

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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

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.

CHAPTER 65
HB 545 - FINAL VERSION

2021 SESSION

21-0753
10/08

HOUSE BILL

545

AN ACT

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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 struck through~~].

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 65
HB 545 - FINAL VERSION

21-0753
10/08

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 65:1 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 65:2 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.*

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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 65:3 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,

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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 65:4 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 65:5 County Treasurer; Out-of-state Banks; Investments. Amend RSA 29:1, IV to read as
23 follows:

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

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

3 65:6 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 65:7 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

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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 65:8 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 65:9 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 65:10 Trust Funds; Collective Investments. Amend RSA 31:27 to read as follows:

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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 65:11 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 65:12 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 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

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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 65:13 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

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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 65:14 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 65:15 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 65:16 Elected or Appointed Town Treasurers; Investments. Amend RSA 41:29, V(b)(1) to read
32 as 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 65:17 City Treasurers; Deposits. Amend RSA 48:16, I to read as follows:

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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 65:18 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 65:19 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 65:20 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

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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 65:21 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 65:22 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.

65:23 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 04, 2021
Effective Date: August 03, 2021

Committee Minutes

SENATE CALENDAR NOTICE

Election Law and Municipal Affairs

Sen James Gray, Chair
Sen Regina Birdsell, Vice Chair
Sen Ruth Ward, Member
Sen Donna Soucy, Member
Sen Rebecca Perkins Kwoka, Member

Date: April 21, 2021

HEARINGS

Monday

04/26/2021

Election Law and Municipal Affairs

REMOTE

9:00 a.m.

9:00 a.m.	HB 67-LOCAL	relative to warrant articles in official ballot town, school district, or village district meetings.
9:15 a.m.	HB 332	relative to deadlines for consideration of developments of regional impact by planning boards.
9:30 a.m.	HB 374	relative to the official ballot referendum form of town meetings.
9:45 a.m.	HB 545	relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees.

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. Link to Zoom Webinar: <https://www.zoom.us/j/97201477663>
2. To listen via telephone: Dial (for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833
3. Or iPhone one-tap: US: 16465588656, 97201477663# or 13017158592, 97201477663#
4. Webinar ID: [972.0147.7663](https://www.zoom.us/j/97201477663)
5. To view/listen to this hearing on YouTube, use this link: <https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWtA>
6. To sign in to speak, register your position on a bill and/or submit testimony, use this link: <http://gencourt.state.nh.us/remotecommittee/senate.aspx>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-6931).

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

HB 67-LOCAL

Rep. Marsh

Rep. Lang

HB 332

Rep. Seaworth

HB 374

Rep. Pauer

Rep. Warden

HB 545

Rep. Laflamme

Rep. Edwards

Rep. Yokela

Sen. Birdsell

Rep. McGuire

Rep. Merner

Rep. J. MacDonald

Rep. Yokela

Rep. M. Pearson

Rep. Lewicke

Tricia Melillo 271-3077

James P. Gray
Chairman

AMENDED
SENATE CALENDAR NOTICE
Election Law and Municipal Affairs

Sen James Gray, Chair
Sen Regina Birdsell, Vice Chair
Sen Ruth Ward, Member
Sen Donna Soucy, Member
Sen Rebecca Perkins Kwoka, Member

Date: April 21, 2021

HEARINGS

Monday

04/26/2021

Election Law and Municipal Affairs

REMOTE

9:00 a.m.

9:00 a.m.	HB 476	relative to election officers at additional polling places.
9:10 a.m.		Hearing on proposed Amendment #2021-1127s, relative to election officers at additional polling place and relative to legalizing, ratifying, and confirming all actions, votes, and proceedings of the annual meeting of the town of Middleton, to HB 476 , relative to election officers at additional polling places.
9:30 a.m.	HB 374	relative to the official ballot referendum form of town meetings.
9:45 a.m.	HB 545	relative to the use of certain out-of-state banks by the state treasurer and municipal and county treasurers or trustees.
10:00 a.m.	HB 67-LOCAL	relative to warrant articles in official ballot town, school district, or village district meetings.
10:15 a.m.	HB 332	relative to deadlines for consideration of developments of regional impact by planning boards.

