

CHAPTER 36
HB 595-FN - FINAL VERSION

22Mar2023... 0808h

2023 SESSION

23-0498
04/05

HOUSE BILL

595-FN

AN ACT relative to the oversight of the public deposit investment pool.

SPONSORS: Rep. Hunt, Ches. 14; Rep. Lascelles, Hills. 14; Sen. Rosenwald, Dist 13

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill changes the oversight of the public deposit investment pool from the banking department to the state treasurer.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to the oversight of the public deposit investment pool.

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

1 36:1 New Subdivision; Public Deposit Investment Pool. Amend RSA 6 by inserting after section 44
2 the following new subdivision:

Public Deposit Investment Pool

4 6:45 Public Deposit Investment Pool.

5 I. The state treasurer shall, with the assistance of the advisory committee created under RSA
6 6:47, establish and operate a public deposit investment pool, for the purpose of investing funds of the
7 state, and funds under the custody of governmental units, pooled risk management programs established
8 pursuant to RSA 5-B, agencies, authorities, commissions, boards, political subdivisions and all other
9 public units within or instrumentalities of the state.

10 II. The public deposit investment pool shall be operated under contract with a private investment
11 advisor, approved by the state treasurer and advisory committee. The state treasurer and advisory
12 committee shall choose an investment advisor by requesting proposals from advisors and reviewing such
13 proposals based on criteria adopted by rule under RSA 6:46.

14 III. The state treasurer shall make available to prospective depositors detailed information on the
15 public deposit investment pool, similar to that information generally contained in a securities prospectus.
16 The state treasurer shall also ensure that periodic statements of accounts and reports on holdings are
17 provided to pool participants relative to their proportionate share of the pool.

18 IV. The state treasurer shall cause an independent audit of the pool to be conducted on an
19 annual basis. The auditor shall be selected by the advisory committee.

20 V. The state treasurer shall charge the public deposit investment pool any actual costs incurred
21 by the department for the operation of the pool as well as any expenses of department personnel assisting
22 in the operation of the pool. The private investment advisor retained under paragraph II shall be
23 responsible for processing any invoice submitted for the actual costs incurred by the department and the
24 expenses of department personnel under this paragraph.

25 6:46 Rulemaking. The state treasurer shall, with the approval of the advisory committee, adopt rules,
26 pursuant to RSA 541-A, relative to:

27 I. Formulation of a disclosure policy and materials to be included in a prospectus and in periodic
28 reports to participants, including:

- 29 (a) A written statement of policy and pool objectives;
- 30 (b) Investment objectives designed to meet the pool objectives;
- 31 (c) A description of eligible investment instruments;
- 32 (d) The credit standard of investment;

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- (e) Allowable maturity range of investments;
- (f) The limits of portfolio concentration permitted for each type of security;
- (g) Safekeeping practices;
- (h) Definition of pool participant eligibility;
- (i) Disclosure of size of accounts, size of transactions and administrative costs; and
- (j) Instructions for establishing and utilizing accounts.

II. Investment and administrative policies, practices, and restrictions, including the frequency and method used for calculating valuation, yields, and earnings.

III. Requests for proposals from investment managers and criteria for reviewing such proposals.

6:47 Public Deposit Investment Pool Advisory Committee.

I. There is established an advisory committee on the public deposit investment pool, consisting of the following members:

- (a) The state treasurer.
- (b) The commissioner of the department of revenue administration or designee.
- (c) Two members appointed by the New Hampshire Government Finance Officers Association.
- (d) Two members appointed by the New Hampshire Bankers Association.
- (e) One county finance officer appointed by the New Hampshire Association of Counties.
- (f) One city finance officer, appointed by the New Hampshire Municipal Association.
- (g) One school district finance officer, appointed by the New Hampshire School Boards Association.

II. The advisory committee shall assist and advise the treasurer on the establishment and operation of the investment pool, including:

- (a) Formulating the disclosure policy.
- (b) Determining eligible investment vehicles.
- (c) Establishing performance standards.
- (d) Monitoring the outflow of funds from financial institutions.
- (e) Determining compliance with written investment policies.
- (f) Conducting periodic reviews of the public deposit investment pool.

36:2 Public Deposit Investment Pool; Cross References Amended. Amend the following RSA sections by replacing "RSA 383:22" with "RSA 6:45": RSA 6:8; the introductory paragraph in RSA 29:1, I; RSA 29:1, IV; RSA 29:3; RSA 31:25; RSA 31:27; RSA 34:5; RSA 35:9; the introductory paragraph in RSA 41:29, II; RSA 41:29, IV; the introductory paragraph in RSA 48:16, I; RSA 48:16, III; the introductory paragraph in RSA 197:23-a, I; and RSA 197:23-a, IV.

36:3 Repeal. The following are repealed:

- I. RSA 383:22, relative to the public deposit investment pool.
- II. RSA 383:23, relative to rulemaking for the public deposit investment pool.
- III. RSA 383:24, relative to the advisory committee for the public deposit investment pool.

36:4 Effective Date. This act shall take effect 60 days after its passage.

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Approved: May 17, 2023
Effective Date: July 16, 2023

