

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 264 (Senator Jimeno)

Judicial Proceedings

Economic Matters

Investment Companies - Directors

This bill provides that a director of a corporation that is an investment company shall be deemed independent and disinterested when making any determination or taking any action as a director if that director is not an interested person as defined by the Investment Company Act of 1940.

The bill takes effect July 1, 2001, is to be construed retroactively, and is to be applied and interpreted to affect only those cases filed on or after January 30, 1998.

Fiscal Summary

State Effect: The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: See background section.

Background: The bill's provisions were previously enacted in Chapter 397 of 1998 (Corporations and Associations – Resident Agents and Directors) and reenacted in Chapter 1 of 2000 (Annual Curative Bill). The Drafter's Note to Chapter 1 of 2000 states that Sections 2 and 3 of Chapter 397 of 1998 are being repealed and reenacted, without amendment, to ratify their enactment and to address objections regarding a possible

violation of the one subject requirement of Article III, section 29 of the Maryland Constitution.

Article III, section 29 of the Maryland Constitution provides that every law enacted by the General Assembly must embrace but one subject which shall be described in its title.

Additional Information

Prior Introductions: The bill's provisions were previously enacted in Chapter 397 of 1998 (SB 468) and reenacted in Chapter 1 of 2000 (SB 158).

Cross File: HB 1045 (Delegate Barve) – Economic Matters.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader – February 12, 2001
ncs/jr

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