Committee members will receive secure Zoom invitations via email.

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2. To listen via telephone: Dial (for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-6833
3. Or iPhone one-tap: US: 16465588656, 97201477663# or 13017158592, 97201477663#
4. Webinar ID: 972 0147 7663
5. To view/listen to this hearing on YouTube, use this link:
<https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA>
6. To sign in to speak, register your position on a bill and/or submit testimony, use this link:
<http://gencourt.state.nh.us/remotecommittee/senate.aspx>

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-6931).

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

HB 374

Rep. Pauer
Rep. Warden

Rep. McGuire

Rep. Yokela

Rep. Lewicke

HB 545

Rep. Laflamme

Rep. Merner

HB 476

Rep. Gay
Rep. Sweeney
Rep. Pitre

Rep. McBride
Rep. W. MacDonald
Rep. Hayward

Rep. Janigian
Rep. Elliott
Sen. Morse

Rep. Wolf
Rep. Sytek

HB 476

Rep. Gay
Rep. Sweeney
Rep. Pitre

Rep. McBride
Rep. W. MacDonald
Rep. Hayward

Rep. Janigian
Rep. Elliott
Sen. Morse

Rep. Wolf
Rep. Sytek

HB 67-LOCAL

Rep. Marsh
Rep. Lang

Rep. Edwards
Rep. Yokela

Rep. J. MacDonald

Rep. M. Pearson

HB 332

Rep. Seaworth

Sen. Birdsell

Tricia Melillo 271-3077

James P. Gray
Chairman

Senate Election Law and Municipal Affairs Committee
Tricia Melillo 271-3077

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

Hearing Date: April 26, 2021

Members of the Committee Present: Senators Gray, Birdsell, Ward, Soucy and Perkins Kwoka

Members of the Committee Absent : None

Bill 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.

Sponsors:

Rep. Laflamme

Rep. Merner

Who supports the bill: Rep. Larry Laflamme, Kate Horgan, Carrie Klebe, Gregg Tewksbury, Becky Benvenuti, Scott Cooper

Who opposes the bill: Timothy Felter

Who is neutral on the bill: Kristy Merrill, Rob Dietel

Summary of testimony presented in support:

Representative Larry Laflamme

- Due to mergers and acquisitions, of the remaining four banks that are north of Lancaster, only one bank is state chartered.
- In Coos County, the register of deeds, the payroll accounts, and the nursing home direct deposit accounts, are among those that are deposited in local banks that are not state chartered.
- There are accounts that all need to be moved or transferred.
- This bill will give NH Counties and Municipalities the flexibility to utilize banking institutions that are local banks that are not specifically chartered in NH.
- HB 545 has the support of the NH Bankers Association and the NH Association of Counties.
- Senator Perkins Kwoka asked if when drafting this he looked at how statutes in other states address this issue to be sure the reciprocity is pretty standard.
 - Representative Laflamme replied that last year this bill was amended after suggestions by the NH Bankers Association. It now has the approval of the Bankers Association as the amendment addressed the concerns they had and reciprocity was one of them.

Carrie Klebe – Finance Director, Coos County

- This is not an issue of the rural municipalities wanting to move their banking to out of state banks.
- They would like to continue banking with their longtime local banks that have merged with neighboring out of state banks.
- First Colebrook Bank was first established in 1889 in Colebrook and more recently expanded to southern NH markets.
- In 2015, First Colebrook Bank changed its name to Granite Bank and in 2018 merged with Bangor Savings Bank, a Maine chartered bank.
- This happened with another local bank that has now merged with a Vermont chartered bank.
- That is how their municipalities started banking with Vermont and Maine chartered banks that have a physical presence in New Hampshire.
- Senator Soucy asked if these are banks they already have existing relationships with and do not require significant travel but have merged with out of state chartered banks.
 - Ms. Klebe replied yes, they are the same banks they have been using for many years.

