

# HOUSE BILL 772

L2  
HB 174/12 – APP

4lr2326

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By: **Delegates George, James, McConkey, and Proctor**

Introduced and read first time: February 3, 2014

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Local Government Investments – Self-Insurance Funds and Trust Fund**  
3 **Accounts of Political Subdivisions**

4 FOR the purpose of authorizing the trustees or other officers in charge of a trust fund  
5 account or fund for self-insurance purposes of a political subdivision of the  
6 State or a unit of a political subdivision to make certain investments in a  
7 certain manner; and generally relating to investments by local governments.

8 BY repealing and reenacting, with amendments,  
9 Article – Local Government  
10 Section 17–102  
11 Annotated Code of Maryland  
12 (2013 Volume)

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

15 **Article – Local Government**

16 17–102.

17 (a) In this section, “other postemployment benefits” means:

18 (1) postemployment health care benefits; and

19 (2) postemployment benefits provided separately from a pension plan.

20 (b) Notwithstanding § 17–101 of this subtitle, the trustees or other officers in  
21 charge of a pension or retirement system or fund [or], other postemployment benefits

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 fund, **TRUST FUND ACCOUNT, OR FUND FOR SELF-INSURANCE PURPOSES** of a  
2 political subdivision of the State or a unit of a political subdivision of the State:

3 (1) may:

4 (i) invest and reinvest money in their custody or control as  
5 provided by a law enacted by the governing body of the political subdivision; and

6 (ii) sell, redeem, or exchange an investment or reinvestment  
7 made under this item; and

8 (2) shall comply with fiduciary standards that at least meet the  
9 standards in Title 21, Subtitle 2 of the State Personnel and Pensions Article in  
10 connection with money in their custody or control.

11 (c) (1) Notwithstanding any other law, a political subdivision of the State  
12 or a unit of a political subdivision of the State may enter into an agreement with a  
13 third party contractor or vendor for the management or investment of money intended  
14 for other postemployment benefits.

15 (2) An agreement entered into under this subsection includes the  
16 authority to:

17 (i) create pooled investments under the stewardship of:

18 1. a political subdivision of the State or a unit of a  
19 political subdivision of the State; or

20 2. a separate body under an agreement with a political  
21 subdivision of the State;

22 (ii) create one or more accounts to be managed in coordination  
23 with other funds or investments by a third party under an agreement with a political  
24 subdivision of the State; and

25 (iii) create distinct funding accounts for payment on behalf of  
26 employees of a unit of a political subdivision of the State under an agreement with the  
27 political subdivision.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 July 1, 2014.