

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
16 give a receipt therefor, which shall be recorded in the office of the town clerk
17 in a 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
19 ~~the 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)~~ (A) banks chartered by the ~~state~~ State;

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

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

15 ~~\$100,000,000.00, or~~

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

16 ~~(F) or~~ (F) shares of a savings and loan association of this ~~state~~ State, or

1 ~~share accounts of a federal savings and loan association with its principal~~
2 office in this state State, when and to the extent to which the withdrawal or
3 repurchase value of such shares or accounts are insured by the Federal Savings
4 and Loan Insurance Corporation.

5 ~~(2)(A) However Notwithstanding the provisions of subdivision (1) of~~
6 ~~this subsection (b) and of 24 V.S.A. § 2432(b) (restricting investment options~~
7 ~~for trustees of public funds), in towns a town that elect elects trustees of public~~
8 ~~funds, such cemetery funds shall be invested by such the trustees in any of the~~
9 ~~securities hereinbefore enumerated security or investment that is prudent under~~
10 ~~the standards established by the Uniform Prudent Management of Institutional~~
11 ~~Funds Act, 14 V.S.A. chapter 120, and the income thereof paid to the proper~~
12 ~~officers as the same falls due. Management and investment decisions must be~~
13 ~~made not in isolation but rather in the context of the cemetery fund's portfolio~~
14 ~~of investments as a whole and as a part of an overall investment strategy~~
15 ~~having risk and return objectives reasonably suited to the fund.~~

16 ~~(B) The trustees may delegate management and investment of~~
17 ~~cemetery funds to the extent that is prudent under the terms of the trust or~~
18 ~~endowment, and in accordance with the Uniform Prudent Management of~~
19 ~~Institutional Funds Act, 14 V.S.A. § 2415 (delegation of investment functions).~~

*(2)(A) However, in towns a town that elect elects trustees of public
funds, such cemetery funds shall be invested by such the trustees in any of the*

~~securities hereinbefore enumerated in this section, and the income thereof paid to the proper officers as the same falls due.~~

~~(B) The trustees may delegate management and investment of cemetery funds to the extent that is prudent under the terms of the trust or endowment, and in accordance with Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. § 3415 (delegation of investment functions). An agent exercising a delegated management or investment function shall invest cemetery funds in any of the securities enumerated in this section.~~

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

5 Sec. 2. EFFECTIVE DATE

6 ~~This act shall take effect on July 1, 2017.~~

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

§ 5384. PAYMENT TO TREASURER; RECORD; INVESTMENT

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

use thereof is appropriated.

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

(A) banks chartered by the state State;

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

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

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

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

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

(2)(A) However, in towns a town that elect elects trustees of public funds, such cemetery funds shall be invested by such the trustees in any of the securities hereinbefore enumerated in this section, and the income thereof paid to the proper officers as the same falls due.

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

(3) The treasurer, selectboard, or trustees of public funds may delegate management and investment of town cemetery funds to the extent that it is prudent under the terms of the trust or endowment, and in accordance with the Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. § 3415 (delegation of investment functions). An agent exercising a delegated management or investment function may invest cemetery funds only in the securities enumerated in this section.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2017.