Gregg Tewksbury – President, NH Mutual Bank Corps

- They are a shared service holding company that owns three mutual banks all headquartered in New Hampshire.
- Collectively they are the largest owned, state domiciled banking organization in New Hampshire.
- He is in support of this bill because he recognizes that certain areas of our state do not have a robust banking option for NH based depositories.
- This bill will expand that and provide for a level playing field for NH banks.
- The provisions in section 1 are critical and any revisions would cause him to not support the bill.
- HB 545 also insures that these municipal deposits are used in NH.
- The reciprocity with other states gives a level playing field with the remaining 16 New Hampshire banks.

Kate Horgan – NH Association of Counties

- The Association of Counties would like to register its support for HB 545.
- It will allow NH Counties to expand their banking opportunities to institutions that may not be chartered in NH but are local banks.
- This is becoming extremely important to the more rural and border counties as they have to drive extended distances to complete county banking.

Becky Benvenuti – NH Municipal Association

- This bill has the support of the NH Municipal Association.
- All municipalities, by statute, are required to make daily or at least weekly deposits to their bank.
- In the north country getting to a bank that is a NH chartered bank can be a very long distance.

Summary of testimony presented in opposition:

Timothy Felter – CFO, Newburyport Bank

- They are a 167 year old bank headquartered in Massachusetts but fully half of their branches are now located in New Hampshire.
- They have made a serious commitment to the state of New Hampshire with over 200 million dollars in loans, over 100 million dollars of deposits, over 30 employees and a large payroll.
- They do not believe the bill makes it easy for banks that are out of state to participate.
- It requires a set of opinions, including legal opinions, and filings with the state treasurer annually, that increase their cost to participate in the state.
- Those costs eventually have to be passed along to the customer.
- In particular, section 1: a, d, would increase the burden and cost of complying with the law.
- As a taxpayer from Wakefield, NH, he urges the committee to postpone the bill as he believes it will reduce the access to banks.
- Senator Perkins Kwoka asked if there were specific changes that he would make to lead him to support the bill.
 - Mr. Felter replied that it would require changes to section 1, a, d, regarding the processes involving the state treasurer and the certification process.
- Senator Perkins Kwoka asked if getting the legal opinions is the cost that he is concerned with.
 - Mr. Felter answered that it is the cost of legal fees and the clause that speaks of a misdemeanor. They fully intend to comply with the law but that seems to be an onerous condition or alternative outcome.
- Senator Gray asked if he could comment on the lack of banking access in the north country.
 - Mr. Felter replied that he does not believe this law gives a bank the ability to provide services to them at a reasonable, competitive cost.

Neutral Information Presented:

Kristy Merrill – President, NH Bankers Association

- They are not taking a position on the legislation although they worked very closely with Representative Moynihan on the original language for HB 1119 in 2019.
- The legislation impacts different banking institutions differently based on where they are headquartered.
- The question of reciprocity is central to this legislation and one of the hardest things to address.
- They have looked at the laws of the states around us.
- The language in this legislation is largely a self-reporting requirement.
- It provides expanded access to municipal deposits by allowing out of state banks.
- Additionally, it provides for certain protections which they think are very important.

