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By: **Senator Currie (Joint Committee on the Management of Public Funds)**

Introduced and read first time: February 23, 1998

Assigned to: Rules

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 10, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Local Governments - Investment Reporting Requirements**

3 FOR the purpose of repealing a certain annual reporting requirement of certain local  
4 government units concerning certain investments by the local government units;  
5 repealing a certain annual reporting requirement of the State Treasurer  
6 concerning investments made by certain local government units; and generally  
7 relating to investment reporting requirements for local governments.

8 BY repealing and reenacting, with amendments,  
9 Article 95 - Treasurer  
10 Section 22N  
11 Annotated Code of Maryland  
12 (1995 Replacement Volume and 1997 Supplement)

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

15 **Article 95 - Treasurer**

16 22N.

17 [(a)] Notwithstanding any provision of law to the contrary or any limitation or  
18 restriction contained in any other law, whenever the county commissioners of any  
19 county of the State, or the chief fiscal or administrative officer or officers or governing  
20 body of any municipality, town, body politic, public body corporate, school, road,  
21 drainage, improvement, construction, or soil conservation district or commission in  
22 the State, including, by way of enumeration and not in limitation, the Upper Potomac

1 River Commission, or any county school board or other political subdivision or bodies  
2 politic of the State, or any agency of any political subdivision of the State, or the  
3 trustees or other officers in charge of any pension or retirement system or fund of the  
4 State or any political subdivision thereof or any agency or department of either are  
5 directed, authorized, empowered, or permitted to invest in, purchase, or take as  
6 collateral a bond, obligation, or other evidence of indebtedness of the United States of  
7 America, they are directed, authorized, empowered, and permitted to invest in,  
8 purchase, or take as collateral an obligation or security of, or other interest in, any  
9 open-end or closed-end management type investment company or investment trust  
10 registered under the provisions of the federal Investment Company Act of 1940, 15  
11 U.S.C. § 80A-1 et seq., if:

12           (1)       The portfolio of the open-end or closed-end management type  
13 investment company or investment trust is limited to direct obligations of the United  
14 States government and to repurchased agreements fully collateralized by United  
15 States government obligations; and

16           (2)       The open-end or closed-end management type investment company  
17 or investment trust takes delivery of that collateral, either directly or through an  
18 authorized custodian.

19       [(b)       Each of the local government entities, bodies, and agencies set out in  
20 subsection (a) of this section shall report annually to the Treasurer, in accordance  
21 with procedures established by the Treasurer, on any investments made under this  
22 section.

23       (c)       (1)       Subject to § 2-1246 of the State Government Article, the Treasurer  
24 shall report by January 3 of each year to the General Assembly on any investments  
25 made by local government entities under this section during the preceding fiscal year.

26           (2)       The report shall include a detailed review of:

27                   (i)       The amount and duration of each investment;

28                   (ii)       The net interest or net income earned on the investment;

29                   (iii)       Any management fee or other fees or expenses paid directly by  
30 the local government entity in connection with the investment; and

31                   (iv)       A comparison between the investment and a comparable  
32 investment in the local government investment pool established under § 22G of this  
33 article.]

34       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 October 1, 1998.

