

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

A BILL ENTITLED

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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.