

**SB 361 STAFF MEASURE SUMMARY**

**Senate Committee On Judiciary**

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**Prepared By:** Channa Newell, Counsel

**Meeting Dates:** 2/4

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**WHAT THE MEASURE DOES:**

Allows trustee to consider additional factors affecting investments, such as environmental, social, and governance factors while acting as a prudent investor.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

A trustee who invests and manages money on behalf of beneficiaries must adhere to the prudent investor rules. A prudent investor must exercise reasonable care, skill, and caution in considering investments and financial management. Additionally, trustees must consider all relevant circumstances, such as general economic conditions, possible effects of inflation or deflation, tax consequences, the portfolio as a whole, income and appreciation of capital, the need for liquidity and regularity of income, other resources of the beneficiaries, and any special value of an asset.

Senate Bill 361 allows a trustee to consider additional factors within the role of a prudent investor. These factors include environmental, social, and governance factors.