

# HOUSE BILL 1410

L6, K4

9lr3104

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By: **Delegate Beitzel**

Introduced and read first time: March 1, 2019

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Upper Potomac River Commission – Pension Plans**

3 FOR the purpose of authorizing certain trustees or officers of the Upper Potomac River  
4 Commission to invest and reinvest certain money in their custody or control in  
5 accordance with certain rules or procedures; requiring any pension plan controlled  
6 by the Commission on or after a certain date to adhere to certain principles that  
7 address the investment and management of funds for a public pension system;  
8 providing for the application of this Act; and generally relating to pension plans  
9 controlled by the Upper Potomac River Commission.

10 BY repealing and reenacting, with amendments,

11 Article – Local Government  
12 Section 17–102  
13 Annotated Code of Maryland  
14 (2013 Volume and 2018 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – State Personnel and Pensions  
17 Section 40–101  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume and 2018 Supplement)

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

22 **Article – Local Government**

23 17–102.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) postemployment health care benefits; and

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

3 (b) Notwithstanding § 17–101 of this subtitle, the trustees or other officers in  
4 charge of a pension or retirement system or fund, other postemployment benefits fund,  
5 trust fund account, fund for self–insurance purposes, or facility closure reserve fund of a  
6 political subdivision of the State [or], a unit of a political subdivision of the State, **OR THE**  
7 **UPPER POTOMAC RIVER COMMISSION:**

8 (1) may:

9 (i) invest and reinvest money in their custody or control as provided  
10 by:

11 1. a law enacted by the governing body of the political  
12 subdivision; **OR**

13 2. **IN THE CASE OF THE UPPER POTOMAC RIVER**  
14 **COMMISSION, RULES OR PROCEDURES ESTABLISHED BY THE COMMISSION;** and

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

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

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

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

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

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

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

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

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

7 (d) (1) Notwithstanding any other law, a political subdivision of the State or a  
8 unit of a political subdivision of the State may enter into an agreement with a third party  
9 contractor or vendor for the management or investment of money in a facility closure  
10 reserve fund.

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

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

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

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

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

## 21 Article – State Personnel and Pensions

22 40–101.

23 (a) In this section, “local jurisdiction” means any county or municipal corporation  
24 in the State.

25 (b) (1) Subject to any other provision of State or federal law, a local jurisdiction  
26 that establishes a public pension system on or after July 1, 2005, is required to adhere to  
27 the principles incorporated in the Uniform Management of Public Employee Retirement  
28 Systems Act that address the investment and management of funds for a public pension  
29 system.

30 (2) **SUBJECT TO ANY OTHER PROVISION OF STATE OR FEDERAL LAW,**  
31 **ANY PENSION PLAN CONTROLLED BY THE UPPER POTOMAC RIVER COMMISSION ON**  
32 **OR AFTER JULY 1, 2019, IS REQUIRED TO ADHERE TO THE PRINCIPLES**  
33 **INCORPORATED IN THE UNIFORM MANAGEMENT OF PUBLIC EMPLOYEE**

1 **RETIREMENT SYSTEMS ACT THAT ADDRESS THE INVESTMENT AND MANAGEMENT**  
2 **OF FUNDS FOR A PUBLIC PENSION SYSTEM.**

3 (c) This section may not be construed to affect the authority of the legislative  
4 governing body of a local jurisdiction over the budget for a public pension system  
5 established on or after July 1, 2005.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
7 apply only prospectively and may not be applied or interpreted to have any effect on or  
8 application to any investment of funds made before the effective date of this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2019.