

SB 56 - AS AMENDED BY THE SENATE

01/07/2026 2992s

2025 SESSION

25-0975
07/08

SENATE BILL **56**

AN ACT relative to consolidating the New Hampshire health and education facilities authority within the business finance authority.

SPONSORS: Sen. Innis, Dist 7

COMMITTEE: Executive Departments and Administration

AMENDED ANALYSIS

This bill:

I. Provides for the consolidation of the New Hampshire health and education facilities authority with and into the New Hampshire business finance authority, including the transfer of all assets, assumption of all debts and obligations, transfer of all employees, and the establishment of the New Hampshire Business finance authority as the successor in interest for all rights and obligations of the New Hampshire health and education facilities authority.

II. Makes changes to provisions of statute governing the business finance authority's issuance of bonds.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to consolidating the New Hampshire health and education facilities authority within the business finance authority.

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

1 1 Purpose and Findings. The general court finds that:

2 I. The New Hampshire health and education facilities authority and the New Hampshire
3 business finance authority perform similar and compatible financing and other functions that benefit
4 New Hampshire citizens and communities, and the New Hampshire economy.

5 II. The combination of the functions of the New Hampshire health and education facilities
6 authority with and into the New Hampshire business finance authority will achieve the continued
7 delivery of effective government services supporting New Hampshire’s economy and communities
8 and will further realize significant efficiencies and opportunities for increased public impacts.

9 III. The board of directors of each organization have expressed their support for the
10 combination of operations and staff into a single, unified enterprise focused on the continued growth
11 and development of the New Hampshire economy.

12 2 Merger of the New Hampshire Health and Education Facilities Authority and the New
13 Hampshire Business Finance Authority; Transfer of Powers and Duties.

14 I.(a) Effective on and after July 1, 2026, the New Hampshire health and education facilities
15 authority (“HEFA”), as created by RSA 195-D:4, shall be merged with and into the New Hampshire
16 business finance authority (“BFA”), without any further action, and the rights, powers and duties,
17 and properties of the HEFA shall on and after such date be exercised, performed, owned and held by
18 the BFA as created by RSA 162-A:3. All real estate, property rights, personal property, funds,
19 moneys, revenues, receipts, contract rights, trust agreements, any rights or interests of HEFA in any
20 trusts or trust property, or other intangible assets, equipment or other ownership, possessory, or
21 security interests or mortgages of any kind whatsoever, or any portion thereof held by HEFA,
22 including, without limitation, funds previously appropriated by the state for HEFA, shall be deemed
23 for record notice and otherwise, as applicable, to belong to the BFA on the same basis and with the
24 same interest as previously held by HEFA, as applicable. Any and all rights, obligations, and
25 liabilities of HEFA shall become rights, obligations, and liabilities of the BFA. Any resolution taken
26 by or commitment made by HEFA with respect to any financing, including loans, bond issuances,
27 guarantees and insurance and any other action made by HEFA shall become resolutions of the BFA.

28 (b) All duly existing contracts, leases, trusts, or obligations of HEFA that are in force
29 immediately before the effective date of the merger of HEFA with and into the BFA shall be deemed
30 to be the contracts, leases, trusts, or obligations of the BFA. No existing right or remedy under any

1 such contract, lease, trust, or obligation shall be lost, impaired or affected by this act. The BFA shall
2 have authority on or after such date to exercise all rights and enjoy all interests conferred upon
3 HEFA by all such contracts, leases, trusts, or obligations.

4 (c) The transfer of the assets, liabilities, obligations and debts of HEFA to the BFA
5 under this act shall be effective upon merger of HEFA with and into the BFA and shall bind all
6 persons with or without notice and without any further action or documentation. Without
7 derogating from the foregoing, the BFA may, from time to time, execute and record and file for
8 registration with any registry of deeds or with the secretary of state, as appropriate, a certificate
9 confirming the BFA's ownership of any interest in real or personal property formerly held by HEFA
10 and transferred pursuant to the provisions of this act and establishing and confirming the rights and
11 limits of property so transferred.

12 (d) This act shall not limit or impair the rights, remedies, or defenses of the state, the
13 BFA, or HEFA in or to any action or proceeding. Actions and proceedings against or on behalf of
14 HEFA shall continue unabated and, from and after the date of dissolution of HEFA, may be
15 completed against or by the BFA.

16 (e) Notwithstanding the foregoing, no existing rights of the holders of the bonds and
17 notes issued by HEFA shall be impaired, and the BFA as successor in interest to HEFA shall comply
18 with the covenants of the trust indentures and loan agreements and other applicable documentation
19 pertaining to such bonds and notes so long as such bonds and notes shall remain outstanding, except
20 to the extent the BFA may modify, amend, or waive such covenants with such consents and
21 agreements of other parties as are required by the terms thereof.

