

1 H.5

2 Introduced by Representative Ancel of Calais

3 Referred to Committee on

4 Date:

5 Subject: Health; town cemeteries; investment of public trust funds

6 Statement of purpose of bill as introduced: This bill proposes to allow trustees
7 of public funds to invest town cemetery funds in securities that are prudent
8 under the standards established by the Uniform Prudent Management of
9 Institutional Funds Act.

10 An act relating to investment of town cemetery funds

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 18 V.S.A. § 5384 is amended to read:

13 § 5384. PAYMENT TO TREASURER; RECORD; INVESTMENT

14 (a) Unless otherwise directed by the donor, all ~~moneys~~ monies received by
15 a town for cemetery purposes shall be paid to the town treasurer who shall give
16 a receipt therefor, which shall be recorded in the office of the town clerk in a
17 book kept for that purpose. In such book shall also be stated the amount
18 received from each donor, the time when, and the specific purpose to which the
19 use thereof is appropriated.

1 (b)(1) All ~~moneys~~ monies so received by the town may be invested and
2 reinvested by the treasurer, with the approval of the ~~selectmen~~ selectboard, by
3 deposit in:

4 (A) banks chartered by the ~~state~~ State;

5 (B) ~~or in~~ national banks;

6 (C) bonds of the United States or of municipalities whose bonds are
7 legal investment for banks chartered by the ~~state~~ State;

8 (D) ~~or in~~ bonds or notes legally issued in anticipation of taxes by a
9 town, village, or city in this ~~state~~ State, or first mortgages on real estate in
10 Vermont;

11 (E) ~~or in~~ the shares of an investment company, or an investment trust,
12 ~~which that~~ is registered under the federal Investment Company Act of 1940, as
13 amended, if such mutual investment fund has been in operation for at least ~~10~~
14 five years and has net assets of at least ~~\$10,000,000.00~~ \$100,000,000.00; or

15 (F) ~~in~~ shares of a savings and loan association of this ~~state~~ State, or
16 share accounts of a federal savings and loan association with its principal
17 office in this ~~state~~ State, when and to the extent to which the withdrawal or
18 repurchase value of such shares or accounts are insured by the Federal Savings
19 and Loan Insurance Corporation.

20 (2)(A) ~~However~~ Notwithstanding the provisions of subdivision (1) of
21 this subsection (b) and of 24 V.S.A. § 2432(b) (restricting investment options

1 for trustees of public funds), in ~~towns~~ a town that ~~elect~~ elects trustees of public
2 funds, ~~such~~ cemetery funds shall be invested by ~~such~~ the trustees in any ~~of the~~
3 securities ~~hereinbefore enumerated~~ security or investment that is prudent under
4 the standards established by the Uniform Prudent Management of Institutional
5 Funds Act, 14 V.S.A. chapter 120, and the income thereof paid to the proper
6 officers as the same falls due. Management and investment decisions must be
7 made not in isolation but rather in the context of the cemetery fund's portfolio
8 of investments as a whole and as a part of an overall investment strategy
9 having risk and return objectives reasonably suited to the fund.

10 (B) The trustees may delegate management and investment of
11 cemetery funds to the extent that is prudent under the terms of the trust or
12 endowment, and in accordance with the Uniform Prudent Management of
13 Institutional Funds Act, 14 V.S.A. § 3415 (delegation of investment functions).

14 (C) ~~The~~ Investment income ~~therefrom~~ shall be expended for the
15 purpose and in the manner designated by the donor. The provisions of this
16 section as to future investments shall not require the liquidation or disposition
17 of securities legally acquired and held.

18 Sec. 2. EFFECTIVE DATE

19 This act shall take effect on July 1, 2017.