

SENATE BILL 264

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2001 Regular Session  
11r1439  
CF 11r2825

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By: **Senator Jimeno**  
Introduced and read first time: January 26, 2001  
Assigned to: Judicial Proceedings

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Committee Report: Favorable  
Senate action: Adopted  
Read second time: March 1, 2001

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CHAPTER 31

1 AN ACT concerning

2 **Investment Companies - Directors**

3 FOR the purpose of validating, by repealing and reenacting without amendments, a  
4 certain provision of a previous Act of the General Assembly providing that  
5 certain directors of certain investment companies shall be deemed to be  
6 independent and disinterested for purposes of performing their duties; restating  
7 a provision of the previous Act providing for the retroactive application of  
8 certain provisions of the Act; and stating the intent of the General Assembly.

9 BY repealing and reenacting, without amendments,  
10 Chapter 397 of the Acts of the General Assembly of 1998, as reenacted by  
11 Chapter 1 of the Acts of the General Assembly of 2000  
12 Section 2 and 3

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Chapter 397 of the Acts of 1998, as reenacted by Chapter 1 of the Acts of 2000**

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
17 read as follows:

18 **Article - Corporations and Associations**

19 2-405.3.

20 (A) THIS SECTION APPLIES TO A CORPORATION THAT IS AN INVESTMENT  
21 COMPANY, AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940.

1 (B) A DIRECTOR OF A CORPORATION WHO WITH RESPECT TO THE  
2 CORPORATION IS NOT AN INTERESTED PERSON, AS DEFINED BY THE INVESTMENT  
3 COMPANY ACT OF 1940, SHALL BE DEEMED TO BE INDEPENDENT AND  
4 DISINTERESTED WHEN MAKING ANY DETERMINATION OR TAKING ANY ACTION AS A  
5 DIRECTOR.

6 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
7 be construed retroactively and shall be applied to and interpreted to affect only those  
8 cases filed on or after January 30, 1998.

9 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the  
10 General Assembly to repeal and reenact without amendments Sections 2 and 3 of  
11 Chapter 397 of the Acts of the General Assembly of 1998 in order to validate their  
12 enactment.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 June 1, 2001.