HOUSE BILL 1119

AN ACT relative to banking by municipal and county treasurers.


COMMITTEE: Municipal and County Government

ANALYSIS

This bill allows municipal and county treasurers to deposit funds in out-of-state banks that have a physical branch and presence in this state.

Explanation: Matter added to current law appears in bold italics.
Matter removed from current law appears [in brackets and struckthrough.]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
HB 1119 - AS INTRODUCED

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

AN ACT relative to banking by municipal and county treasurers.

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

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

I. The county treasurer shall have custody of all moneys belonging to the county, and shall pay out the same only upon orders of the commissioners. The county treasurer shall deposit the same in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in federally insured banks chartered under the laws of New Hampshire or under the laws of another state of the United States, except that deposits into banks not chartered in New Hampshire shall not be made unless the depository out-of-state bank has a physical branch and presence in this state, and the laws of the state of the out-of-state bank are no more restrictive with regard to such deposits than the laws of New Hampshire. The county treasurer shall also have the authority to deposit the same in federally insured banks chartered under the laws of the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank collateral security for such deposits of the following types:

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

IV. Whenever the county treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the treasurer shall, with the approval of the commissioners, invest the same in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of the state of New Hampshire or under the laws of another state of the United States, except that deposits into banks not chartered in New Hampshire shall not be made unless the depository out-of-state bank has a physical branch and presence in this state, and the laws of the state of the out-of-state bank are no more restrictive with regard to such deposits than the laws of New Hampshire. The county treasurer shall also have the authority to deposit the same in federally insured banks chartered under the laws of the federal government with a branch within the state. Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment, an option to have such funds secured by collateral having a
value at least equal to the amount of such funds. Such collateral shall be segregated for the
exclusive benefit of the county. Only securities defined by the bank commissioner in rules adopted
pursuant to RSA 383-B:3-301(e) shall be eligible to be pledged as collateral. At least yearly, the
county treasurer, with the approval of the county commissioners, shall review and adopt an
investment policy for the investment of public funds in conformance with the provisions of applicable
statutes.
3 Town Treasurer; Out-of-state Banks; Deposits. Amend the introductory paragraph of RSA
41:29, II to read as follows:
II. The treasurer shall deposit all such moneys in participation units in the public deposit
investment pool established pursuant to RSA 383:22 or in federally insured banks chartered under
the laws of New Hampshire or under the laws of another state of the United States, except
that deposits into banks not chartered in New Hampshire shall not be made unless the
depository out-of-state bank has a physical branch and presence in this state, and the laws
of the state of the out-of-state bank are no more restrictive with regard to such deposits
than the laws of New Hampshire. The town treasurer shall also have the authority to
deposit the same in federally insured banks chartered under the laws of the federal
government with a branch within the state, except that funds may be deposited in federally insured
banks outside the state if such banks pledge and deliver to a third party custodial bank or the
federal reserve bank collateral security for such deposits of the following types:
4 Town Treasurer; Out-of-state Banks; Investments. Amend RSA 41:29, IV to read as follows:
IV. Whenever the town treasurer has in custody an excess of funds which are not
immediately needed for the purpose of expenditure, the town treasurer shall invest the same in
accordance with the investment policy adopted by the selectmen under RSA 41:9, VII. The treasurer
may invest in the public deposit investment pool established pursuant to RSA 383:22, or in deposits,
including money market accounts, or certificates of deposit, or repurchase agreements, and all other
types of interest bearing accounts, of federally insured banks chartered under the laws of New
Hampshire or under the laws of another state of the United States, except that deposits into
banks not chartered in New Hampshire shall not be made unless the depository out-of-state
bank has a physical branch and presence in this state, and the laws of the state of the out-
of-state bank are no more restrictive with regard to such deposits than the laws of New
Hampshire. The town treasurer shall also have the authority to deposit the same in
federally insured banks chartered under the laws of the federal government with a branch
within the state, or in obligations fully guaranteed as to principal and interest by the United States
government. The obligations may be held directly or in the form of securities of or other interests in
any open-end or closed-end management-type investment company or investment trust registered
under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust
is limited to such obligations and repurchase agreements fully collateralized by such obligations.
5 City Treasurer; Out-of-state Banks; Deposits. Amend the introductory paragraph of RSA 48:16, I to read as follows:

