Bill as Introduced

2003 SESSION

03-0150
08/10

HOUSE BILL ***616-FN-LOCAL***

AN ACT relative to the Hampton real estate trust fund.

SPONSORS: Rep. O'Neil, Rock 85; Rep. Francoeur, Rock 85; Rep. Bridle, Rock 85; Rep. Gillick, Rock 85

COMMITTEE: Municipal and County Government

ANALYSIS

This bill permits the town of Hampton to borrow from the Hampton real estate trust fund for capital improvement projects.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 616-FN-LOCAL – AS INTRODUCED

03-0150
08/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to the Hampton real estate trust fund.

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

1 Hampton Real Estate Trust Fund; Principal and Interest. Amend 1975, 314:1 as amended by 1983, 3:1 to read as follows:

314:1 Authorization for Real Estate Trust Fund. The town of Hampton may, at any regular or special meeting, provide that the proceeds of sales of land or interests in lands, other than land or interests in land acquired by taking for non payment of taxes or land under the administration of the town's conservation commission, shall be paid over to the town's trustees of trust funds, to be invested and reinvested by them. The trustees are authorized to obtain the services of a bank or professional management company. [~~The income from the fund shall be paid annually or more often into the town's general fund. The principal of the fund shall remain intact.~~] ***The principal of the trust fund may be used to finance capital improvements of the town when authorized in accordance with the procedures under RSA 33:8. The amount of money borrowed shall be paid back to the real estate fund plus interest. The rate of interest shall be the prevailing bank rate charged to municipalities as determined by the trustees of the fund. The amortization schedule on any loan shall not exceed 15 years. Income from the trust may be retained in the trust fund in anticipation of future projects or it may be paid into the town's general fund as determined by the town's legislative body.***

2 Effective Date. This act shall take effect upon its passage.

LBAO
03-0150
1/27/03

HB 616-FN-LOCAL - FISCAL NOTE

AN ACT relative to the Hampton real estate trust fund.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Revenue Administration. When completed, the fiscal note will be forwarded to the House Clerk's Office.

Amendments

Rep. O'Neil, Rock 85
February 13, 2003
2003-0626h
08/10

Amendment to HB 616-FN-LOCAL

Amend the bill by replacing section 1 with the following:

1 Hampton Real Estate Trust Fund; Principal and Interest. Amend 1975, 314:1 as amended by 1983, 3:1 to read as follows:

314:1 Authorization for Real Estate Trust Fund. The town of Hampton may, at any regular or special meeting, provide that the proceeds of sales of land or interests in lands, other than land or interests in land acquired by taking for non payment of taxes or land under the administration of the town's conservation commission, shall be paid over to the town's trustees of trust funds, to be invested and reinvested by them. The trustees are authorized to obtain the services of a bank or professional management company. [~~The income from the fund shall be paid annually or more often into the town's general fund.~~] The principal of the fund shall remain intact. ***The principal of the trust fund may be used to finance capital improvements of the town when authorized in accordance with the procedures under RSA 33:8. The amount of money borrowed shall be paid back to the real estate fund plus interest. The rate of interest shall be the prevailing bank rate charged to municipalities as determined by the trustees of the fund. The amortization schedule on any loan shall not exceed 15 years. The total of all loans shall not exceed 75 percent of the fund's value. Income from the trust may be retained in the trust fund in anticipation of future projects or it may be paid into the town's general fund as determined by the town's legislative body.***

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 616 FN-LOCAL Date 2/12/03

Committee MTC G RELATIVE TO THE HAMPTON REAL ESTATE TRUST FUND

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Rep Russell Bridle		Rock 85		X	

Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 616-FN-L

BILL TITLE: relative to the Hampton real estate trust fund.

