

**SB 56 - AS INTRODUCED**

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

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ANALYSIS

This bill:

I. Consolidates the New Hampshire health and education facilities authority within the New Hampshire business finance authority.

II. Establishes the New Hampshire business finance authority as the successor for obligations of the New Hampshire health and education facilities authority.

III. Changes how the New Hampshire business finance authority issues certain kinds of bonds.

IV. This bill is a request of the New Hampshire health and education facilities authority and the New Hampshire business finance authority.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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  
4 benefit 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 IV.(a) Effective on and after July 1, 2025, the New Hampshire Health and Education  
13 Facilities Authority ("HEFA"), as created by RSA 195-D:4, shall be dissolved, without any further  
14 action, and the rights, powers and duties, and properties of the Authority shall on and after such  
15 date be exercised, performed, owned and held by the New Hampshire Business Finance Authority  
16 ("BFA") as created by RSA 162-A:3. All real estate, property rights, personal property, funds,  
17 moneys, revenues, receipts, contract rights, trust agreements, any rights or interests of HEFA in any  
18 trusts or trust property, or other intangible assets, equipment or other ownership, possessory, or  
19 security interests or mortgages of any kind whatsoever, or any portion thereof held by HEFA,  
20 including, without limitation, funds previously appropriated by the state for HEFA, shall be deemed  
21 for record notice and otherwise, as applicable, to belong to the BFA on the same basis and with the  
22 same interest as previously held by HEFA, as applicable. Any and all obligations and liabilities of  
23 HEFA shall become obligations and liabilities of the BFA. Any resolution taken by or commitment  
24 made by HEFA with respect to any financing, including loans, bond issuances, guarantees and  
25 insurance and any other action made by HEFA shall become resolutions of the BFA.

26 (b) All duly existing contracts, leases, trusts, or obligations of HEFA that are in force  
27 immediately before the effective date of the dissolution of HEFA shall be deemed to be the  
28 obligations of the BFA. No existing right or remedy under this section shall be lost, impaired or  
29 affected by this act. The BFA shall have authority to exercise all rights and enjoy all interests  
30 conferred upon HEFA by the contracts, leases or obligations.

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

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

13 (e) Notwithstanding the foregoing, no existing rights of the holders of the bonds issued  
14 by HEFA shall be impaired, and the BFA as successor in interest to HEFA shall maintain the  
15 covenants of the trust indentures pertaining to such bonds so long as such bonds shall remain  
16 outstanding.

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

21 (g) All books, papers, records, documents, equipment, buildings, facilities, cash and  
22 other property and assets, both personal and real, including all such property and assets held in  
23 trust, which on July 1, 2025, are in the custody of HEFA shall be transferred to the BFA.

24 V. Notwithstanding any general or special law to the contrary, the term the 'New  
25 Hampshire Health and Educational Facilities Authority' or 'HEFA', wherever either appears in a  
26 general or special law, except as they appear in this act, shall mean the 'New Hampshire Business  
27 Finance Authority'; provided, however, that such change of reference shall not restrict or limit in any  
28 manner the exercise by the BFA of its rights, powers, duties or purposes, or to its ownership and  
29 holding of properties and assets under RSA 162-A, RSA 162-I, RSA 162-S, RSA 162-T or any other  
30 provision of law applicable to the BFA, including without limitation the power of the BFA to issue  
31 bonds under said chapters RSA 162-A, RSA 162-I, RSA 162-S, RSA 162-T or under any such other  
32 provision.

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

36 (b) The employees of HEFA are hereby transferred to the BFA, without interruption of  
37 service, salary or compensation, or benefits, if any, notwithstanding any change in title or duties

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1 resulting from such reorganization, and without loss of accrued rights to holidays, sick leave,  
2 vacation and benefits. Nothing in this section shall be construed to confer upon an employee a right  
3 not held immediately before the date of said transfer, or to prohibit a reduction of salary grade,  
4 transfer, reassignment, suspension, discharge, layoff or abolition of position not prohibited before  
5 such date.

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

9 (d) All orders, rules and regulations duly made and all approvals duly granted by HEFA,  
10 which are in force immediately before the effective date of this act, shall continue in force and shall  
11 thereafter be enforced, until superseded, revised, rescinded or canceled, in accordance with law, by  
12 the BFA.

