

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 415 (Senator Currie)
(Joint Committee on the Management of Public Funds)

Budget and Taxation

State Treasurer - Permissible Investments - Money Market Mutual Funds

This bill ensures that the investments of money market mutual funds by the State Treasurer and local governments contain only the securities of the U.S. Treasury, U.S. government agencies or instrumentalities, and repurchase agreements backed by the U.S. government.

Fiscal Summary

State Effect: None. The bill codifies current State practice.

Local Effect: Minimal decrease in local revenues beginning in FY 1999. Expenditures would not be affected.

Small Business Effect: None.

Fiscal Analysis

Local Revenues: State Finance and Procurement Article §6-222 regulates local government investment programs. Several local governments have invested in money market mutual funds that contain securities other than the U.S. Treasury, U.S. government agencies or instrumentalities, or repurchase agreements. These prime funds that local governments may invest in provide higher yields but have greater risk than Treasury funds. This bill's requirements would decrease local revenues by approximately \$30,000 annually beginning in fiscal 1999.

Information Source(s): State Treasurer, Department of Legislative Services

Fiscal Note History:

First Reader - February 16, 1998

Inc

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