

CHAPTER 107
HB 367 – FINAL VERSION

22May2013...1729EBA

2013 SESSION

13-0705
08/10

HOUSE BILL **367**

AN ACT relative to the municipal bond bank reserve process.

SPONSORS: Rep. A. White, Graf 13; Rep. Kurk, Hills 2; Sen. Odell, Dist 8

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill clarifies the process for appropriation requests by the New Hampshire municipal bond bank in the event of a shortfall in a bond reserve fund, and also expands the terms under which governmental units may sell their bonds or notes to the New Hampshire municipal bond bank.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to the municipal bond bank reserve process.

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

1 107:1 Municipal Bond Bank; Requests for Appropriations. Amend RSA 35-A:12, I to read as
2 follows:

3 I. To assure the continued operation and solvency of the bank for the carrying out of its
4 corporate purposes, the chairperson of the bank shall, not later than ~~[the twentieth legislative day of~~
5 ~~each session of the general court]~~ ***10 days following the failure of a governmental unit to make***
6 ***a scheduled payment of principal of or interest on a municipal bond sold to the bank,***
7 ***which failure causes the amount in the bond reserve fund established under RSA 35-A:11 to***
8 ***fall below the bond reserve fund requirement therefor***, submit to the chairperson of the house
9 finance committee a written request for an appropriation for the sum, if any, required to insure that
10 the bond reserve fund established under RSA 35-A:11 equals the bond reserve fund requirement
11 therefor. The chairperson of the house finance committee shall process the request for legislative
12 action. All sums appropriated by the general court, if any, paid to the bank pursuant to this section
13 shall be deposited by the bank in the said bond reserve fund.

14 107:2 Limitation not Applicable; Terms of Bonds. Amend RSA 35-A:29 to read as follows:

15 35-A:29 Limitation not Applicable; Contracts of Governmental Units; Terms of Bonds. Every
16 governmental unit is hereby authorized and empowered to borrow money from the bank evidenced
17 by its municipal bonds purchased by the bank and to contract with the bank with respect to such
18 borrowing or purchase. Every governmental unit is hereby authorized and empowered to pay fees
19 and charges required to be paid to the bank for its services. Notwithstanding the provisions of any
20 law or statute applicable to or constituting any limitation on the sale of bonds or notes, any ***bonds or***
21 ***notes of a*** governmental unit ~~[may sell its bonds or notes to the bank without limitation as to~~
22 ~~denomination, and such bonds or notes]~~ ***issued to the bank pursuant to RSA 33, including***
23 ***bonds or notes issued to refinance previously issued bonds or notes of a governmental unit***
24 ***in accordance with RSA 33:3-d, or pursuant to any other enabling authority, may mature***
25 ***at such times, not exceeding 30 years, or such longer term as may be provided in RSA 33, or***
26 ***pursuant to any other provision of law, in such amounts and at such rate or rates of***
27 ***interest, as shall be set forth in any loan agreement that may be entered into between the***
28 ***bank and any such governmental unit in connection with the issuance of any bonds or***
29 ***notes. Bonds or notes of a governmental unit issued to the bank*** may be fully registered,

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1 registrable as to principal or in bearer form, [~~may bear interest at such rate or rates,~~] **and** may be
2 evidenced in such manner and may contain other provisions not inconsistent herewith, and may be
3 sold to the bank without advertisement, all as shall be [~~determined or authorized to be determined in~~
4 ~~respect of the foregoing or other matters by the officers of the governmental unit authorized by law to~~
5 ~~provide for the sale of such bonds or notes]~~ **set forth in any loan agreement between the bank**
6 **and any governmental unit in connection with the issue of bonds or notes.** In case any of the
7 officers whose signatures appear on the bonds or notes **issued by the bank** shall cease to be officers
8 before the delivery of [~~the~~] **such** bonds or notes, such signatures shall be valid or sufficient for all
9 purposes, the same as if they had remained in office. **The requirements of RSA 33:11 regarding**
10 **authentication of bonds shall not apply to issues of bonds to the bank by governmental**
11 **units. Premium received by a governmental unit on account of an issue of bonds or notes**
12 **issued to the bank may, in the discretion of the officers of such governmental unit**
13 **authorized to provide for the issuance of such bonds or notes, be:**

14 **I. Applied to the payment of the costs of preparing, issuing, and marketing any such**
15 **issue of bonds or notes;**

16 **II. Applied to the cost of the project or projects for which such bonds or notes were**
17 **issued, resulting in a like reduction of the amount of bonds or notes issued to finance such**
18 **project or projects;**

19 **III. Deposited in the general fund of the governmental unit and available to be**
20 **appropriated for any lawful purpose of such governmental unit; or**

21 **IV. Applied in any combination of the foregoing.**

22 107:3 Effective Date. This act shall take effect 60 days after its passage.

24 Approved: June 24, 2013

25 Effective Date: August 23, 2013