

SENATE No. 1298

The Commonwealth of Massachusetts

PRESENTED BY:

Anne M. Gobi

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act authorizing municipal use of the prudent investor standards.

PETITION OF:

NAME:

Anne M. Gobi

DISTRICT/ADDRESS:

Worcester and Hampshire

SENATE No. 1298

By Ms. Gobi, a petition (accompanied by bill, Senate, No. 1298) of Anne M. Gobi for legislation to authorize municipal use of the prudent investor standards. Municipalities and Regional Government.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1336 OF 2021-2022.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act authorizing municipal use of the prudent investor standards.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 54 of chapter 44 of the General Laws, as appearing in the 2022
2 Official Edition, is hereby amended by inserting the following subtitle:

3 “(a) General Rule:”

4 Section 2. Said section is hereby amended by inserting at the end thereof, the following
5 subsection:-

6 (b) Prudent Investor Rule

7 This paragraph shall take effect in any city, town or district upon acceptance in
8 accordance with the provisions of General Laws Chapter 4, Section 4. Upon acceptance of this
9 paragraph any city, town, or district may manage trust funds held in its custody as a combined

10 investment pool and may invest said funds in accordance with the provisions of the
11 Massachusetts Prudent Investor Act of Chapter 203C of the General Laws and not in accordance
12 with paragraph (a) of this section. If any provision of this paragraph conflicts with the terms of a
13 bequest, trust, or other instrument that expresses the clear intent of the donor, then such funds
14 may be managed and invested only in accordance with the terms of such bequest, trust, or other
15 instrument.