

Chapter 423

(House Bill 772)

AN ACT concerning

Local Government Investments – Self-Insurance Funds and Trust Fund Accounts of Political Subdivisions

FOR the purpose of authorizing the trustees or other officers in charge of a trust fund account or fund for self-insurance purposes of a political subdivision of the State or a unit of a political subdivision to make certain investments in a certain manner; and generally relating to investments by local governments.

BY repealing and reenacting, with amendments,
Article – Local Government
Section 17–102
Annotated Code of Maryland
(2013 Volume)

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

Article – Local Government

17–102.

(a) In this section, “other postemployment benefits” means:

- (1) postemployment health care benefits; and
- (2) postemployment benefits provided separately from a pension plan.

(b) Notwithstanding § 17–101 of this subtitle, the trustees or other officers in charge of a pension or retirement system or fund [or], other postemployment benefits fund, **TRUST FUND ACCOUNT, OR FUND FOR SELF-INSURANCE PURPOSES** of a political subdivision of the State or a unit of a political subdivision of the State:

- (1) may:
 - (i) invest and reinvest money in their custody or control as provided by a law enacted by the governing body of the political subdivision; and
 - (ii) sell, redeem, or exchange an investment or reinvestment made under this item; and

(2) shall comply with fiduciary standards that at least meet the standards in Title 21, Subtitle 2 of the State Personnel and Pensions Article in connection with money in their custody or control.

(c) (1) Notwithstanding any other law, a political subdivision of the State or a unit of a political subdivision of the State may enter into an agreement with a third party contractor or vendor for the management or investment of money intended for other postemployment benefits.

(2) An agreement entered into under this subsection includes the authority to:

(i) create pooled investments under the stewardship of:

1. a political subdivision of the State or a unit of a political subdivision of the State; or

2. a separate body under an agreement with a political subdivision of the State;

(ii) create one or more accounts to be managed in coordination with other funds or investments by a third party under an agreement with a political subdivision of the State; and

(iii) create distinct funding accounts for payment on behalf of employees of a unit of a political subdivision of the State under an agreement with the political subdivision.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.