I. The city treasurer shall have custody of all moneys belonging to the city. The treasurer shall deposit the same in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in federally insured banks chartered under the laws of New Hampshire or under the laws of another state of the United States, except that deposits into banks not chartered in New Hampshire shall not be made unless the depository out-of-state bank has a physical branch and presence in this state, and the laws of the state of the out-of-state bank are no more restrictive with regard to such deposits than the laws of New Hampshire. The city treasurer shall also have the authority to deposit the same in federally insured banks chartered under the laws of the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank collateral security for such deposits of the following types:

6 City Treasurer; Out-of-state Banks; Investments. Amend RSA 48:16, III to read as follows:

III. Whenever the city treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the city treasurer shall invest the same in accordance with the investment policy adopted by the mayor and board of aldermen or city council under RSA 47:6, II. The treasurer may invest in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types of interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or under the laws of another state of the United States, except that deposits into banks not chartered in New Hampshire shall not be made unless the depository out-of-state bank has a physical branch and presence in this state, and the laws of the state of the out-of-state bank are no more restrictive with regard to such deposits than the laws of New Hampshire. The city treasurer shall also have the authority to deposit the same in federally insured banks chartered under the laws of the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U.S.C. section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations.

7 School District Treasurer; Out-of-state Banks; Deposits. Amend the introductory paragraph of RSA 197:23-a, I to read as follows:

I. The treasurer shall have custody of all moneys belonging to the district and shall pay out the same only upon orders of the school board or upon orders of the 2 or more members of the school
board empowered by the school board as a whole to authorize payments. The treasurer shall deposit
the moneys in participation units in the public deposit investment pool established pursuant to RSA
383:22, or in federally insured banks chartered under the laws of New Hampshire or under the
laws of another state of the United States, except that deposits into banks not chartered in
New Hampshire shall not be made unless the depository out-of-state bank has a physical
branch and presence in this state, and the laws of the state of the out-of-state bank are no
more restrictive with regard to such deposits than the laws of New Hampshire. The school
district treasurer shall also have the authority to deposit the same in federally insured
banks chartered under the laws of the federal government with a branch within the state, except
that funds may be deposited in banks outside the state if such banks pledge and deliver to a third
party custodial bank or the regional federal reserve bank collateral security for such deposits of the
following types:

8 School District Treasurer; Out-of-state Banks; Investments. Amend RSA 197:23-a, IV to read
as follows:

IV.Whenever the treasurer has in custody an excess of funds which are not immediately
needed for the purpose of expenditure, the treasurer shall, with the approval of the school board,
invest the same in participation units in the public deposit investment pool established pursuant to
RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or
repurchase agreements, and all other types of interest bearing accounts, of federally insured banks
incorporated under the laws of the state of New Hampshire or under the laws of another state of
the United States, except that deposits into banks not chartered in New Hampshire shall
not be made unless the depository out-of-state bank has a physical branch and presence in
this state, and the laws of the state of the out-of-state bank are no more restrictive with
regard to such deposits than the laws of New Hampshire. The school district treasurer
shall also have the authority to deposit the same in federally insured banks chartered
under the laws of the federal government with a branch within the state and in obligations fully
guaranteed as to principal and interest by the United States government. The obligations may be
held directly or in the form of securities of or other interests in any open-end or closed-end
management-type investment company or investment trust registered under 15 U.S.C. section 80a-1
et seq., if the portfolio of the investment company or investment trust is limited to such obligations
and repurchase agreements fully collateralized by such obligations. Any person who directly or
indirectly receives any such funds for deposit or for investment in securities of any kind shall, prior
to acceptance of such funds, make available at the time of such deposit or investment an option to
have such funds secured by collateral having a value at least equal to the amount of such funds.
Such collateral shall be segregated for the exclusive benefit of the district. Only securities defined by
the bank commissioner as provided by rules adopted pursuant to RSA 383-B:3-301(e) shall be
eligible to be pledged as collateral. At least yearly, the school board shall review and adopt an
investment policy for the investment of public funds in conformance with the provisions of applicable statutes.

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