DATE: February 12, 2003

LOB ROOM: 308 **Time Public Hearing Called to Order:** 10:32 AM

Time Adjourned: 11:46 AM

(please circle if present)

Committee Members: Reps. Patten, Brundige, Lockwood, Twombly, Boyce, Dumaine, Stohl, Noyes, Buhlman, Doyle, C. Dunne, Dupuis, Gillick, Gould, M. Pappas, N. Johnson, M. Cooney, Davidson, Osborne, Schmidt and Theberge

Bill Sponsors: Rep. O'Neil, Rock 85; Rep. Francoeur, Rock 85; Rep. Bridle, Rock 85; Rep. Gillick, Rock 85

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. O'Neil, Dist 85

Fund established in 1975. Approximately $15 million in trust fund. Interest goes to general fund and offsets .50 of tax rate. This bill will allow trustees, if they desire, to loan to the town. This is not a "raid" on the trust fund. Only the legislative body could "forgive" the loan. Maybe a percentage to be left in fund would be appropriate.

Rep. Kelley, Dist 85

Opposes this bill. Bad investments have been made by the selectmen in the past. This money provides relief on the tax rate. Shouldn't be used.

Rep. Francoeur, Dist 85

Supports the bill. Feels there are safeguards in the bill. This would establish a revolving loan account. It is enabling legislation. Fund is invested anyway. This would be a way of investing in your own town.

William Sullivan, Hampton Selectman

Supports the bill. Lack of bonding ability was costly to the town (held up by 3/5 vs. 2/3 issue). This would be another tool for town to use.

Robert Lessard, Hampton

Has held many town offices. Promise was made to people that this fund would be there for them. It is the townspeople's money, not the trustees. If we do loan this money, it needs a cap. If the town can save money, it should be used.

Ken Malcolm, Hampton

Opposes the bill. If there are enough restrictions, he would support it. Wants a cap on amount of money that can be take out. Doesn't want to see this asset lost.

Bonnie Searle, Hampton Selectman

Opposes the bill. Doesn't feel the people have enough to say about this issue. Wants a fair process. This is the only hearing on this issue and most citizens do not know about it. This is like a town's saving account. If you take it out, it won't earn much. Wants a note of Hampton town meeting before this bill process.

James Barrington, Hampton Town Manager

Supports the bill. This is mechanism for additional resource for borrowing money covered by the RSA's. This would be a "win-win" situation.

Jeffrey Little, Hampton

Opposes the bill. Feels the town would lose money if was borrowed from the trust fund. Also would lower the quality of investments. Redress amount of due diligence.

***Arthur Moody, Hampton**

Opposes the bill. Has been a trustee of the trust fund. Member of lease-land real estate commission. Wants the principal to remain intact. This legislation would "gut" the present law. Feels the trust fund would fare worse if loaned to the town. The town meeting should vote on this.

Frederick Rice, Hampton Budget Committee

Supports the bill. The town needs to change as the time's change. This is another opportunity to save money. Judgment of duly elected officials should be respected. This still goes through town process. The money would only be borrowed if the rates were advantageous for the fund. Another option to save money.

***Ellen M. Lavin, Treasurer, Town of Littleton**

Letter attachment only.

Respectfully submitted,

Priscilla P. Lockwood

Priscilla P. Lockwood, Clerk
Municipal and County Government

Testimony

File HB 616

Town of Hampton

February 11, 2003

Response to House Bill 616-FN-LOCAL

To the Attention of the Municipal & County Government Committee:

It gives me great pleasure today to be able to respond to this bill. As treasurer of the Town of Hampton, New Hampshire for the last 12 years I feel that the capability of the selectmen to borrow from the Real Estate Trust Fund is a wonderful opportunity. In today's environment of declining rates of return on investments, this bill would give the Trustees of the Real Estate Trust Fund the opportunity to enjoy a greater rate of return. It would also enable the Town of Hampton to reduce interest paid to financial institutions, therefore reducing taxes for the Town of Hampton residents.

Many times during the year I am called upon to secure financing for the Town of Hampton. This proves to be an expensive and time-consuming process for all involved. If we had the opportunity to borrow from the Trustee of the Real Estate Trust Fund at prevailing rates we would be able to save and make money at the same time.

It is not our intent to pay less interest to the Real Estate Trust Fund as the fund has returned more than $14,000,000 in interest to the general fund since 1984. This would give us the opportunity to return more money than what they now receive.

Each loan would be looked at on a case by case basis. A note would be signed with the Trustees and an amortization schedule set up by the Trustees. The intent of this bill is not to borrow for a period of longer than 15 years. It may be our intent from time to time to borrow for shorter periods of time, such as financing a new fire engine or other short-term projects.

