

Department of Legislative Services  
Maryland General Assembly  
2005 Session

FISCAL AND POLICY NOTE

House Bill 1470

(Delegate Montgomery, *et al.*)

Environmental Matters

Education, Health, and Environmental  
Affairs

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Natural Resources - Chesapeake Bay Trust - Investments

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This bill requires that the overall investment portfolio of the Chesapeake Bay Trust have a rating of at least AA. The bill also modifies the authority of the trust to invest in bonds or other securities.

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Fiscal Summary

**State Effect:** The bill would not materially affect State operations or finances.

**Local Effect:** The bill would not materially affect local operations or finances.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Except under specified conditions, any money of the trust may be invested in bonds or other obligations of, or guaranteed as to principal and interest by, the United States, the State, or the political subdivisions or units of the State.

**Background:** The Chesapeake Bay Trust is a private, nonprofit organization established by the General Assembly in 1985 to promote public awareness and participation in the restoration and protection of the water quality and aquatic and land resources of the Chesapeake Bay.

The trust advises that the purpose of the bill is to provide it with flexibility in investing its funds. According to the trust, by allowing it to invest in mortgage-backed securities,

corporate and agency bonds, and treasury notes, the trust would be able to better maximize income for grant-giving needs, using a sound investment approach that is diversified and mitigates risk.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Chesapeake Bay Trust, Department of Natural Resources,  
Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2005  
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