

**SENATE . . . . . No. 761**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Mr. Brewer**

*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 passage of the accompanying bill:

An Act authorizing municipal use of the prudent investor standards.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Mr. Brewer	Worcester, Hampden, Hampshire and Franklin
Viriato Manuel deMacedo	1st Plymouth
George N. Peterson, Jr.	9th Worcester
Bruce E. Tarr	First Essex and Middlesex

# The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine  
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## 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 is hereby amended as follows:

2 The current text of General Laws Chapter 44, Section 54, shall be subtitled “(a) General Rule:”  
3 and the following paragraph shall be added to said section 54 as follows:

4 (b) Prudent Investor Rule

5 This paragraph shall take effect in any city, town or district upon acceptance in accordance  
6 with the provisions of General Laws Chapter 4, Section 4. Upon acceptance of this paragraph  
7 any city, town, or district may manage trust funds held in its custody as a combined investment  
8 pool and may invest said funds in accordance with the provisions of the Massachusetts Prudent  
9 Investor Act (General Laws Chapter 203C) and not in accordance with paragraph (a) of this  
10 section. If any provision of this paragraph conflicts with the terms of a bequest, trust or other  
11 instrument that expresses the clear intent of the donor, then such funds may be managed and  
12 invested only in accordance with the terms of such bequest, trust or other instrument.