

CHAPTER 471

(Senate Bill 945)

AN ACT concerning

Local Governments – Postemployment Benefits – Investment of Funds

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

BY repealing and reenacting, with amendments,

Article 95 – Treasurer

Section 22(b) and 22G(c)

Annotated Code of Maryland

(2003 Replacement Volume and 2007 Supplement)

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

Article 95 – Treasurer

22.

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

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

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

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

1. CREATE POOLED INVESTMENTS UNDER THE STEWARDSHIP OF:

A. A POLITICAL SUBDIVISION OF THE STATE OR UNIT OF A POLITICAL SUBDIVISION OF THE STATE; OR

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

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

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

22G.

(c) (1) The governing authority of any local government having funds which are available for investment and which are not required by law or by any covenant or agreement with bondholders or others to be segregated and invested in a different manner may direct its financial officer to remit funds to the Treasurer for investment as part of the Local Government Investment Pool.

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

[(2)](3) Upon determination by the local governing authority that it is in the best interest of the local government to deposit funds in the Investment Pool, it shall adopt and file with the Treasurer a certified copy of a resolution or ordinance

authorizing investment of its funds in the Investment Pool. The resolution or ordinance shall name the local government official or officials responsible for deposit and withdrawal of such funds.

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

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

Approved by the Governor, May 13, 2008.