

SENATE BILL 106

M1

5lr1063
CF 5lr1740

By: **Senator Astle**

Introduced and read first time: January 26, 2015

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

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:

14 **Article – Natural Resources**

15 8–1909.

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

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

22 **(3)** The restriction with respect to paid–in capital may be waived for any
23 qualifying bank or savings and loan association which agrees to pledge securities of the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 State or of the United States to protect the funds and securities of the Trust in amounts
2 and under arrangements acceptable to the Trust.

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

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

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

10 (III) **MORTGAGE** backed and asset backed securities with a rating of
11 AAA;

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

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

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

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

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

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

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