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H.367

Introduced by Representative Yantachka of Charlotte

Referred to Committee on

Date:

Subject: Health; cemeteries; general provisions; investment of funds

Statement of purpose of bill as introduced: This bill proposes to allow cemetery associations to manage perpetual care funds in accordance with investment policies adopted by the cemetery association.

An act relating to the management of perpetual care funds by cemetery associations

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

~~Sec. 1. 18 V.S.A. § 5437 is amended to read:~~

~~§ 5437. INVESTMENT~~

~~A cemetery association shall invest such trust funds and shall expend the income therefrom in accordance with the provisions of Notwithstanding section 5309 of this title, a cemetery association that hold funds in trust for perpetual care may invest these funds in accordance with investment policies adopted by the cemetery association. The investment policies shall specify the purpose and objectives for managing and administering the perpetual care funds. Portfolios must be well diversified, using instruments and allocations~~

1 ~~that are prudently selected and intended to achieve short- and long-term~~
2 ~~objectives. Cemetery associations may delegate management to investment~~
3 ~~managers that are registered with the U.S. Securities and Exchange~~
4 ~~Commission and have fiduciary responsibility for the management of the~~
5 ~~assets.~~

Sec. 1. 18 V.S.A. § 5437 is amended to read:

§ 5437. INVESTMENT

6 *A cemetery association shall invest such trust funds and shall expend the*
7 *income therefrom in accordance with the provisions of in the same manner as*
8 *town cemeteries pursuant to section 5309 5384 of this title and may delegate*
9 *the management and investment of cemetery association funds pursuant to*
10 *subdivision (b)(3) of that section.*

11 **Sec. 2. EFFECTIVE DATE**

~~This act shall take effect on July 1, 2021/2022.~~

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 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 The book shall also be stated state the*

~~amount received from each donor, the time when, and the specific purpose to
for which the use thereof it is appropriated.~~

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

~~(A) banks chartered by the State certificates of deposit and other
evidences of deposit at Vermont, national, or federal chartered banks, and
savings and loan associations that are guaranteed or insured by the Federal
Deposit Insurance Corporation or its successor;~~

~~(B) national banks obligations of the United States, its agencies, and
instrumentalities, which have a liquid market with readily determinable market
value;~~

~~(C) bonds of the United States or of municipalities whose bonds are
legal investment for banks chartered by the State investment-grade obligations
of state or local governments, instrumentalities, and public authorities; and~~

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

~~(E) the shares of an investment company or an investment trust, 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 fund
has been in operation for at least five years and has net assets of at least
\$100,000,000.00; or~~

~~(F) shares of a savings and loan association of this State, or share accounts of a federal savings and loan association with its principal office in this 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.~~

* * *

Sec. 2. 18 V.S.A. § 5437 is amended to read:

§ 5437. INVESTMENT

~~A cemetery association shall invest such trust funds and shall expend the income therefrom in accordance with the provisions of in the same manner as town cemeteries pursuant to section 5309 5384 of this title and may delegate the management and investment of cemetery association funds pursuant to subdivision (b)(3) of that section.~~

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2022.