13 (e) All books, papers, records, documents, equipment, buildings, facilities, cash and other  
14 property, both personal and real, including all such property held in trust, which immediately before  
15 the effective date of this act are in the custody of HEFA shall be transferred to the BFA.

16 (f) All duly existing contracts, leases, assets and obligations of HEFA shall continue in  
17 effect but shall be assumed by the BFA. No existing right or remedy of any character shall be lost,  
18 impaired or affected by this act.

19 (g) All transfers under this section shall be completed by July 1, 2025.

20 2 New Paragraphs; Public Safety and Welfare; Business Finance Authority; Definitions. Amend  
21 RSA 162-A:2 by inserting after paragraph XVII the following new paragraphs:

22 XVIII. "Institution for postsecondary education or higher education" means an educational  
23 institution which by virtue of law or charter is a public or other nonprofit educational institution  
24 empowered to provide a program of education beyond the high school level and awards a bachelor's  
25 or graduate degree or provides a program of not less than 2 years' duration which is accepted for full  
26 credit toward a bachelor's degree.

27 XIX. "Postsecondary education or higher education official" means an individual who works  
28 for an institution for postsecondary education or higher education.

29 XX. "Participating nonprofit health care institution" means a hospital; nursing home; health  
30 maintenance organization; home health care provider; an institution providing a health care  
31 program; or ambulatory care clinic which, pursuant to the provisions of this chapter, undertakes the  
32 financing and construction or acquisition of a project or undertakes the refunding or refinancing of  
33 bonds or other obligations or of a mortgage or of advances as provided in and permitted by this  
34 chapter.

35 XXI. "Healthcare official" means an individual who works for a participating nonprofit  
36 health care institution.

1           3 Public Safety and Welfare; Business Finance Authority; Management. Amend RSA 162-A:4, I  
2 to read as follows:

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

15           4 Public Safety and Welfare; Business Finance Authority Revenue Bonds;  
16 Definitions. Amend RSA 162-I:2, III to read as follows:

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

24           5 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend  
25 RSA 162-I:2, V to read as follows:

26           V. "Eligible facility" means [a] **any project or project costs as defined in this chapter,**  
27 **including any** facility which consists of real property, personal property or both. An eligible facility  
28 may include appurtenances and structures such as pumping machinery, storage accommodations,  
29 transportation facilities or utility lines which are incidental to the operation of the facility. If less  
30 than an entire eligible facility is to be financed under this chapter, the portion of the facility which is  
31 to be financed may also be called an eligible facility. An eligible facility shall also include any  
32 intangible property, such as patents or licenses, reasonably necessary for the operation of the  
33 facility.

34           6 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend  
35 RSA 162-I:2, VIII to read as follows:

36           VIII. "Project" means **any capital improvement, purchase of receivables, property,**  
37 **assets, commodities, bonds, or other revenue streams or related assets, working capital**

1 **program or liability or other insurance program. The term “project” shall include** the  
2 creation, establishment, acquisition, construction, expansion, remodeling or replacement of an  
3 eligible facility, or of one or more structural or operational components of an eligible facility,  
4 financed by the issue of bonds under this chapter.

5 7 Public Safety and Welfare; Business Finance Authority Revenue Bonds; Definitions. Amend  
6 RSA 162-I:2, IX(g) to read as follows:

7 (g) Interest prior to and during construction and until one year after the completion of a  
8 project **and capitalized interest;**

9 8 Public Safety and Welfare; Business Finance Authority; Bonds. Amend RSA 162-I:8, II to read  
10 as follows:

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

26 9 Public Safety and Welfare; Business Finance Authority; Approval of Governor  
27 and Council. RSA 162-I:9 is repealed and reenacted to read as follows:

28 162-I:9 Approval of Governor and Council.

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

35 II. Nothing in this section shall prevent the authority from giving preliminary official  
36 approval of a proposed project or eligible facility and the financing of the proposed project or eligible  
37 facility. The finding and determination by the governor and council may be made upon the written

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1 recommendation of the authority supported by any documentation and information which the  
2 governor and council may request.

3 10 Effective Date. This act shall take effect on July 1, 2025.