I feel the time is now for the residents of the Town of Hampton to reap the benefits of the Real Estate Trust Fund as that was the intent when the fund was established

Sincerely

Ellen M. Lavin CPA
Treasurer, Town of Hampton, New Hampshire

100 Winnacunnet Road, Hampton, New Hampshire 03842 Tel. 603-926-6766 Fax 603-926-6853

HB 616-FN-LOCAL Relative to the Hampton real estate trust fund

Public Hearing before the Municipal and County Government Committee of NH House of Representatives

February 12, 2003

Expanded testimony of Arthur J. Moody, 3 Thomsen Rd., Hampton

Town Government experience: prev. 2-term Selectman; prev. long-time Trustee of the Trust Funds and hired past 12 years as Administrative Coordinator for the Trustees; prev. member and chairman of many Town boards and committees. Currently also a several-year member of the Leased Land Real Estate Commission created by Sect. 1-a of Chapter 3, Laws of 1983, whose Sect. 1 is the subject of HB 616.

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Mr. Chairman: I come to Concord today to express my adamant opposition, as a member of the Town of Hampton's legislative body -- Town Meeting, to this back-door attempt to change the long-established and relied-upon purpose of my Town's major trust fund, as voted by Town Meeting in 1982. The selling point to sell long-leased 650 parcels of Town land to those who owned the residential and business buildings thereon, all situated on or near the ocean from Seabrook to the North Hampton line, was that the legacy of that former common land that was passed down from generation to generation would continue for future generations to benefit them,much like the land rent had benefitted our predecessors, by way of income from a non-expendable trust fund. This would annually benefit all the private property owners in the Town. The Annual Town Meeting in 1982 voted three articles in preparation of the special meeting two months later that would decide whether to sell or continue leasing. The first article adopted the first pertinent State legislation, Chapter 314, Laws of 1975, which as you can see in the bill before you, required a Town Meeting to ratify its terms. The original final phrase of the 1975 law read: "and that the principal, or portions thereof, may from time to time, when authorized by any regular meeting of the town, be used for the purchase, construction or improvement of real estate for the town." Yes, the original law allowed for an expendable principal fund. However, the second article in 1982 from the Study Committee of 1981 asked "the Town to recommend that the Legislative Delegation of the Town of Hampton be requested to introduce legislation ... amending Chapter 314, Section 1" to delete the last phrase and add: "and that the principal will remain intact." The third article -- all of which were adopted -- asked the same Legislative Delegation to submit legislation establishing the Leased Land Real Estate Commission and detail its powers and duties. Such was done and that article was the basis for Subsections I. and II. of Chapter 314:1-a, which remain the same today.

This was done from the grassroots of the Town Government's Legislative Body, then called the Governing Body of our form of local self-government. It was NOT done from the top down as a State mandate -- as proposed in this bill. In fact, with no further vote of our Legislative Body, two major changes are proposed that would break faith with those 1982 Town votes and the May Special Town Meeting that authorized the sale of the land to the lessees on a vote of 223 to 187, with an additional 200 non-resident lessees in attendance. We were told that there would be no sales unless and until the Legislature authorized this Town-created trust fund that would be non-expendable and benefit the town's revenue through investment for income by the Trustees. It wasn't until a decade later that a law allowed Towns to create trust funds themselves; proceeds from the sale of Town land had to go

into the General Fund as undesignated revenue. Thus, the necessity of State legislation to clear the major objection to selling the ocean-view lots: that we'd have nothing to show for it -- nothing permanent to pass down to future generations, as the continual benefits of the leased land had been passed down to us. This is being gutted by deleting the 1982 Town Meeting's express vote: "and that the principal will remain intact." I fact, as you can see by the struckout text in the current law. There was even more emphasis given in the final 1983 law: the provision was made a short, stand-alone sentence with the stronger "shall" used instead of "will": "The principal of the fund shall remain intact." What the outrageous deletion will do is make this trust come under subsequently passed trust-fund statutes as a Town-created trust without the precise wording of "unexpendable trust." In my opinion, it therefore can be expended and used as if it's a Capital Reserve Fund. Who proposed this deletion?

