pursuant to RSA 383:22; or in obligations with principal
22 and interest fully guaranteed by the United States government. The obligations may be held
23 directly or in the form of securities of or other interests in any open-end or closed-end management-
24 type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the
25 portfolio of the investment company or investment trust is limited to such obligations and
26 repurchase agreements fully collateralized by such obligations. Deposits in a federally [~~or state-~~
27 ~~chartered~~] **insured** bank [~~or association~~] or credit union shall be made in the name of the town
28 which holds the same as a trust, and it shall appear upon the books thereof as a trust fund. Shares
29 of mutual funds are also permitted if they are registered with the Securities and Exchange
30 Commission, qualified for sale in the state of New Hampshire in accordance with the New
31 Hampshire uniform securities act of the New Hampshire secretary of state's office, and which have
32 in their prospectus a stated investment policy which is consistent with the investment policy adopted
33 by the trustees of trust funds in accordance with this chapter, and when so invested, the trustees
34 shall not be liable for the loss thereof. The trustees may retain investments as received from donors,
35 until the maturity thereof. The trustees shall formally adopt an investment policy for all
36 investments made by them or by their agents for any trust funds in their custody in conformance

1 with the provisions of applicable statutes. Such investment policy shall be reviewed and confirmed
2 at least annually. A copy of the investment policy shall be filed with the attorney general.

3 8 Town Trust Funds; Reference to Associations. Amend RSA 31:25-a to read as follows:

4 31:25-a Retention of Nonlegal Securities. Any security which at the time of its purchase under
5 RSA 31:25 constituted a legal investment for any bank ~~[or association]~~ chartered by this state to
6 engage in a banking business or for trustees of trust funds under the laws and conditions then
7 existing may be retained notwithstanding the fact that, because of changes in the law relating to
8 legal investments or because of conditions arising subsequent to the purchase of such security, its
9 purchase might not then be legal; provided, however, that no such security that is not a prudent
10 investment under the circumstances existing at the time of its retention and thereafter may be
11 retained by the trustees; and provided further, that the aggregate total of the market value of all
12 securities retained under this section shall not exceed 20 percent of the total market value of all the
13 investments held by the trustees.

14 9 Town Trust Funds; Investments by Single Trustee. Amend RSA 31:26 to read as follows:

15 31:26 Investments by Single Trustee. In towns which have chosen a single trustee of trust
16 funds such funds shall be invested only by deposit in any federally ~~[or state chartered bank or~~
17 ~~association authorized to engage in a banking business in this state]~~ **insured bank authorized to**
18 **accept deposits under RSA 6:8, I and I-a**, or in state, county, town, city, school district, water and
19 sewer district bonds and the notes of towns or cities in this state and when so invested the trustee
20 shall not be liable for the loss thereof; and in any common trust fund established by the New
21 Hampshire Charitable Foundation in accordance with RSA 292:23; or in obligations fully guaranteed
22 as to principal and interest by the United States government. The obligations may be held directly
23 or in the form of securities of or other interests in any open-end or closed-end management-type
24 investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the
25 portfolio of the investment company or investment trust is limited to such obligations and
26 repurchase agreements fully collateralized by such obligations. Deposits in a federally ~~[or state~~
27 ~~chartered bank or association]~~ **insured bank** shall be made in the name of the town which holds the
28 same as a trust, and it shall appear upon the books thereof as a trust fund. Any person who directly
29 or indirectly receives any such trust funds for deposit or for investment in securities of any kind
30 shall, prior to acceptance of such funds, make available at the time of such deposit or investment an
31 option to have such funds secured by collateral having value at least equal to the amount of such
32 funds. Such collateral shall be segregated for the exclusive benefit of the town depositing or
33 investing such funds. Only securities defined by the bank commissioner as provided by rules
34 adopted pursuant to RSA 383-B:3-301(e) shall be eligible to be pledged as collateral. The trustee
35 may retain investments as received from donors until the maturity thereof.

