

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 561 (Charles County Delegation)

Appropriations

Charles County - County Treasurer - Investments and Deposits

This bill broadens the Charles County Treasurer's investment options, adding obligations that a federal agency or instrumentality has issued in accordance with an act of the United States Congress to the investments the treasurer may pursue. The bill also expands the types of collateral a financial institution may use to insure investments made by the treasurer.

Fiscal Summary

State Effect: None. Only Charles County finances would be affected.

Local Effect: Charles County revenues could increase by \$25,000 to \$40,000 annually due to the higher yield rates of the added investment option. Expenditures would not be impacted.

Small Business Effect: None.

Analysis

Current Law: The Charles County Treasurer may invest in short-term United States government securities or repurchase agreements fully secured by United States government securities, so long as the maturities of the investments do not exceed 270 days. The county's treasurer may also place county funds into the local government investment pool run by the State Treasurer or in income-producing bank accounts. Investments and deposits are subject to the approval of the County Commissioners and may only be made when the bank or financial institution receiving the deposit has set aside in escrow a like amount of United States Treasury bills, bonds, or notes as collateral.

Local Revenues: Charles County advises that revenues could increase by approximately \$25,000 to \$40,000 per year if the investment option is used and continues to provide a higher yield than other investment options. The county further advises that the added

alternative is more flexible and may allow the county to put more money into federal government investment options.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Charles County, Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2000
cm/jr Revised - House Third Reader - March 29, 2000

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