

SB0776/813628/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 776
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “**Portfolio**” insert “**and Local Government Investment Guidelines**”; in line 3, after “of” insert “requiring the Treasurer to consult with governmental entities prior to proposing certain regulations;”; in line 6, strike “local”; in line 7, strike “units” and substitute “entities”; in line 7, after “standards;” insert “authorizing the Treasurer to retain investments made prior to the effective date of this Act until the investments have reached their respective maturity dates; authorizing the Treasurer and governmental entities to invest or reinvest certain surplus funds in accordance with certain provisions of law prior to the adoption of certain regulations;”; and after line 8 insert:

“BY repealing and reenacting, with amendments,

Article – Local Government

Section 17-204

Annotated Code of Maryland

(2013 Volume and 2023 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 15, insert:

“Article – Local Government

17-204.

(a) **(1)** After consulting with the governmental entities, the State Treasurer shall adopt by regulation local government investment guidelines to govern the investment of public money by the entities in a manner that:

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[(1)] (I) facilitates sound cash management;

[(2)] (II) protects the public; and

[(3)] (III) ensures that each entity has access to its public money.

(2) PRIOR TO ADOPTING REGULATIONS THAT ALTER THE TYPES OF INVESTMENTS IN WHICH GOVERNMENTAL ENTITIES MAY INVEST PUBLIC MONEY, THE STATE TREASURER SHALL CONSULT WITH THE GOVERNMENTAL ENTITIES.

(b) The local government investment guidelines shall:

(1) specify the types of investments in which public money may be invested;

(2) include guidance for the prudent investment of public money based on cash flow projections, income, liquidity, investment ratings, and risk;

(3) require that investments by a county board of education and a county board of library trustees comply with the local investment policy of the county; and

(4) prohibit the borrowing of money for the express purpose of investment.”.

On page 5, in line 21, after “That” insert “:

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(a) Notwithstanding any other provision of law, the Treasurer may retain investments made prior to the effective date of this Act until the investments have reached their respective maturity dates.

(b) Notwithstanding the changes to § 6–222 of the State Finance and Procurement Article as enacted by Section 1 of this Act, the Treasurer may invest or reinvest surplus money in the investments authorized under the former § 6–222 of the State Finance and Procurement Article as in effect immediately preceding the effective date of this Act until the effective date of the regulations amending the State investment policy are adopted by the Treasurer in accordance with Section 3 of this Act.

(c) Notwithstanding the changes to § 6–222 of the State Finance and Procurement Article as enacted by Section 1 of this Act, the governmental entities described in § 17–203 of the Local Government Article may invest or reinvest surplus money in the investments authorized under the former § 6–222 of the State Finance and Procurement Article as in effect immediately preceding the effective date of this Act until the effective date of the regulations amending the local government investment guidelines are adopted by the Treasurer in accordance with Section 3 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That”;

in line 22, strike “the” and substitute “:

(i)”;

in the same line, after “regulations” insert “amending the State investment policy in accordance with § 6–222 of the State Finance and Procurement Article as enacted by Section 1 of this Act”; strike beginning with “required” in line 22 down through “Act” in line 23; after line 23, insert:

(Over)

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“(ii) regulations amending the local government investment guidelines in accordance with § 17–204 of the Local Government Article as enacted by Section 1 of this Act; and”;

in line 24, after “regulations” insert “amending the local government investment guidelines”; in lines 24 and 25, strike “Section 1 of this Act” and substitute “item (1) of this section”; in line 26, strike “local”; in line 27, strike “unit” and substitute “entity”; in line 28, strike “updated State investment policy;” and substitute “amended local government investment guidelines;”; and in line 29, strike “local government” and substitute “governmental entity”.

On page 6, in line 1, strike “3.” and substitute “4.”.