

HOUSE BILL 772

L2
HB 174/12 – APP

4lr2326

By: **Delegates George, James, McConkey, and Proctor**

Introduced and read first time: February 3, 2014

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: March 4, 2014

CHAPTER _____

1 AN ACT concerning

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

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

8 BY repealing and reenacting, with amendments,
9 Article – Local Government
10 Section 17–102
11 Annotated Code of Maryland
12 (2013 Volume)

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

15 **Article – Local Government**

16 17–102.

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

18 (1) postemployment health care benefits; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2) postemployment benefits provided separately from a pension plan.

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

6 (1) may:

7 (i) invest and reinvest money in their custody or control as
8 provided by a law enacted by the governing body of the political subdivision; and

9 (ii) sell, redeem, or exchange an investment or reinvestment
10 made under this item; and

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

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

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

20 (i) create pooled investments under the stewardship of:

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

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

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

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

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