

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 the 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~~ semiannual interest, and as security for ~~such loans~~ each
17 loan shall 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.

1 (3) The provisions of this section as to future investments shall not
2 require the liquidation or disposition of securities legally acquired and held.

3 (4) If the municipality has adopted an investment policy, the trustees
4 shall invest in accordance with the provisions of the municipal policy that do
5 not conflict with this section.

6 (d) The trustees may delegate management and investment of funds under
7 their charge to the extent that is prudent under the terms of the trust or
8 endowment, and in accordance with the Uniform Prudent Management of
9 Institutional Funds Act, 14 V.S.A. § 3415 (delegation of investment functions).
10 Notwithstanding the limitations on investments set forth in subsection (b) of
11 this section, an agent exercising a delegated management or investment
12 function may invest the funds in any security or investment that is prudent
13 under the Uniform Prudent Management of Institutional Funds Act.

14 Sec. 2. 24 V.S.A. § 4345 is amended to read:

15 § 4345. OPTIONAL POWERS AND DUTIES OF REGIONAL PLANNING

16 COMMISSIONS

17 Any regional planning commission created under this chapter may:

18 * * *

19 (16) Include in its charter and bylaws adopted pursuant to section 4343

20 of this chapter the power to:

21 * * *

1 (D) Enter into contracts with public and private entities, including the
2 State of Vermont and the federal government to provide regional planning
3 services and fulfill its duties pursuant to this section and section 4345a of this
4 title.

5 (E) Invest funds held in reserve in any security or investment that is
6 prudent under the Uniform Prudent Management of Institutional Funds Act.
7 This subdivision (E) only shall apply to funds whose investment is not
8 otherwise restricted by State or federal law; the terms of a grant, gift, or devise;
9 or the terms of a contract or service agreement formed under this chapter.

10 * * *

11 Sec. 3. 18 V.S.A. § 5384 is amended to read:

12 § 5384. PAYMENT TO TREASURER; RECORD; INVESTMENT

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

19 (b)(1) All monies so received by the town may be invested and reinvested
20 by the treasurer, with the approval of the selectboard, by deposit in:

21 * * *

1 (3) The treasurer, selectboard, or trustees of public funds may delegate
2 management and investment of town cemetery funds to the extent that it is
3 prudent under the terms of the trust or endowment, and in accordance with the
4 Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. § 3415
5 (delegation of investment functions). ~~An~~ Notwithstanding the limitations on
6 investments set forth in this subsection, an agent exercising a delegated
7 management or investment function may invest cemetery funds ~~only in the~~
8 ~~securities enumerated in this section~~ in any security or investment that is
9 prudent under the Uniform Prudent Management of Institutional Funds Act.

10 (4) If the municipality has adopted an investment policy, the treasurer,
11 selectboard, or trustees of public funds shall invest in accordance with the
12 provisions of the municipal policy that do not conflict with this section.

13 Sec. 4. EFFECTIVE DATE

14 This act shall take effect on passage.

15

16 (Committee vote: _____)

17

18

Senator _____

19

FOR THE COMMITTEE