The other change in the covenant made with the 1982 voters is the retaining of annual income to loan out for future projects of the Town. A grave violation of the 1982 Town votes! That reduction in the fund's benefit to the property tax rate each year is further compounded by the only publicly stated purpose of this tinkering with this 18-year-old trust fund, as stated by the 4-to-1 support vote of the Board of Selectmen last November: to give the Town the option to borrow from the trust fund if it is prudent to do so. There was no mention of deleting the actual prohibition against using the principal directly to build or buy something. In fact, the Nov. 25 motion that was adopted reads: "that the Hampton Board of Selectmen authorize Representative O'Neil and/or the Hampton Legislative Delegation to move forward with a proposal to amend the Trust Fund legislation in a manner that would provide the town with the option to borrow from the trust funds." Where did all the other major changes in the 1982 Town votes come from? The Selectmen are not the Town -- especially in this matter that was Town Meeting-generated in 1981 and 1982. The Selectmen placed the 1982 articles on the Annual Warrant and called the Special Town Meeting at the request of the 7-member Study Committee. Since, late last Nov. the current Selectmen were preparing to devise the Annual 2003 Warrant with the deliberative SB2 session scheduled for Feb. 1, why didn't they add this matter to their dozens of articles in the 59-article Warrant? They are certainly not "The Town"!

Curriously, the private citizen who put this "borrow from ourselves" suggestion to the Selectmen last July, was the former State Senator Bob Preston, who, upon the passage of the Town votes in 1982 sponsored the amendments in Chapter 3, for the Regular Biennial Session of 1983. So he certainly knew the 1982 request came from Town Meeting and not the Selectmen. Obviously, there was an organized group who asked him to be the presenter, and who worked with Rep. O'Neil thereafter. But they avoided Town Meeting at all costs.

What's really insidious about their end-around is they used the good-sounding "borrow from ourselves" easier-to-spend cover to break into the locks set up the 1982 Town Meeting, to make the principal possibly spendable and to retain income dedicated to reducing the tax rate. The "cover" proposal has come up previously and the Trustees have always demostrated that they can get a higher return in the financial market, even with safe Federal and Agency securities, than a municipality has to pay on its bonds and notes because companies are willing to buy such securities at a lower rate because the interest received is exempt from Federal income tax. That is why the Trustees' State-law-required Investment Policy does not include municipal securities. The first priority of of the policy is preservation of principal with the second being maximizing income. Such notes would satisfy the former policy but not the latter. The rate of interest charged the Town doesn't matter as a like amount has to be

appropriated in the budget. Ideally, the interest appropriated would be returned at the end of each year to the revenue fund and it would offset the amount appropriated, thus having no effect on the tax rate. However, the Trustees have three-year contracts for professional banking assistance, and this investment management service is paid for by income in the Real Estate Trust Fund: a percentage of income generated by investments in the fund (per trust-fund statutes). Thus, not all of the interest paid by the Town would return as revenue. The tax rate would increase due not only by that factor but also by the loss of net income if that same money was invested in the open market. Borrowing from ourselves is a lose-lose proposition! The RETF started in 1984 with a low total principal and is added to throughout each year that new sales are made or Town mortgage payments are made (yes, the Town financed over 100 sales even though the Town voted, initially, to sell at only 30 percent of Fair Market Value to recognize leasehold interest). In its 19 years over $15M has benefitted the tax rates and, in the high-interest years of 11 to 14 years ago, over $1M per year, with a smaller fund, was turned over to the Town, sometimes it represented 9 to 10 percent of the appropriated Town operating budget.

Returning to the "cover" story for this bill, so the Town will have the option to borrow from the RETF, trust-fund law, RSA 31:25, already authorizes the Trustees to "invest in ... bonds, notes or other obligations of ... towns or cities in this state." The section also appears to require the seller to pledge securities on the Bank Commissioner's list as collateral of equal value to funds loaned, and receipt of such pledge is required of the Trustees when investing "in securities of any kind."

