

SENATE BILL 106

M1

(5lr1063)

ENROLLED BILL

— *Education, Health, and Environmental Affairs/Environment and Transportation* —

Introduced by **Senator Astle**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Chesapeake Bay Trust – Investment Options – Expansion**

3 FOR the purpose of authorizing the Chesapeake Bay Trust to invest any money of the Trust
4 in marketable equity securities, marketable equity-related mutual funds, or
5 debt-related mutual funds; making stylistic changes; and generally relating to the
6 Chesapeake Bay Trust.

7 BY repealing and reenacting, with amendments,
8 Article – Natural Resources
9 Section 8–1909
10 Annotated Code of Maryland
11 (2012 Replacement Volume and 2014 Supplement)

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

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.

Italics indicate opposite chamber/conference committee amendments.



1 **Article – Natural Resources**

2 8–1909.

3 (a) (1) All money received by the Trust shall be deposited, as directed by the
4 Trust, in any State or national bank, or federally or State insured savings and loan
5 associations located in the State having a total paid-in capital of at least \$1,000,000.

6 (2) The trust department of any State or national bank or savings and loan
7 association may be designated as a depository to receive any securities acquired or owned
8 by the Trust.

9 (3) The restriction with respect to paid-in capital may be waived for any
10 qualifying bank or savings and loan association which agrees to pledge securities of the
11 State or of the United States to protect the funds and securities of the Trust in amounts
12 and under arrangements acceptable to the Trust.

13 (b) (1) Except as provided in paragraph (2) of this subsection, any money of
14 the Trust, in its discretion and unless otherwise provided in any agreement or covenant
15 between the Trust and the holders of any of its obligations limiting or restricting classes of
16 investments, may be invested in [bonds] **THE FOLLOWING DEBT SECURITIES:**

17 (I) **BONDS** or other obligations of the United States, the State, the
18 political subdivisions or units of the State, OR direct or indirect federal agencies[,
19 corporate];

20 (II) **CORPORATE** bonds with a rating of BAA3/BBB[, or mortgage];

21 (III) **MORTGAGE** backed and asset backed securities with a rating of
22 AAA;

23 (IV) **MARKETABLE EQUITY SECURITIES;**

24 (V) **MARKETABLE EQUITY-RELATED MUTUAL FUNDS; OR**

25 (VI) **DEBT-RELATED MUTUAL FUNDS.**

26 (2) The overall [investment] **DEBT SECURITY PORTION OF THE** portfolio
27 of the Trust must have a rating of at least AA.

28 (c) The Trust shall make provision for a system of financial accounting, controls,
29 audits, and reports.

30 (d) The books, records, and accounts of the Trust are subject to audit by the State.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2015.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.