36 10 Trust Funds; Collective Investments. Amend RSA 31:27 to read as follows:

HB 545 - AS INTRODUCED
- Page 6 -

1 31:27 Collective Investments. Notwithstanding any statute or rule of law to the contrary, town
2 and city trustees of trust funds may establish, maintain and operate one or more common trust
3 funds, in which may be combined money and property belonging to the various trusts in their care,
4 for the purpose of facilitating investments, providing diversification and obtaining reasonable
5 income; provided however, that said common trust funds shall be limited to the investments
6 authorized in RSA 31:25; provided further, that not more than \$10,000, or more than 10 percent of
7 the fund whichever is greater, of any town or city common trust funds shall be invested under RSA
8 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally
9 ~~[or state chartered bank or association authorized to engage in a banking business in this state]~~
10 ***insured bank authorized to accept deposits under RSA 6:8, I and I-a***, in credit unions in this
11 state, or in obligations of the United States and of the state of New Hampshire and its subdivisions;
12 or in participation units in the public deposit investment pool established pursuant to RSA 383:22,
13 or in shares of open ended mutual funds selected by the trustees for investment under RSA 31:25,
14 and provided further, that the participating contributory interests of said trusts are properly
15 evidenced by appropriate bookkeeping entries showing on an annual basis the capital contribution of
16 and the profits and income allocable to each trust.

17 11 Town Trust Funds; Reference to Associations. Amend RSA 31:36 to read as follows:

18 31:36 Deposits. Deposits in any federally ~~[or state chartered bank or association]~~ ***insured***
19 ***bank authorized to accept deposits under RSA 6:8, I and I-a*** or any credit union shall be made
20 in the name of the town which holds the same in trust, and it shall appear upon the book thereof
21 that the same is a trust fund.

22 12 City Treasurer; Capital Reserve Funds. Amend RSA 34:5 to read as follows:

23 34:5 Investment. The moneys in such fund shall be kept in a separate account and not
24 intermingled with the other funds of the city. Said capital reserve fund shall be invested only by
25 deposit in ~~[some savings bank or in the savings department of a national bank or trust company, or~~
26 ~~in the shares of a cooperative bank, building and loan association, or federal savings and loan~~
27 ~~association, in this state or in bonds or notes of this state]~~ ***a federally insured bank authorized***
28 ***to accept deposits under RSA 6:8, I and I-a***, in such stocks and bonds as are legal for investment
29 by New Hampshire savings banks, or in participation units in the public deposit investment pool
30 established pursuant to RSA 383:22, or in obligations with principal and interest fully guaranteed by
31 the United States government. The obligations may be held directly or in the form of securities of or
32 other interests in any open-end or closed-end management-type investment company or investment
33 trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or
34 investment trust is limited to such obligations and repurchase agreements fully collateralized by
35 such obligations. When so invested in good faith the trustees hereinafter named shall not be liable
36 for the loss of such moneys. Any interest earned or capital gains realized on the moneys so invested
37 shall accrue to and become a part of the fund. Deposits in banks shall be made in the name of the

HB 545 - AS INTRODUCED
- Page 7 -

1 city, and it shall appear upon the book thereof that the same is a capital reserve fund. Any person
2 who directly or indirectly receives any such funds or moneys for deposit or for investment in
3 securities of any kind shall, prior to acceptance of such funds, make available at the time of such
4 deposit or investment, an option to have such funds secured by collateral having a value at least
5 equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of
6 the city. Only securities defined by the bank commissioner in rules adopted pursuant to RSA 383-
7 B:3-301(e) shall be eligible to be pledged as collateral. The trustees shall formally adopt an
8 investment policy for all investments made by them or by their agents for any trust funds in their
9 custody in conformance with the provisions of applicable statutes. The trustees shall review and
10 confirm the investment policy at least annually. A copy of the investment policy shall be filed with
11 the attorney general.

12 13 Capital Reserve Funds; Towns, Counties, Districts. Amend RSA 35:9 to read as follows:

13 35:9 Investment. Each capital reserve fund shall be maintained separately on the books of the
14 town. The assets of such funds may be pooled in order to invest in a broader range of investments to
15 maximize growth and mitigate risk. Said capital reserve funds shall be invested only in deposits in
16 any federally ~~[or state-chartered bank or association authorized to engage in a banking business in~~
17 ~~this state]~~ **insured bank authorized to accept deposits under RSA 6:8, I and I-a**, or in bonds or
18 notes of this state, in such stocks and bonds as are legal for investment by banks ~~[and associations]~~
19 chartered by this state to engage in a banking business, or in participation units in the public
20 deposit investment pool established pursuant to RSA 383:22, or in obligations with principal and
21 interest fully guaranteed by the United States government. The obligations may be held directly or
22 in the form of securities of or other interests in any open-end or closed-end management-type
23 investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the
24 portfolio of the investment company or investment trust is limited to such obligations and
25 repurchase agreements fully collateralized by such obligations. When so invested the trustees
26 hereinafter named shall not be liable for the loss thereof. Any interest earned or capital gains
27 realized on the moneys so invested shall accrue to and become a part of the individual funds on a pro
28 rata basis. Deposits in federally or state-chartered banks ~~[and associations]~~ shall be made in the
29 name of the town, district, or county which holds the same as a reserve, and it shall appear upon the
30 books thereof that the same is a capital reserve fund. Any person who directly or indirectly receives
31 any such capital reserve funds for deposit or for investment in securities of any kind shall, prior to
32 acceptance of such funds, make available at the time of such deposit or investment an option to have
33 such funds secured by collateral having a value at least equal to the amount of such funds. Such
34 collateral shall be segregated for the exclusive benefit of the town, school district, village district, or
35 county depositing or investing such funds. Only securities defined by the bank commissioner as
36 provided by rules adopted pursuant to RSA 383-B:3-301(e) shall be eligible to be pledged as
37 collateral. The trustees shall formally adopt an investment policy for all investments made by them

1 or by their agents for any trust funds in their custody in conformance with the provisions of
2 applicable statutes. The trustees shall review and confirm the investment policy at least annually.
3 A copy of the investment policy shall be filed with the attorney general.

4 14 Elected or Appointed Town Treasurers; Deposits. Amend RSA 41:29, II to read as follows:

5 II. The treasurer shall deposit all such moneys in participation units in the public deposit
6 investment pool established pursuant to RSA 383:22 or in federally insured banks **authorized to**
7 **accept deposits under RSA 6:8, I and I-a. In addition,** [~~chartered under the laws of New~~
8 ~~Hampshire or the federal government with a branch within the state, except that~~] funds may be
9 deposited in federally insured banks outside the state if such banks pledge and deliver to a third
10 party custodial bank or the federal reserve bank collateral security for such deposits of the following
11 types:

12 (a) United States government obligations;

13 (b) United States government agency obligations; or

14 (c) Obligations of the state of New Hampshire in value at least equal to the amount of
15 the deposit in each case.

16 15 Elected or Appointed Town Treasurers; Investments. Amend RSA 41:29, IV to read as
17 follows:

18 IV. Whenever the town treasurer has in custody an excess of funds which are not
19 immediately needed for the purpose of expenditure, the town treasurer shall invest the same in
20 accordance with the investment policy adopted by the selectmen under RSA 41:9, VII. The treasurer
21 may invest in the public deposit investment pool established pursuant to RSA 383:22, or in deposits,
22 including money market accounts, or certificates of deposit, or repurchase agreements, and all other
23 types of interest bearing accounts, of federally insured banks [~~chartered under the laws of New~~
24 ~~Hampshire or the federal government with a branch within the state~~] **authorized to accept**
25 **deposits under RSA 6:8, I and I-a,** or in obligations fully guaranteed as to principal and interest
26 by the United States government. The obligations may be held directly or in the form of securities of
27 or other interests in any open-end or closed-end management-type investment company or
28 investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment
29 company or investment trust is limited to such obligations and repurchase agreements fully
30 collateralized by such obligations.

31 16 Elected or Appointed Town Treasurers; Investments. Amend RSA 41:29, V(b)(1) to read as
32 follows:

33 (1) The funds are initially invested through a federally insured bank [~~chartered~~
34 ~~under the laws of New Hampshire or the federal government with a branch within the state~~]
35 **authorized to accept deposits under RSA 6:8, I and I-a,** selected by the treasurer.

36 17 City Treasurers; Deposits. Amend RSA 48:16, I to read as follows:

1 I. The city treasurer shall have custody of all moneys belonging to the city. The treasurer
2 shall deposit the same in participation units in the public deposit investment pool established
3 pursuant to RSA 383:22, or in federally insured banks **authorized to accept deposits under RSA**
4 **6:8, I and I-a. In addition,** [~~chartered under the laws of New Hampshire or the federal~~
5 ~~government with a branch within the state, except that~~] funds may be deposited in federally insured
6 banks outside the state if such banks pledge and deliver to a third party custodial bank or the
7 regional federal reserve bank collateral security for such deposits of the following types:

8 (a) United States government obligations;

9 (b) United States government agency obligations; or

10 (c) Obligations of the state of New Hampshire in value at least equal to the amount of
11 the deposit in each case.

