SB 456 - AS AMENDED BY THE SENATE

03/05/2020 0758s

2020 SESSION

SENATE BILL 456

AN ACT relative to the use of capital reserve funds.


COMMITTEE: Election Law and Municipal Affairs

ANALYSIS

This bill permits capital reserve funds of counties, towns, districts, and water departments to be used for financing the cost of leases of equipment.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
AN ACT relative to the use of capital reserve funds.

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

1 Capital Reserve Funds; Expenditures; Lease/Purchase Agreements. Amend RSA 35:15, III to read as follows:
   III.(a) Notwithstanding the prohibition of debt retirement fund establishment in RSA 33:2, capital reserve funds may be used for multiple payments under a financing agreement for the purpose for which the capital reserve was established, including a lease/purchase agreement. [If the financing agreement is a lease/purchase agreement the following shall apply:
      (1) The lease/purchase agreement does not contain an "escape clause" or "non-appropriation clause"; and
      (2) The lease/purchase agreement has been ratified by the legislative body by a vote by ballot of 2/3 of all the voters present and voting at an annual or special meeting]
   (b) If agents have been named according to RSA 35:15, then no further vote is required to disburse funds following the initial vote which ratified the financing agreement.

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