

SENATE BILL 106

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5lr1063
CF HB 207

By: **Senator Astle**

Introduced and read first time: January 26, 2015

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 17, 2015

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:

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.

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.



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

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

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

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

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

15 **(III) MORTGAGE** backed and asset backed securities with a rating of
16 AAA;

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

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

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

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

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

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

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