
By: Delegate Workman

Introduced and read first time: January 26, 1996

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Local Governments - Investment Authority - Credit Union Deposits**

3 FOR the purpose of expanding the manner in which surplus money of specified local
4 government entities may be invested to include deposits in credit unions, subject to
5 certain collateral requirements; making stylistic changes; and generally relating to
6 investment options available to political subdivisions.

7 BY repealing and reenacting, with amendments,

8 Article 95 - Treasurer

9 Section 22(a)

10 Annotated Code of Maryland

11 (1995 Replacement Volume)

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

14 **Article 95 - Treasurer**

15 22.

16 (a) Except as provided in subsection (c) of this section, and subject to § 22F of
17 this article, and notwithstanding any provision of a local law or ordinance, the county
18 commissioners of each county of the State, and the chief fiscal or administrative officer or
19 officers or governing body of each municipality, town, body politic, public body corporate,
20 school, road, drainage, improvement, construction or soil conservation district or
21 commission in the State, including, by way of enumeration and not in limitation, the
22 Upper Potomac River Commission, and county school boards and other political
23 subdivisions and bodies politic of the State and any agency of any political subdivision of
24 the State are hereby severally directed, authorized and empowered to invest, redeem, sell,
25 exchange and reinvest all unexpended or surplus [moneys] MONEY in any fund or
26 account of which they have custody or control in obligations or repurchase agreements in
27 accordance with § 6-222 of the State Finance and Procurement Article, or to deposit
28 [said moneys] SURPLUS MONEY in any bank [or banks] in the State of Maryland [or],
29 in any savings and loan association [or savings and loan associations or], in any building
30 and loan association [or building and loan associations], OR IN ANY CREDIT UNION in
31 interest-bearing time deposit [and/or] OR savings accounts, or in the local government
32 investment pool created in this article. In Prince George's County the Chief Fiscal Officer

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1 is hereby authorized and empowered to invest, redeem, sell, exchange, and reinvest
2 unexpended or surplus [moneys] MONEY in any fund or account of which [he] THE
3 CHIEF FISCAL OFFICER has custody or control, in addition to all those items previously
4 listed herein, and with the approval of the county council, in any enterprise fund operated
5 by and for the benefit of Prince George's County and its residents. [Such deposits]
6 DEPOSITS in banks [or in], savings and loan associations [or], building and loan
7 associations, OR CREDIT UNIONS shall only be made if the [bank or] BANKS, savings
8 and loan associations [or], building and loan associations [has], OR CREDIT UNIONS
9 HAVE deposited a like amount of bonds in escrow, as now prescribed by law, covering
10 bank deposits, savings and loan deposits, building and loan deposits, OR CREDIT UNION
11 DEPOSITS or if the bank, savings and loan association [or], building and loan association,
12 OR CREDIT UNION has given as security for these deposits any of the types of collateral
13 set forth in § 6-202 of the State Finance and Procurement Article. The interest or income
14 from any such investment or deposit shall be and become a part of the fund from which
15 the investment or deposit was made and may itself be so invested or deposited, provided,
16 however, that where the fund so invested, or deposited constitutes the proceeds of the
17 issue of bonds or other obligations, the principal of [and/or] OR interest on which the
18 issuer is obligated to repay to the holders thereof, the interest or income from such
19 investments may be used to pay the principal [and/or] OR interest on the same by the
20 issuer. Investments or deposits made pursuant to this section may be withdrawn or altered
21 from time to time by the investing or depositing officer or governing body either to meet
22 the requirements for which such funds are held or for reinvestment pursuant to the terms
23 hereof.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 1996.