Thus, this can't be the real reason for circumventing Town Meeting and going for a State mandate. The two major changes, cited above, and not covered by the Selectmen's vote in Nov., appear to me to be reasons for this attack. The full bill only became available to most Town officers involved two days ago.

Two other provisions are also open to question. RSA 33-8, the Municipal Finance Act, is cited in the Preston/O'Neil amendment. That process for Towns to adopt bond issues gives the setting of the interest rate to the Selectmen/Treasurer if the Warrant Article, as voted, does not set it or a maximum (and in 35 years of bond issues here, I've never seen a rate in the article). But a later amendment gives that authority to the Trustees when loaning to the Town and such shall be "the prevailing bank rate charged to municipalities"-- as determined by the Trustees. Is that for long-term borrowing or the lower TAN rate? Which pertains: HB 616 or RSA 33:8? Does a prudent Trustees Board have to require a bond-counsel review of each bond issue? When nearly all the many Town bonds in recent years have been for 20 years, why is the limit here 15 years when the interest rate on such a Town-Town transaction is basically meaningless. To free up the money sooner so it can be fully dipped into again? Or because that's what a private citizen proposed to the Selectmen?

It's interesting to note that one of our District 85 Representatives did not sign off on this attempt to make a mockery of our Legislative Body. Indeed, on Monday evening she told the Selectmen she is "totally opposed to this raid on the trust funds," and stated she would testify against it today. Rep. Kelley has been a long-time resident of Hampton and served as Town Clerk in the Town Office and at Town Meetings for many years. Of course, her long service in government includes membership in this body for portions of a number of decades since her first term in the 1970s. She also has the unique

experience among her District 85 colleagues of having been elected to the position of one of the three Trustees of the Trust Funds in Hampton, having completed that service to the Town less than a year ago. And she is opposed to this bill.

So, too, is the local semi-weekly newspaper, The Hampton Union, established in 1899. In late Nov. that paper, owned by Dow Jones (The Wall Street Journal), ran a long editorial entitled "Don't raid trust fund; reinvest for better return." That says it all.

One other disturbing matter: the new bill reads that the trust fund may be used for capital improvements when authorized by RSA 33:8 which doesn't cover this matter. The Preston proposal stated that the fund may be used "when authorized by a Town Meeting." Is that implied by the bond-issue procedure in 33:8 when the Selectmen write the article for the Warrant? In which case, they'll be getting the elected Trustees to be browbeaten by the electorate in violation of the fiduciary responsibilities inherent in a trustee's position and duties, as laid out in statutory and case law as well as common law. This is truly interference in the fiduciary responsibilities of trustees. The very reason for such a board in towns was the general practice in the State by Selectmen as trustees of willed or donated trusts for various purposes to use the trust principal for TAN borrowing and setting the interest rate, as Selectmen, at a below-market amount so that, as Selectmen, their budget would be more acceptable to the electorate. The purposes of those trusts were thereby short-changed. During WWI, 1915, the Legislature removed those trusts from the conflict-of-interest Selectmen and ordered a separate board for the trusts' management and custody. And we've had elected trustees ever since. In this bill, the Hampton Selectmen are trying, by using Town Meeting, to exercise some control over the trusts' use, even though the statutes make the positions of Selectmen and Trustee of the Trust Funds incompatible.

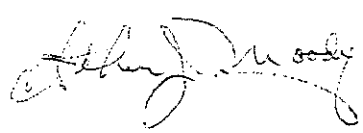
I'm sorry for the length and poor organization of this tract, but the lead time did not permit drafting and editing.

***Based on the above, I request this Committee to:

1. Vote the bill "inexpedient to legislate," sending it back to where it should have originated: Town Meeting, where a full & complete Town discussion can vote it up or down. What is proposed is completely against, in two major aspects, of what Town Meeting as voted. Retaining the income in the fund for future projects has determined "by the legislative body," is also contrary to the Preston proposal last July: he wrote: "as determined by the Trustees."

2. If No. 1 is not done, at the very least make these amendements subject to ratification by our Legislative Body, since you'll be changing what it already knowingly voted. About 4 or 5 years ago, Rep. O'Neil sponsored a bill for the Hampton Beach Village District Commissioners, who he worked for, in changing a prior local 2-tax-rate law (sponsored by Sen Preston). The law as passed required HBVD/Precinct voter ratification within a certain time period, or it would be null and void. (Rep. O'Neil is currently a Commissioner of the HBVD.)

