

CHAPTER 65
HB 545 - FINAL VERSION

2021 SESSION

21-0753
10/08

HOUSE BILL **545**

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

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

COMMITTEE: Municipal and County Government

ANALYSIS

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

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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

65:11 Town Trust Funds; Reference to Associations. Amend RSA 31:36 to read as follows:

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

65:12 City Treasurer; Capital Reserve Funds. Amend RSA 34:5 to read as follows:

34:5 Investment. The moneys in such fund shall be kept in a separate account and not intermingled with the other funds of the city. Said capital reserve fund shall be invested only by deposit in ~~[some savings bank or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds or notes of this state]~~ **a federally insured bank authorized to accept deposits under RSA 6:8, I and I-a**, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in obligations with principal and interest fully guaranteed 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. When so invested in good faith the trustees hereinafter named shall not be liable for the loss of such moneys. Any interest earned or capital gains realized on the moneys so invested 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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city, and it shall appear upon the book thereof that the same is a capital reserve fund. 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 city. 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. The trustees shall formally adopt an investment policy for all investments made by them or by their agents for any trust funds in their custody in conformance with the provisions of applicable statutes. The trustees shall review and confirm the investment policy at least annually. A copy of the investment policy shall be filed with the attorney general.

65:13 Capital Reserve Funds; Towns, Counties, Districts. Amend RSA 35:9 to read as follows:

35:9 Investment. Each capital reserve fund shall be maintained separately on the books of the town. The assets of such funds may be pooled in order to invest in a broader range of investments to maximize growth and mitigate risk. Said capital reserve funds shall be invested only in deposits in any federally ~~[or state-chartered bank or association authorized to engage in a banking business in this state]~~ **insured bank authorized to accept deposits under RSA 6:8, I and I-a**, or in bonds or notes of this state, in such stocks and bonds as are legal for investment by banks ~~[and associations]~~ chartered by this state to engage in a banking business, or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in obligations with principal and interest fully guaranteed 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. When so invested the trustees hereinafter named shall not be liable for the loss thereof. Any interest earned or capital gains realized on the moneys so invested shall accrue to and become a part of the individual funds on a pro rata basis. Deposits in federally or state-chartered banks ~~[and associations]~~ shall be made in the name of the town, district, or county which holds the same as a reserve, and it shall appear upon the books thereof that the same is a capital reserve fund. Any person who directly or indirectly receives any such capital reserve 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 town, school district, village district, or county depositing or investing such funds. 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. 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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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 ***authorized to accept deposits under RSA 6:8, I and I-a.*** ~~In addition, [chartered under the laws of New Hampshire or 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:

- (a) United States government obligations;
- (b) United States government agency obligations; or
- (c) Obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case.

65:18 City Treasurers; 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 the federal government with a branch within the state]~~ ***authorized to accept deposits under RSA 6:8, I and I-a,*** 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.

65:19 City Treasurers; Investments. Amend RSA 48:16, VI(a) to read as follows:

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

65:20 School District Treasurers; Deposits. Amend 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 ***authorized to accept deposits under RSA 6:8, I and I-a.*** ~~In addition, [chartered under the laws of New Hampshire or the federal government with a branch 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