
By: **Senator Jimeno**
Introduced and read first time: January 26, 2001
Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Investment Companies - Directors**

3 FOR the purpose of validating, by repealing and reenacting without amendments, a
4 certain provision of a previous Act of the General Assembly providing that
5 certain directors of certain investment companies shall be deemed to be
6 independent and disinterested for purposes of performing their duties; restating
7 a provision of the previous Act providing for the retroactive application of
8 certain provisions of the Act; and stating the intent of the General Assembly.

9 BY repealing and reenacting, without amendments,
10 Chapter 397 of the Acts of the General Assembly of 1998, as reenacted by
11 Chapter 1 of the Acts of the General Assembly of 2000
12 Section 2 and 3

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

15 **Chapter 397 of the Acts of 1998, as reenacted by Chapter 1 of the Acts of 2000**

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
17 read as follows:

18 **Article - Corporations and Associations**

19 2-405.3.

20 (A) THIS SECTION APPLIES TO A CORPORATION THAT IS AN INVESTMENT
21 COMPANY, AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940.

22 (B) A DIRECTOR OF A CORPORATION WHO WITH RESPECT TO THE
23 CORPORATION IS NOT AN INTERESTED PERSON, AS DEFINED BY THE INVESTMENT
24 COMPANY ACT OF 1940, SHALL BE DEEMED TO BE INDEPENDENT AND
25 DISINTERESTED WHEN MAKING ANY DETERMINATION OR TAKING ANY ACTION AS A
26 DIRECTOR.

1 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
2 be construed retroactively and shall be applied to and interpreted to affect only those
3 cases filed on or after January 30, 1998.

4 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
5 General Assembly to repeal and reenact without amendments Sections 2 and 3 of
6 Chapter 397 of the Acts of the General Assembly of 1998 in order to validate their
7 enactment.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2001.