

SB 322-LOCAL – AS INTRODUCED

2012 SESSION

12-2997

08/05

SENATE BILL

322-LOCAL

AN ACT

relative to the holding of gold and silver by municipalities.

SPONSORS:

Sen. Forsythe, Dist 4; Sen. De Blois, Dist 18; Sen. Groen, Dist 6; Rep. Malone, Belk 5; Rep. Manuse, Rock 5; Rep. Sorg, Graf 3; Rep. Mauro, Rock 4; Rep. Groen, Straf 1

COMMITTEE:

Public and Municipal Affairs

ANALYSIS

This bill allows municipalities to hold gold and silver in accounts as part of their investment portfolio.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the holding of gold and silver by municipalities.

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

1 1 Municipal Investments. Amend RSA 31:25 to read as follows:

2 31:25 Custody; Investment. The trustees shall have the custody of all trust funds held by their
3 town. Any person who directly or indirectly receives any such trust funds for deposit or for
4 investment in securities of any kind shall, prior to acceptance of such funds, make available at the
5 time of such deposit or investment an option to have such funds secured by collateral having value at
6 least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit
7 of the town depositing or investing such funds. Only securities defined by the bank commissioner, as
8 provided by rules adopted pursuant to RSA 386:57, shall be eligible to be pledged as collateral. The
9 funds shall be invested only in deposits in any federally or state-chartered bank or association
10 authorized to engage in a banking business in this state, or in deposits in any credit union in this
11 state, or in state, county, town, city, school district, water and sewer district bonds and the notes of
12 towns or cities in this state; and such stocks and bonds as are legal for investment by any bank or
13 association chartered by this state to engage in a banking business; and in participation units in the
14 public deposit investment pool established pursuant to RSA 383:22; or in obligations with principal
15 and interest fully guaranteed by the United States government; **or in gold or silver holdings**. 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. Deposits in a
20 federally or state-chartered bank or association or credit union shall be made in the name of the
21 town which holds the same as a trust, and it shall appear upon the books thereof as a trust fund.
22 Shares of mutual funds are also permitted if they are registered with the Securities and Exchange
23 Commission, qualified for sale in the state of New Hampshire in accordance with the
24 New Hampshire uniform securities act of the New Hampshire secretary of state's office, and which
25 have in their prospectus a stated investment policy which is consistent with the investment policy
26 adopted by the trustees of trust funds in accordance with this chapter, and when so invested, the
27 trustees shall not be liable for the loss thereof. The trustees may retain investments as received
28 from donors, until the maturity thereof. The trustees shall formally adopt an investment policy for
29 all investments made by them or by their agents for any trust funds in their custody in conformance
30 with the provisions of applicable statutes. Such investment policy shall be reviewed and confirmed
31 at least annually. A copy of the investment policy shall be filed with the attorney general.

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1 2 Effective Date. This act shall take effect 60 days after its passage.