22 (f) All orders, rules and regulations duly made and all approvals duly granted by HEFA,
23 which are in force immediately before the effective date of this act, shall continue in force and the
24 provisions thereof shall thereafter be enforced, until superseded, revised, rescinded or canceled, in
25 accordance with law, by the BFA.

26 (g) All books, papers, records, documents, equipment, buildings, facilities, cash and
27 other property and assets, both personal and real, whether or not electronic, including all such
28 property and assets held in trust, which on July 1, 2026, are in the custody of HEFA shall be
29 transferred to the BFA.

30 II. Notwithstanding any general or special law to the contrary, the term the 'New
31 Hampshire health and educational facilities authority' or 'HEFA', wherever either appears in a
32 general or special law, except as they appear in this act, shall mean the 'New Hampshire business
33 finance authority', including, but not limited to RSA 195-D and 195-E; provided, however, that such
34 change of reference shall not restrict or limit in any manner the exercise by the BFA of its rights,
35 powers, duties or purposes, or to its ownership and holding of properties and assets under RSA 162-
36 A, RSA 162-I, RSA 162-S, RSA 162-T or any other provision of law applicable to the BFA, including

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1 without limitation the power of the BFA to issue bonds under said chapters RSA 162-A, RSA 162-I,
2 RSA 162-S, RSA 162-T or under any such other provision.

3 III.(a) Notwithstanding any general or special law to the contrary, this section shall
4 facilitate the orderly transfer of the employees, proceedings, rules and regulations, property and
5 legal obligations of the following functions of state government from HEFA to the BFA.

6 (b) The employees of HEFA are hereby transferred to the BFA, without interruption of
7 service, salary or compensation, or benefits, if any, notwithstanding any change in title or duties
8 resulting from such reorganization, and without loss of accrued rights to holidays, sick leave,
9 vacation and benefits. Nothing in this section shall be construed to confer upon an employee a right
10 not held immediately before the date of said transfer, or to prohibit a reduction of salary grade,
11 transfer, reassignment, suspension, discharge, layoff or abolition of position not prohibited before
12 July 1, 2026.

13 (c) All petitions, requests, investigations and other proceedings appropriately and duly
14 brought before HEFA or duly begun by HEFA and pending before it before the effective date of this
15 act, shall continue unabated and remain in force, but shall be assumed and completed by the BFA.

16 (d) All orders, rules and regulations duly made and all approvals duly granted by HEFA,
17 including approvals for the issuance of bonds and granting of direct loans duly made by HEFA,
18 which are in force immediately before the effective date of this act, shall continue in force and shall
19 thereafter be enforced, until superseded, revised, rescinded or canceled, in accordance with law, by
20 the BFA.

21 (e) All transfers under this section shall be completed by July 1, 2026.

22 3 New Paragraphs; Public Safety and Welfare; Business Finance Authority; Definitions. Amend
23 RSA 162-A:2 by inserting after paragraph XVII the following new paragraphs:

24 XVIII. "Non-profit representative" means an individual (a) who is an officer, director,
25 trustee, member, employee, or representative of, or (b) who has significant experience providing
26 professional or financial services to, an organization that is exempt from federal taxation pursuant
27 to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

28 XIX. "Institution for education" means an educational institution which by virtue of law or
29 charter is a public or other nonprofit educational institution empowered to provide a program of
30 education; or an affiliate of any of the foregoing.

31 XX. "Education official" means an individual (a) who works for an institution for education,
32 or (b) who has significant experience providing professional or financial services to an institution for
33 education.

34 XXI. "Health care institution" means a hospital; nursing home; health maintenance
35 organization; home health care provider; an institution providing a health care program; ambulatory
36 care clinic; or an affiliate of any of the foregoing.

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1 XXII. "Health care official" means an individual (a) who is an officer, director, trustee,
2 member, employee, or representative of a health care institution, or (b) who has significant
3 experience providing professional or financial services to a health care institution.

4 4 Public Safety and Welfare; Business Finance Authority; Management. Amend RSA 162-A:4, I
5 to read as follows:

6 I. The management of the authority shall be vested in a board of ~~[14]~~ **16** directors, who shall
7 serve without compensation. The governor, with the consent of the council, shall appoint ~~[9]~~ **11**
8 members of the board, who shall include ~~[an executive director of a regional planning commission
9 and one elected or appointed local official]~~ **a member who is an education official, a member
10 who is a health care official, and a member who is a non-profit representative.** The
11 governor shall designate one of the board members as chairperson. Each board member appointed
12 by the governor shall hold office for 3 years, or until a successor has been appointed. The state
13 treasurer shall serve as a voting ex officio member of the board. Two members of the house of
14 representatives, who shall be appointed by the speaker of the house of representatives, and 2
15 members of the senate, who shall be appointed by the president of the senate, shall serve as
16 nonvoting members of the board. A director serving as a member of the house of representatives or
17 as a member of the senate shall serve for a term ending when the general court dissolves.