TJM

Date Hearing Report completed: April 30, 2021

Speakers

Senate Remote Testify

Election Law and Municipal Affairs Committee Testify List for Bill HB545 on 2021
 Support: 6 Oppose: 1 Neutral: 2 Total to Testify: 7

<u>Name</u>	<u>Email Address</u>	<u>Phone</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>S</u>
Laflamme, Larry	Larry.laflamme@leg.state.nh.us	603-723-3949	An Elected Official	Myself	Support	Yes	4
Horgan, Kate	khorgan@dupontgroup.com	603.228.3322	A Lobbyist	NH Association of Counties	Support	Yes	4
Klebe, Carrie	carrie.klebe@cooscountynh.us	603-331-5685	A Member of the Public	Myself	Support	Yes	4
Felter, Timothy	tfelter@newburyportbank.com	978-225-8774	A Member of the Public	Newburyport Bank	Oppose	Yes	4
Merrill, Kristy	kmerrill@nhbankers.com	Not Given	A Lobbyist	NH Bankers	Neutral	Yes	4
Dietel, Rob	dietel@gcglaw.com	Not Given	A Lobbyist	NH Bankers	Neutral	Yes	4
Tewksbury, Gregg	gtewksbury@nhmutual.com	603.398.6976	A Member of the Public	Myself	Support	Yes	4
Benvenuti, Becky	bvenuti@nhmunicipal.org	603.230.3308	A Lobbyist	New Hampshire Municipal Association	Support	No	4
Cooper, Scott	sandlcooper@yahoo.com	603.331.3369	A Member of the Public	Myself	Support	No	4

Testimony

Newburyport Bank Written Testimony

Senate Hearing on HB 545 – April 26, 2021

Thank you Chairman Gray and Honorable members of the Senate Election Law and Municipal Affairs 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.

When first approached about this bill last year, it was our understanding that the intent of the bill was to provide municipalities with greater access to banking services, particularly in areas where the choices include out-of-state chartered banks.

In fact, this bill, as currently drafted, does not accomplish that. We are opposed to the bill since it not only makes it more difficult for out-of-state chartered banks to work with public entities, but it hamstring municipalities as well.

Out-of-state chartered banks are already treated differently in New Hampshire than NH state-chartered and all federally-chartered banks. The issue of requiring out-of-state chartered banks to provide collateral to further protect public funds adds cost to the bank, which in turn lowers the interest rate to the municipality.

At the end of the day, shouldn't it be about allowing a municipality access to competitively and fairly priced banking services which protect public funds?

Instead of this bill which does NOT help municipalities, we propose that the New Hampshire Bank Commissioner expand the acceptable forms of collateral outlined in BAN 1450 to include Depositors Insurance Trust (DIF). DIF would provide protection of public funds above the FDIC limits. This WOULD help the municipalities and WOULD increase their options for competitive and safe banking services.

The bill REDUCES the access municipalities have to banking services, REDUCES the amount of donations/sponsorships out-of-state chartered banks would want to make to municipalities to support events such as Old Home Days, Concerts on the Green, partnering with municipal officials on local initiatives (as Newburyport Bank has done with the Mayor of Portsmouth).

The bill also DECREASES the choices municipalities have for competitive banking services. In turn, municipalities would pay a higher cost for banking services, receive less interest

income...which could lead to budget shortfalls and higher expenses which could be passed down to the New Hampshire taxpayer in the form of higher taxes.

In addition to the bill not providing any benefit to New Hampshire municipalities or out-of-state chartered banks which are paying taxes, employing New Hampshire residents, giving back to the community, the following requirements pose their own set of challenges. For example:

1-a (b) As any good, solvent bank will attest, lending guidelines and practices are based on economic conditions, geo-political environment, and rate environment just to name a few considerations. The Federal government has rules and regulations that require banks to make loans in all states where they take in deposits. This section, therefore, duplicates rules and regulations already in place and increases the cost burden on NH officials for new regulations.

1-a (d) This section would increase the burden and cost to out-of-state chartered banks as well as the New Hampshire State Treasurer and could be an obstacle for out-of-state chartered banks. The result will be that NH municipalities have fewer choices than they have today.

I strongly urge the Senate to indefinitely postpone this bill since it does not provide increased banking services for municipalities and in fact would reduce the accessibility to banking services.



