

CHAPTER 97
SB 172-FN-LOCAL – FINAL VERSION

2013 SESSION

13-0870
06/03

SENATE BILL ***172-FN-LOCAL***

AN ACT relative to public funds.

SPONSORS: Sen. Forrester, Dist 2; Sen. Boutin, Dist 16; Sen. Reagan, Dist 17; Sen. Carson,
Dist 14; Sen. Cataldo, Dist 6; Sen. Gilmour, Dist 12; Sen. Larsen, Dist 15;
Sen. Lasky, Dist 13; Sen. Morse, Dist 22; Sen. Odell, Dist 8; Sen. Rausch, Dist 19;
Sen. Soucy, Dist 18; Sen. Watters, Dist 4; Rep. Ladd, Graf 4; Rep. Suzanne Smith,
Graf 8; Rep. Vadney, Belk 2

COMMITTEE: Public and Municipal Affairs

ANALYSIS

This bill modifies the investment options of the state treasurer and the treasurers of the political subdivisions of the state.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

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

1 97:1 State Treasurer; Investment of Funds. Amend RSA 6:8, II to read as follows:

2 II. The treasurer may also invest public funds in [~~certificates of deposit~~] **interest-bearing**
3 **deposits** which meet all of the following conditions:

4 (a) The funds are initially invested through a federally insured bank chartered under the
5 laws of New Hampshire or the federal government with a branch within the state, selected by the
6 treasurer.

7 (b) The selected bank arranges for the [~~deposit~~] **redeposit** of [~~the~~] funds **which exceed**
8 **the federal deposit insurance limitation of the selected bank** in [~~certificates of deposit~~]
9 **deposits** in one or more federally insured financial institutions located in the United States, for the
10 account of the treasurer.

11 (c) The full amount of principal and any accrued interest of each such [~~certificate of~~]
12 deposit is covered by federal deposit insurance.

13 (d) The selected bank acts as custodian with respect to **each** such [~~certificates of~~] deposit
14 [~~issued~~] for the account of the treasurer.

15 (e) [~~At the same time~~] **On the same date** that the funds are [~~deposited and the~~
16 ~~certificates of deposit are issued~~] **redeposited by the selected bank**, the selected bank receives an
17 amount of deposits from customers of other federally insured financial institutions equal to or
18 greater than the amount of the funds initially invested through the selected bank by the treasurer.

19 97:2 Duties of County Treasurer. Amend RSA 29:1, V to read as follows:

20 V. As an alternative to the option of collateralization for excess funds provided in paragraph
21 IV, the county treasurer may also invest public funds in [~~certificates of deposit~~] **interest-bearing**
22 **deposits** which meet all of the following conditions:

23 (a) The funds are initially invested through a federally insured bank chartered under the
24 laws of New Hampshire or the federal government with a branch within the state, selected by the
25 treasurer.

26 (b) The selected bank arranges for the [~~deposit~~] **redeposit** of [~~the~~] funds **which exceed**
27 **the federal deposit insurance limitation of the selected bank** in [~~certificates of deposit~~]
28 **deposits** in one or more federally insured financial institutions located in the United States, for the
29 account of the treasurer.

30 (c) The full amount of principal and any accrued interest of each such [~~certificate of~~]

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1 deposit is covered by federal deposit insurance.

2 (d) The selected bank acts as custodian with respect to *each* such ~~[certificates of]~~ deposit
3 ~~[issued]~~ for the account of the treasurer.

4 (e) ~~[At the same time]~~ *On the same date* that the funds are ~~[deposited and the~~
5 ~~certificates of deposit are issued]~~ *redeposited by the selected bank*, the selected bank receives an
6 amount of deposits from customers of other federally insured financial institutions equal to or
7 greater than the amount of the funds initially invested through the selected bank by the treasurer.

8 97:3 Duties of Elected and Appointed Town Treasurers. Amend RSA 41:29, V(b) to read as
9 follows:

10 (b) As an alternative to the option of collateralization for excess funds provided in
11 subparagraph (a), the town treasurer may also invest public funds in ~~[certificates of deposit]~~
12 *interest-bearing deposits* which meet all of the following conditions:

13 (1) The funds are initially invested through a federally insured bank chartered under
14 the laws of New Hampshire or the federal government with a branch within the state, selected by
15 the treasurer.