12 18 City Treasurers; Investments. Amend RSA 48:16, III to read as follows:

13 III. Whenever the city treasurer has in custody an excess of funds which are not
14 immediately needed for the purpose of expenditure, the city treasurer shall invest the same in
15 accordance with the investment policy adopted by the mayor and board of aldermen or city council
16 under RSA 47:6, II. The treasurer may invest in participation units in the public deposit investment
17 pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or
18 certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of
19 federally insured banks [~~chartered under the laws of New Hampshire or the federal government~~
20 ~~with a branch within the state~~] **authorized to accept deposits under RSA 6:8, I and I-a,** or in
21 obligations fully guaranteed as to principal and interest by the United States government. The
22 obligations may be held directly or in the form of securities of or other interests in any open-end or
23 closed-end management-type investment company or investment trust registered under 15 U.S.C.
24 section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such
25 obligations and repurchase agreements fully collateralized by such obligations.

26 19 City Treasurers; Investments. Amend RSA 48:16, VI(a) to read as follows:

27 (a) The funds are initially invested through a federally insured bank [~~chartered under~~
28 ~~the laws of New Hampshire or the federal government with a branch within the state~~] **authorized**
29 **to accept deposits under RSA 6:8, I and I-a,** selected by the treasurer.

30 20 School District Treasurers; Deposits. Amend RSA 197:23-a, I to read as follows:

31 I. The treasurer shall have custody of all moneys belonging to the district and shall pay out
32 the same only upon orders of the school board or upon orders of the 2 or more members of the school
33 board empowered by the school board as a whole to authorize payments. The treasurer shall deposit
34 the moneys in participation units in the public deposit investment pool established pursuant to RSA
35 383:22, or in federally insured banks **authorized to accept deposits under RSA 6:8, I and I-a.**
36 **In addition,** [~~chartered under the laws of New Hampshire or the federal government with a branch~~
37 ~~within the state, except that~~] funds may be deposited in banks outside the state if such banks pledge

1 and deliver to a third party custodial bank or the regional federal reserve bank collateral security for
2 such deposits of the following types:

3 (a) United States government obligations,

4 (b) United States government agency obligations; or

5 (c) Obligations of the state of New Hampshire in value at least equal to the amount of
6 the deposit in each case.

7 21 School District Treasurers; Investments. Amend RSA 197:23-a, IV to read as follows:

8 IV. Whenever the treasurer has in custody an excess of funds which are not immediately
9 needed for the purpose of expenditure, the treasurer shall, with the approval of the school board,
10 invest the same in participation units in the public deposit investment pool established pursuant to
11 RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or
12 repurchase agreements, and all other types of interest bearing accounts, of federally insured banks
13 [~~incorporated under the laws of the state of New Hampshire or the federal government with a~~
14 ~~branch within the state]~~ **authorized to accept deposits under RSA 6:8, I and I-a** and in
15 obligations fully guaranteed as to principal and interest by the United States government. The
16 obligations may be held directly or in the form of securities of or other interests in any open-end or
17 closed-end management-type investment company or investment trust registered under 15 U.S.C.
18 section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such
19 obligations and repurchase agreements fully collateralized by such obligations. Any person who
20 directly or indirectly receives any such funds for deposit or for investment in securities of any kind
21 shall, prior to acceptance of such funds, make available at the time of such deposit or investment an
22 option to have such funds secured by collateral having a value at least equal to the amount of such
23 funds. Such collateral shall be segregated for the exclusive benefit of the district. Only securities
24 defined by the bank commissioner as provided by rules adopted pursuant to RSA 383-B:3-301(e)
25 shall be eligible to be pledged as collateral. At least yearly, the school board shall review and adopt
26 an investment policy for the investment of public funds in conformance with the provisions of
27 applicable statutes.

28 22 School District Treasurers; Investments. Amend RSA 197:23-a, V(a) to read as follows:

29 (a) The funds are initially invested through a federally insured bank [~~chartered under~~
30 ~~the laws of New Hampshire or the federal government with a branch within the state]~~ **authorized**
31 **to accept deposits under RSA 6:8, I and I-a** selected by the treasurer.

32 23 Effective Date. This act shall take effect 60 days after its passage.