3. At the very least, restore the sentence "The principal of the fund shall remain intact."



Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 616-FN-L

BILL TITLE: **relative to the Hampton real estate trust fund.**

DATE: March 4, 2003

LOB ROOM: 301

Amendments:

Sponsor: Rep. O'Neil	OLS Document #:	2003	0626h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

Motions: (OTP) OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Gillick Amendment

Seconded by Rep. Boyce

Vote: 12-0 (Please attach record of roll call vote.)

Motions: OTP, (OTP/A) ITL, Interim Study (Please circle one.)

Moved by Rep. Twombly

Seconded by Rep. Boyce

Vote: 13-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 13-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Priscilla P. Lockwood, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB616 **Title:** Rel to Hampton Trust Fund

PH Date: 2/12/03 **Exec Session Date:** 3/4/03

Motion: OTP **Amendment #:** 2003-0626h

MEMBER	YEAS	NAYS
Patten. Betsey L. Chairman	12	
Brundige. Robert W. V Chairman	absent	
Lockwood. Priscilla P	1	
Twomblv. James E	2	
Bovce. Laurie J	3	
Dumaine. Dudlev Daniels	absent	
Pappas. Marc	4	
Dunne. Christopher H	absent	
Stohl. Eric G	5	
Noves. Richard A	absent	
Buhlman. David L	6	
Dovle. Christopher L	absent	
Dupuis. Roland L	absent	
Gillick. Thomas J	7	
Gould. Kenneth H	8	
Johnson. Nancv K	absent	
Coonev. Marv R	absent	
Davidson. Robert A	absent	
Osborne. Jessie L	9	
Schmidt. Peter B	10	
Theberge. Robert L	11	
TOTAL VOTE:	12	0

Printed: 1/6/2003

OFFICE OF THE HOUSE CLERK 2003 SESSION

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB 616 **Title:** Rel to Hampton Trust Fund

PH Date: 2/12/03 **Exec Session Date:** 3/4/03

Motion: OTP-A **Amendment #:** 2003-0626h

MEMBER	YEAS	NAYS
Patten. Betsey L. Chairman	13	
Brundige. Robert W. V Chairman	absent	
Lockwood. Priscilla P	1	
Twombly. James E	2	
Boyce. Laurie J	3	
Dumaine. Dudley Daniels	4	
Pappas. Marc	5	
Dunne. Christopher H	absent	
Stohl. Eric G	6	
Noyes. Richard A	absent	
Buhlman. David L	7	
Doyle. Christopher L	absent	
Dupuis. Roland L	absent	
Gillick. Thomas J	8	
Gould. Kenneth H	9	
Johnson. Nancy K	absent	
Cooney. Mary R	absent	
Davidson. Robert A	absent	
Osborne. Jessie L	10	
Schmidt. Peter B	11	
Theberge. Robert L	12	
TOTAL VOTE:	13	0

Printed: 1/6/2003

Committee Report

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 616-FN-L**

TITLE: relative to the Hampton real estate trust fund.

DATE: March 4, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

In 1975, the general court was requested to create the Hampton Real Estate Trust Fund. At the local level, the town then voted to only use the interest on the fund for reducing the tax rate. Now that the trust fund has an approximate 13 million dollar balance, the Hampton Selectmen requested their representatives to introduce a bill that would allow a change in the intent of the Trust fund and to permit the Town of Hampton to borrow from their own real estate trust for capital improvement projects. Hampton is in an enviable position in that few if any towns/municipalities have the luxury of being able to lend money to themselves. The bill as amended requires the principal of the fund remain intact and that the amortization schedule on any loan not exceed 15 years. Other management restrictions may be found in the amendment.

Vote 13-0.