April 26, 2021

Honorable James Gray, Chairman
Senate Election Law and Municipal Affairs Committee
State House Room 100
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 Gray 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

NEW HAMPSHIRE MUNICIPAL ASSOCIATION

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

NHMAinfo@nhmunicipal.org • governmentaffairs@nhmunicipal.org • legalinquiries@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, April 23, 2021

Chairman Gray
Election Law and Municipal Affairs Committee
Concord, NH 03301

Chairman Gray and Members of the Election Law and Municipal Affairs 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

Voting Sheets

**Senate Election Law
& Municipal Affairs Committee
EXECUTIVE SESSION RECORD
2021 Session**

Bill HB 545

Hearing date: 4-26-2021

Executive Session date: 4/26/21

Motion of: OTP Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: Consent Vote: 5-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Gray, Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Birdsell, Vice Chair	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Perkins-Kwoka	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Sen Soucy

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE
FOR THE CONSENT CALENDAR

Monday, April 26, 2021

THE COMMITTEE ON Election Law and Municipal Affairs

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, the committee recommends that the Bill

OUGHT TO PASS

BY A VOTE OF: 5-0

Senator Donna Soucy
For the Committee

This bill will allow banks chartered in another state but 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. Due to the rise in bank consolidations, in some areas of our state, the closest branch to make their daily or weekly deposits is located across the state line. This has been especially burdensome to those municipalities that, by statute, have to make daily deposits.

Tricia Melillo 271-3077

General Court of New Hampshire - Bill Status System

Docket of HB545

Docket Abbreviations

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

Official Docket of HB545.:

Date	Body	Description
1/12/2021	H	Introduced (in recess of) 01/06/2021 and referred to Municipal and County Government HJ 2 P. 53
3/1/2021	H	Public Hearing: 03/01/2021 12:00 pm Members of the public may attend using the following link: To join the webinar: https://www.zoom.us/j/97119253057 / Executive session on pending legislation may be held throughout the day (time permitting) from the time the committee is initially convened.
3/5/2021	H	Committee Report: Ought to Pass (Vote 18-0; CC) HC 18 P. 21
4/7/2021	H	Ought to Pass: MA VV 04/07/2021 HJ 5 P. 44
4/7/2021	H	Reconsider (Rep. Osborne): MF VV 04/07/2021 HJ 5 P. 50
4/7/2021	S	Introduced 04/01/2021 and Referred to Election Law and Municipal Affairs; SJ 11
4/21/2021	S	Remote Hearing: 04/26/2021, 09:45 am; Links to join the hearing can be found in the Senate Calendar; SC 21
4/28/2021	S	Committee Report: Ought to Pass, 05/06/2021; Vote 5-0; CC; SC 22
5/6/2021	S	Ought to Pass: RC 23Y-0N, MA; OT3rdg; 05/06/2021; SJ 14
5/26/2021	S	Enrolled Adopted, VV, (In recess 05/20/2021); SJ 17
5/26/2021	H	Enrolled (in recess of) 04/09/2021 HJ 7 P. 104
6/9/2021	H	Signed by Governor Sununu 06/04/2021; Chapter 65; Eff: 08/03/2021

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: HB 545

Senate Committee: ELMA

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

- Bill version as it came to the committee
- All Calendar Notices
- Hearing Sign-up sheet(s)
- Prepared testimony, presentations, & other submissions handed in at the public hearing
- Hearing Report
- Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

- ___ - amendment # _____ ___ - amendment # _____
- ___ - amendment # _____ ___ - amendment # _____
- Executive Session Sheet
- Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

- ___ - amendment # _____ ___ - amendment # _____
- ___ - amendment # _____ ___ - amendment # _____

Post Floor Action: (if applicable) {Clerk's Office}

- ___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):
- ___ Enrolled Bill Amendment(s)
- ___ Governor's Veto Message

All available versions of the bill: {Clerk's Office}

- as amended by the senate ___ as amended by the house
- final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Committee Aide

Date

Senate Clerk's Office 