

SENATE BILL 945

L6

8lr3250
CF 8lr3253

By: **Senator Kasemeyer**

Introduced and read first time: February 25, 2008

Assigned to: Rules

A BILL ENTITLED

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; and generally relating to the investment of funds by
9 local governments.

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

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

17 **Article 95 – Treasurer**

18 22.

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

22 (2) The trustees or other officers in charge of any pension or
23 retirement system or fund or other postemployment benefits fund of any political
24 subdivision of the State or any agency or department of the political subdivision may
25 invest, redeem, sell, exchange, and reinvest moneys under their custody or control as

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 provided by law by the governing body of the political subdivision and shall comply
2 with fiduciary standards that at least meet the standards set forth in Title 21, Subtitle
3 2 of the State Personnel and Pensions Article in connection with funds under their
4 custody or control.

5 **(3) (I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A**
6 **POLITICAL SUBDIVISION OF THE STATE OR A UNIT OF A POLITICAL SUBDIVISION**
7 **OF THE STATE MAY ENTER INTO AN AGREEMENT WITH A THIRD PARTY**
8 **CONTRACTOR OR VENDOR FOR THE MANAGEMENT OR INVESTMENT OF MONEY**
9 **INTENDED FOR OTHER POSTEMPLOYMENT BENEFITS.**

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

12 **1. CREATE POOLED INVESTMENTS UNDER THE**
13 **STEWARDSHIP OF:**

14 **A. A POLITICAL SUBDIVISION OF THE STATE OR**
15 **UNIT OF A POLITICAL SUBDIVISION OF THE STATE; OR**

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

18 **2. CREATE ONE OR MORE ACCOUNTS TO BE**
19 **MANAGED IN COORDINATION WITH OTHER FUNDS OR INVESTMENTS BY A THIRD**
20 **PARTY UNDER AN AGREEMENT WITH A POLITICAL SUBDIVISION OF THE STATE;**
21 **AND**

22 **3. CREATE DISTINCT FUNDING ACCOUNTS FOR**
23 **PAYMENT ON BEHALF OF EMPLOYEES OF A UNIT OF A POLITICAL SUBDIVISION**
24 **OF THE STATE UNDER AN AGREEMENT WITH THE POLITICAL SUBDIVISION.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2008.