16 (2) The selected bank arranges for the ~~[deposit]~~ *redeposit* of ~~[the]~~ funds *which*
17 *exceed the federal deposit insurance limitation of the selected bank* in ~~[certificates of deposit]~~
18 *deposits* in one or more federally insured financial institutions located in the United States, for the
19 account of the treasurer.

20 (3) The full amount of principal and any accrued interest of each such ~~[certificate of]~~
21 deposit is covered by federal deposit insurance.

22 (4) The selected bank acts as custodian with respect to *each* such ~~[certificates of]~~
23 deposit ~~[issued]~~ for the account of the treasurer.

24 (5) ~~[At the same time]~~ *On the same date* that the funds are ~~[deposited and the~~
25 ~~certificates of deposit are issued]~~ *redeposited by the selected bank*, the selected bank receives an
26 amount of deposits from customers of other federally insured financial institutions equal to or
27 greater than the amount of the funds initially invested through the selected bank by the treasurer.

28 97:4 Duties of City Treasurer. Amend RSA 48:16, VI to read as follows:

29 VI. As an alternative to the option of collateralization for excess funds provided in paragraph
30 V, the treasurer may also invest public funds in ~~[certificates of deposit]~~ *interest-bearing deposits*
31 which meet all of the following conditions:

32 (a) The funds are initially invested through a federally insured bank chartered under the
33 laws of New Hampshire or the federal government with a branch within the state, selected by the
34 treasurer.

35 (b) The selected bank arranges for the ~~[deposit]~~ *redeposit* of ~~[the]~~ funds *which exceed*
36 *the federal deposit insurance limitation of the selected bank* in ~~[certificates of deposit]~~

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1 **deposits** in one or more federally insured financial institutions located in the United States, for the
2 account of the treasurer.

3 (c) The full amount of principal and any accrued interest of each such ~~[certificate of]~~
4 deposit is covered by federal deposit insurance.

5 (d) The selected bank acts as custodian with respect to **each** such ~~[certificates of]~~ deposit
6 ~~[issued]~~ for the account of the treasurer.

7 (e) ~~[At the same time]~~ **On the same date** that the funds are ~~[deposited and the]~~
8 ~~certificates of deposit are issued]~~ **redeposited by the selected bank**, the selected bank receives an
9 amount of deposits from customers of other federally insured financial institutions equal to or
10 greater than the amount of the funds initially invested through the selected bank by the treasurer.

11 97:5 School District Officers; Duties of Treasurer. Amend RSA 197:23-a, V to read as follows:

12 V. As an alternative to the option of collateralization for excess funds provided in paragraph
13 IV, the treasurer may also invest public funds in ~~[certificates of deposit]~~ **interest-bearing deposits**
14 which meet all of the following conditions:

15 (a) The funds are initially invested through a federally insured bank chartered under the
16 laws of New Hampshire or the federal government with a branch within the state selected by the
17 treasurer.

18 (b) The selected bank arranges for the ~~[deposit]~~ **redeposit** of ~~[the]~~ funds **which exceed**
19 **the federal deposit insurance limitation of the selected bank** in ~~[certificates of deposit]~~
20 **deposits** in one or more federally insured financial institutions located in the United States, for the
21 account of the treasurer.

22 (c) The full amount of principal and any accrued interest of each such ~~[certificate of]~~
23 deposit is covered by federal deposit insurance.

24 (d) The selected bank acts as custodian with respect to **each** such ~~[certificates of]~~ deposit
25 ~~[issued]~~ for the account of the treasurer.

26 (e) ~~[At the same time]~~ **On the same date** that the funds are ~~[deposited and the]~~
27 ~~certificates of deposit are issued]~~ **redeposited by the selected bank**, the selected bank receives an
28 amount of deposits from customers of other federally insured financial institutions equal to or
29 greater than the amount of the funds initially invested through the selected bank by the treasurer.

30 97:6 Effective Date. This act shall take effect 60 days after its passage.

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32 Approved: June 20, 2013

33 Effective Date: August 19, 2013