

HOUSE BILL 1585

L6

8lr3253
CF SB 945

By: **Delegates Griffith, Aumann, Barkley, Bates, Bohanan, Branch, G. Clagett, Eckardt, Guzzone, Haynes, James, Jones, Levy, Robinson, and Schuh**

Introduced and read first time: February 29, 2008

Assigned to: Rules and Executive Nominations

Re-referred to: Appropriations, March 7, 2008

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2008

CHAPTER _____

1 AN ACT concerning

2 **Local Governments – Postemployment Benefits – Investment of Funds**

3 FOR the purpose of authorizing a political subdivision of the State or a unit of a
4 political subdivision of the State to enter into certain agreements with third
5 party contractors or vendors for the management or investment of certain
6 money intended for certain postemployment benefits; providing that an
7 agreement entered into under this Act includes the authority to create certain
8 investments and accounts; authorizing the governing authority of any local
9 government to direct its financial officer to remit certain funds to the State
10 Treasurer for a certain purpose; and generally relating to the investment of
11 funds by local governments.

12 BY repealing and reenacting, with amendments,
13 Article 95 – Treasurer
14 Section 22(b) and 22G(c)
15 Annotated Code of Maryland
16 (2003 Replacement Volume and 2007 Supplement)

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

19 **Article 95 – Treasurer**

20 22.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (b) (1) In this subsection, “other postemployment benefits” means
 2 postemployment health care benefits, regardless of the type of plan that provides
 3 them, and all postemployment benefits provided separately from a pension plan.

4 (2) The trustees or other officers in charge of any pension or
 5 retirement system or fund or other postemployment benefits fund of any political
 6 subdivision of the State or any agency or department of the political subdivision may
 7 invest, redeem, sell, exchange, and reinvest moneys under their custody or control as
 8 provided by law by the governing body of the political subdivision and shall comply
 9 with fiduciary standards that at least meet the standards set forth in Title 21, Subtitle
 10 2 of the State Personnel and Pensions Article in connection with funds under their
 11 custody or control.

12 (3) (I) **NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A**
 13 **POLITICAL SUBDIVISION OF THE STATE OR A UNIT OF A POLITICAL SUBDIVISION**
 14 **OF THE STATE MAY ENTER INTO AN AGREEMENT WITH A THIRD PARTY**
 15 **CONTRACTOR OR VENDOR FOR THE MANAGEMENT OR INVESTMENT OF MONEY**
 16 **INTENDED FOR OTHER POSTEMPLOYMENT BENEFITS.**

17 (II) **AN AGREEMENT ENTERED INTO UNDER THIS**
 18 **PARAGRAPH INCLUDES THE AUTHORITY TO:**

19 1. **CREATE POOLED INVESTMENTS UNDER THE**
 20 **STEWARDSHIP OF:**

21 A. **A POLITICAL SUBDIVISION OF THE STATE OR**
 22 **UNIT OF A POLITICAL SUBDIVISION OF THE STATE; OR**

23 B. **A SEPARATE BODY UNDER AN AGREEMENT WITH A**
 24 **POLITICAL SUBDIVISION OF THE STATE;**

25 2. **CREATE ONE OR MORE ACCOUNTS TO BE**
 26 **MANAGED IN COORDINATION WITH OTHER FUNDS OR INVESTMENTS BY A THIRD**
 27 **PARTY UNDER AN AGREEMENT WITH A POLITICAL SUBDIVISION OF THE STATE;**
 28 **AND**

29 3. **CREATE DISTINCT FUNDING ACCOUNTS FOR**
 30 **PAYMENT ON BEHALF OF EMPLOYEES OF A UNIT OF A POLITICAL SUBDIVISION**
 31 **OF THE STATE UNDER AN AGREEMENT WITH THE POLITICAL SUBDIVISION.**

32 22G.

33 (c) (1) The governing authority of any local government having funds
 34 which are available for investment and which are not required by law or by any
 35 covenant or agreement with bondholders or others to be segregated and invested in a

1 different manner may direct its financial officer to remit funds to the Treasurer for
2 investment as part of the Local Government Investment Pool.

3 **(2) THE GOVERNING AUTHORITY OF ANY LOCAL GOVERNMENT**
4 **HAVING FUNDS INTENDED FOR OTHER POSTEMPLOYMENT BENEFITS THAT ARE**
5 **AVAILABLE FOR INVESTMENT, AS AUTHORIZED UNDER § 22 OF THIS ARTICLE,**
6 **MAY DIRECT ITS FINANCIAL OFFICER TO REMIT THOSE FUNDS TO THE**
7 **TREASURER FOR INVESTMENT AS PART OF THE INVESTMENT POOL.**

8 [(2)] (3) Upon determination by the local governing authority that it
9 is in the best interest of the local government to deposit funds in the Investment Pool,
10 it shall adopt and file with the Treasurer a certified copy of a resolution or ordinance
11 authorizing investment of its funds in the Investment Pool. The resolution or
12 ordinance shall name the local government official or officials responsible for deposit
13 and withdrawal of such funds.

14 [(3)] (4) The resolution or ordinance filed with the Treasurer shall be
15 accompanied by a statement as to the approximate cash flow requirements of the local
16 government for the invested funds. Subsequent deposits into the Investment Pool shall
17 be accompanied by a statement as to the intended duration of the investment or the
18 anticipated date of withdrawal of the funds from the Pool.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 ~~October~~ July 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.