

HOUSE BILL 1410

L6, K4

9lr3104

By: **Delegate Beitzel**

Introduced and read first time: March 1, 2019

Assigned to: Rules and Executive Nominations

Re-referred to: Appropriations, March 11, 2019

Committee Report: Favorable

House action: Adopted

Read second time: March 23, 2019

CHAPTER _____

1 AN ACT concerning

2 **Upper Potomac River Commission – Pension Plans**

3 FOR the purpose of authorizing certain trustees or officers of the Upper Potomac River
4 Commission to invest and reinvest certain money in their custody or control in
5 accordance with certain rules or procedures; requiring any pension plan controlled
6 by the Commission on or after a certain date to adhere to certain principles that
7 address the investment and management of funds for a public pension system;
8 providing for the application of this Act; and generally relating to pension plans
9 controlled by the Upper Potomac River Commission.

10 BY repealing and reenacting, with amendments,
11 Article – Local Government
12 Section 17–102
13 Annotated Code of Maryland
14 (2013 Volume and 2018 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – State Personnel and Pensions
17 Section 40–101
18 Annotated Code of Maryland
19 (2015 Replacement Volume and 2018 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 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.



Article – Local Government

17–102.

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

(1) postemployment health care benefits; and

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

(b) Notwithstanding § 17–101 of this subtitle, the trustees or other officers in charge of a pension or retirement system or fund, other postemployment benefits fund, trust fund account, fund for self–insurance purposes, or facility closure reserve fund of a political subdivision of the State [or], a unit of a political subdivision of the State, **OR THE UPPER POTOMAC RIVER COMMISSION:**

(1) may:

(i) invest and reinvest money in their custody or control as provided by:

1. a law enacted by the governing body of the political subdivision; **OR**

2. **IN THE CASE OF THE UPPER POTOMAC RIVER COMMISSION, RULES OR PROCEDURES ESTABLISHED BY THE COMMISSION;** and

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

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

(c) (1) Notwithstanding any other 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.

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

(i) create pooled investments under the stewardship of:

1 1. a political subdivision of the State or a unit of a political
2 subdivision of the State; or

3 2. a separate body under an agreement with a political
4 subdivision of the State;

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

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

11 (d) (1) Notwithstanding any other law, a political subdivision of the State or a
12 unit of a political subdivision of the State may enter into an agreement with a third party
13 contractor or vendor for the management or investment of money in a facility closure
14 reserve fund.

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

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

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

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

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

25 **Article – State Personnel and Pensions**

26 40–101.

27 (a) In this section, “local jurisdiction” means any county or municipal corporation
28 in the State.

29 (b) **(1)** Subject to any other provision of State or federal law, a local jurisdiction
30 that establishes a public pension system on or after July 1, 2005, is required to adhere to
31 the principles incorporated in the Uniform Management of Public Employee Retirement
32 Systems Act that address the investment and management of funds for a public pension
33 system.

1 **(2) SUBJECT TO ANY OTHER PROVISION OF STATE OR FEDERAL LAW,**
2 **ANY PENSION PLAN CONTROLLED BY THE UPPER POTOMAC RIVER COMMISSION ON**
3 **OR AFTER JULY 1, 2019, IS REQUIRED TO ADHERE TO THE PRINCIPLES**
4 **INCORPORATED IN THE UNIFORM MANAGEMENT OF PUBLIC EMPLOYEE**
5 **RETIREMENT SYSTEMS ACT THAT ADDRESS THE INVESTMENT AND MANAGEMENT**
6 **OF FUNDS FOR A PUBLIC PENSION SYSTEM.**

7 (c) This section may not be construed to affect the authority of the legislative
8 governing body of a local jurisdiction over the budget for a public pension system
9 established on or after July 1, 2005.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
11 apply only prospectively and may not be applied or interpreted to have any effect on or
12 application to any investment of funds made before the effective date of this Act.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.