18 5 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend
19 RSA 162-I:2, III to read as follows:

20 III. "Bond" means ~~[an evidence of indebtedness issued by the authority under this chapter to
21 finance a project in whole or in part or to refund indebtedness incurred for that purpose]~~ **any bond,
22 note, or other obligation evidencing indebtedness issued or entered into or acquired or
23 incurred by the authority under this chapter, including any certificate of participation or
24 lease or lease-purchase, installment sale, or other financing agreement, and any refunding
25 bond or other indebtedness with respect to a bond or any other evidence of indebtedness
26 issued by the authority or another party.**

27 6 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend
28 RSA 162-I:2, III-a to read as follows:

29 III-a. "Commercial facility" shall be an eligible facility and means any facility, **whether
30 tangible or intangible**, which is to be used in a trade or business whether or not such business is
31 operated for profit.

32 7 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend
33 RSA 162-I:2, V to read as follows:

34 V. "Eligible facility" means a facility which consists of real property, personal property ~~[or
35 both]~~ **or other assets, or any combination thereof, whether tangible or intangible.** An eligible
36 facility may include appurtenances and structures such as pumping machinery, storage
37 accommodations, transportation facilities or utility lines which are incidental to the operation of the

1 facility. If less than an entire eligible facility is to be financed under this chapter, the portion of the
 2 facility which is to be financed may also be called an eligible facility. [~~An eligible facility shall also~~
 3 ~~include any intangible property, such as patents or licenses, reasonably necessary for the operation~~
 4 ~~of the facility.~~]

5 8 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend
 6 RSA 162-I:2, VIII to read as follows:

7 VIII. "Project" means ***any capital improvement, purchase of receivables, property,***
 8 ***assets, commodities, bonds, or other revenue streams or related assets, working capital***
 9 ***program or liability or other insurance program. The term "project" shall include*** the
 10 creation, establishment, acquisition, construction, expansion, remodeling or replacement of an
 11 eligible facility, or of one or more structural or operational components of an eligible facility,
 12 financed by the issue of bonds under this chapter.

13 9 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend
 14 RSA 162-I:2, IX(g) and (h) to read as follows:

15 (g) Interest prior to and during construction and, [~~until one year after the completion of~~
 16 ~~a project~~] ***if determined advisable by the authority, for a period after completion of such***
 17 ***construction the cost of financing the project, including interest on bonds and notes issued***
 18 ***by the authority to finance a project;***

19 (h) Working capital, ***whether or not*** related to a project, ***or to an eligible facility;*** and

20 10 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Security Documents.
 21 Amend RSA 162-I:7, II to read as follows:

22 II. [~~Any assignment, pledge, mortgage or other encumbrance of all or part of the authority's~~
 23 ~~right to receive payments with respect to an eligible facility contained in a security document shall~~
 24 ~~be fully effective and perfected from the time when the security document is executed with or~~
 25 ~~without any subsequent physical delivery or segregation of the money and without any filing or~~
 26 ~~recording under RSA 382-A or otherwise] ***A pledge of property, revenues, or other collateral by***
 27 ***the authority to secure the payment of principal or redemption price of, or interest on, any***
 28 ***bonds, or any reimbursement or similar agreement with any provider of credit***
 29 ***enhancement for bonds, or any swap or other agreement entered into in connection with***
 30 ***bonds, is binding on the parties and on any successors. The collateral shall immediately be***
 31 ***subject to the pledge, and the pledge shall constitute a lien and security interest which***
 32 ***shall attach immediately to the collateral and be effective, binding, and enforceable***
 33 ***against the pledgor, its successors, purchasers of the collateral, creditors, and all others, to***
 34 ***the extent set forth, and in accordance with, the pledge document, irrespective of whether***
 35 ***those parties have notice of the pledge and without the need for any physical delivery,***
 36 ***recordation, filing or further act.***~~

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1 11 Public Safety and Welfare; Business Finance Authority; Bonds. Amend RSA 162-I:8, II to
2 read as follows:

3 II. ~~[Every bond shall be signed on behalf of the authority by 2 persons designated by the~~
4 ~~board. Any person so designated shall be a member of the board, or the executive director, senior~~
5 ~~credit officer, or the chief financial officer of the authority. Each such signature may be manual or~~
6 ~~facsimile but at least one signature on every bond shall be manual, unless the bond bears a manual~~
7 ~~authentication or certification by a bank, trust company or other financial institution described in~~
8 ~~RSA 162-I:12, in which case each signature on behalf of the authority may be facsimile. Interest~~
9 ~~coupons, if any, shall bear the facsimile signature of one of the persons signing the bond on behalf of~~
10 ~~the authority. Bonds shall also bear the seal of the authority or a facsimile of the seal. Bonds~~
11 ~~executed as provided in this paragraph shall be valid notwithstanding that any or all of the persons~~
12 ~~whose signatures appear on the bond shall have ceased to hold office before delivery of and payment~~
13 ~~for the bond.] **Bonds shall be executed in the manner provided in the resolution therefor**~~
14 ~~**and may be executed by one person designated by the board, provided that such execution**~~
15 ~~**may be by facsimile so long as the bond is signed by an authentication agent appointed by**~~
16 ~~**the authority. Any person so designated to execute a bond shall be a member of the board,**~~
17 ~~**or the executive director, senior credit officer, non-profit bonding and lending officer, or**~~
18 ~~**the chief financial officer of the authority.**~~

19 12 Public Safety and Welfare; Business Finance Authority; Approval of Governor and Council.
20 RSA 162-I:9 is repealed and reenacted to read as follows:

21 162-I:9 Approval of Governor and Council.

22 I. The authority shall not acquire any interest in a project or an eligible facility or execute
23 any financing or security document or issue any bonds with respect to the project or facility, unless
24 the governor and council have found after a hearing that the proposed financing, operation and use
25 of the project or facility will serve a public use and provide a public benefit and have determined that
26 the authority's financing of the project will be within the policy of, and the authority conferred by,
27 this chapter.

28 II. Nothing in this section shall prevent the authority from giving preliminary official
29 approval of a proposed project or eligible facility and the financing of the proposed project or eligible
30 facility. The finding and determination by the governor and council may be made upon the written
31 recommendation of the authority supported by any documentation and information which the
32 governor and council may request.

33 13 Education; New Hampshire Health and Education Financing. Amend the chapter heading of
34 RSA 195-D to read as follows:

35 CHAPTER 195-D

36 NEW HAMPSHIRE HEALTH AND EDUCATION [~~FACILITIES AUTHORITY~~] **FINANCING**

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1 14 Education; New Hampshire Health and Education Financing. Amend RSA 195-D:1 to read
2 as follows:

3 195-D:1 Declaration of Policy. It is declared to be the policy of the state that for the benefit of
4 the people of the state, the increase of their commerce, welfare, and prosperity and the improvement
5 of their health and living conditions, it is essential that this and future generations of youths be
6 given the fullest opportunity to learn and develop their intellectual and mental capacities; that it is
7 essential that participating educational institutions within the state be provided with appropriate
8 additional means to assist such youths in achieving the required levels of learning and development
9 of their intellectual and mental capacities; that it is essential that participating health care
10 institutions within the state be provided with appropriate additional means to expand, enlarge and
11 establish health care and other related facilities; that it is essential that participating health care
12 institutions and participating educational institutions within the state be encouraged and assisted in
13 reducing the costs of providing health care or education; that it is essential that powers be conferred
14 on the New Hampshire ~~[health and education facilities]~~ **business finance** authority as will assure
15 the successful completion of projects to be initiated by the corporation or the refinancing of existing
16 indebtedness as provided in this chapter so as to accomplish the purposes of this chapter all to the
17 public benefit and good. It is further declared that the exercise by the corporation of the powers
18 conferred on the corporation under this chapter will constitute the performance of an essential
19 governmental function.

20 15 Education; New Hampshire Health and Education Financing; Citation. Amend RSA 195-D:2
21 to read as follows:

22 195-D:2 Citation. This chapter as amended may be referred to as and cited as the "New
23 Hampshire ~~[Health and Education Facilities Authority]~~ **Health and Education Financing** Act".

24 16 Reference Change to Business Finance Authority. Amend RSA 195-D:3, I to read as follows:

25 I. "Corporation" means the New Hampshire ~~[health and education facilities]~~ **business**
26 **finance** authority created and established as a corporation and constituted and established as a
27 public body corporate and agency of the state under RSA ~~[195-D:4]~~ **162-A:3**, or any board, body,
28 commission, department, or officer succeeding to the principal functions thereof or to whom the
29 powers conferred upon the corporation by this chapter shall be given by law.

30 17 Loan Corporations; Definition of Authority; Reference Change to Business Finance
31 Authority. Amend RSA 195-E:2, I to read as follows:

32 I. "Authority" means the New Hampshire ~~[health and education facilities]~~ **business finance**
33 authority, established under RSA ~~[195-D:4]~~ **162-A:3**.

34 18 Term Change; New Hampshire Business Finance Authority. Amend the following RSAs by
35 replacing references made to "health and education facilities authority" with "business finance
36 authority": RSA 195-D:23; 195-E:1; and 541-A:21, I(v).

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1 19 Repeal. RSA 195-D:4, relative to the establishment of the New Hampshire health and
2 education facilities authority, is repealed.

3 20 Effective Date. This act shall take effect on July 1, 2026.