

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred Senate  
3 Bill No. 182 entitled “An act relating to investment authority of municipal  
4 trustees of public funds” respectfully reports that it has considered the same  
5 and recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 24 V.S.A. § 2432 is amended to read:

8 § 2432. POWERS AND DUTIES; INVESTMENTS

9 (a)(1) The trustees shall apply ~~the estate~~ income of ~~such estate~~ to the  
10 purpose for which it is held, and deeds or contracts made by them shall be in  
11 the name of the town. ~~They~~

12 (2) The trustees may:

13 (A) lease, sell, or convey real estate so held; and invest the funds  
14 received therefrom; and

15 (B) ~~They may loan~~ lend estate money ~~belonging to such estate~~; at  
16 annual or semi-annual interest, and as security for ~~such loans~~ each loan shall  
17 take deeds or mortgages of real estate in this State.

18 (b) The trustees may invest in:

19 (1) any security, including a revenue obligation, issued, insured, or  
20 guaranteed by the United States;

1           (2) ~~such~~ municipal bonds or other bonds that are rated at the time of the  
2 transaction by a nationally recognized statistical rating organization, as defined  
3 in 15 U.S.C. § 78c(a)(62) as may be amended, in one of its four highest  
4 categories;

5           (3) repurchase agreements or debt securities of any federally insured  
6 financial institution as defined in 8 V.S.A. § 11101(32);

7           (4) the shares of an investment company, or an investment trust, such as  
8 a mutual fund, closed-end fund, or a unit investment trust, ~~which~~ that is  
9 registered under the federal Investment Company Act of 1940, as amended, if  
10 ~~such~~ the mutual investment fund has been in operation for at least ~~ten~~ five  
11 years and has net assets of at least ~~\$500,000,000.00~~ \$100,000,000.00; or

12           (5) deposits in federally insured financial institutions as defined in  
13 8 V.S.A. § 11101(32).

14           (c)(1) The trustees shall have full power to hold, purchase, sell, assign,  
15 transfer, and dispose of any of the securities and investments in which any of  
16 the funds ~~shall~~ have been invested, as well as the proceeds of ~~such~~ the  
17 investments.

18           (2) The trustees are encouraged to invest in financial institutions  
19 operating in the State and in investments within the State that will result in  
20 reinvestment in Vermont.