Rep. James E. Twombly
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Municipal and County Government

HB 616-FN-L, relative to the Hampton real estate trust fund. **OUGHT TO PASS WITH AMENDMENT**

Rep. James E. Twombly for Municipal and County Government: In 1975, the general court was requested to create the Hampton Real Estate Trust Fund. At the local level, the town then voted to only use the interest on the fund for reducing the tax rate. Now that the trust fund has an approximate 13 million dollar balance, the Hampton Selectmen requested their representatives to introduce a bill that would allow a change in the intent of the Trust fund and to permit the Town of Hampton to borrow from their own real estate trust for capital improvement projects. Hampton is in an enviable position in that few if any towns/municipalities have the luxury of being able to lend money to themselves. The bill as amended requires the principal of the fund remain intact and that the amortization schedule on any loan not exceed 15 years. Other management restrictions may be found in the amendment. **Vote 13-0.**

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 616-FN-L**

TITLE: relative to the Hampton real estate trust fund.

DATE: March 4, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

In 1975, the general court was requested to create the Hampton Real Estate Trust Fund. At the local level, the town then voted to only use the interest on the fund for reducing the tax rate. Now that the trust fund has an approximate 13 million dollar balance, the Hampton Selectmen requested their representatives to introduce a bill that would allow a change in the intent of the Trust fund and to permit the Town of Hampton to borrow from their own real estate trust for capital improvement projects. ~~Any spending for CIP would need the approval of the local legislative body through the normal bonding process~~. Hampton is in an enviable position in that few if any towns/municipalities have the luxury of being able to lend money to themselves. The bill as amended requires the principal of the fund remain intact and that the amortization schedule on any loan not exceed 15 years. Other management restrictions may be found in the amendment.

Vote 13-0.

Rep. James E. Twombly
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

In 1975 ~~the~~ the general Court Created & was requested to the Hampton RE Trust Fund. ~~which~~ At the local level the town voted to only use the interest on the fund for reducing the ~~local~~ tax rate. Now that the Trust fund has an approximately 13 million dollars balance, the ~~governing body~~, Hampton Selectmen requested their Representatives to introduce a bill that would allow a change in the intent of the Trust fund ~~to include borrowing & expend~~ and to permit the Town of Hampton to borrow from their own real estate trust for Capital improvement projects. Any ~~request~~ spending for ~~funding~~ C.I.P would need the approval of the local legislative Body ~~through~~ through the normal bonding Process.

(2)

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 616-FN-L**

TITLE: relative to the Hampton real estate trust fund.

DATE: March 4, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

~~This bill permits the Town of Hampton to borrow from the Hampton real estate trust fund, which was established by the legislature in the early 1980's, for capital improvement projects. Up to now, the town could only borrow on the interest.~~ (2) Hampton is in an enviable position in that few if any towns/municipalities have the luxury of being able to lend money to themselves. The bill as amended requires the principal of the fund remain intact and that the amortization schedule on any loan not exceed 15 years. Other management restrictions may be found in the amendment.

Vote 13-0.

~~use the interest to reduce the town's~~ tax rate. The fund currently contains ~~approximately 13 million dollars.~~

Rep. James E. Twombly
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Disko, Katherine

From: JTwo101588@aol.com
Sent: Tuesday, March 04, 2003 8:23 PM
To: katherine.disko@leg.state.nh.us
Subject: Municipal and County Government Committee

MUNICIPAL AND COUNTY GOVERNMENT
HB-706-FN-Local, relative to the definition of net indebtedness under the municipal finance act. INEXPEDIENT TO LEGISLATE
Rep. James E. Twombly for Municipal and County Government: This bill would change the definition of net indebtedness under the municipal finance act however, the prime sponsor indicated that the bill was no longer necessary. 15-0

HB-616-FN-Local, relative to the Hampton real estate trust fund. OTPA
Rep. James E. Twombly for Municipal and County Government. This bill permits the town of Hampton to borrow from the Hampton real estate trust fund, which was established by the legislature in the early 1980's, for capital improvement projects. Up to now, the town could only borrow on the interest. Hampton is in an enviable position in that few if any towns/municipalities have the luxury of being able to lend money to themselves. The bill as amended requires that the prinicipal of the fund remain intact and that the amortization schedule on any loan not exceed 15 years. Other management restrictions may be found in the amendment. 13-0

Consent Calendar