

CHAPTER 252.

(Senate Bill 70)

AN ACT to enact and add a new section to Article 11 of the Annotated Code of the Public General Laws of Maryland (1939 Edition), title "Banks and Trust Companies", sub-title "Trust Companies", said new section to be known as Section 62A and to follow immediately after Section 62 of said Article, said new section relating to the establishment and administration of common trust funds by trust companies.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That a new section be and the same is hereby enacted to follow immediately after Section 62 of Article 11 of the Annotated Code of Maryland (1939 Edition), title "Banks and Trust Companies", sub-title "Trust Companies", to be known as Section 62A and to read as follows:

COMMON TRUST FUNDS.

62A. (1) Any trust company may establish, maintain and administer one or more common trust funds as hereinafter defined. The term "trust company" as used in this section shall also refer to and include any national bank or trust company authorized to exercise fiduciary powers similar to those conferred upon trust companies by this Article.

(2) The term "common trust fund" means a fund maintained by a trust company, exclusively for the collective investment and reinvestment of moneys contributed thereto by such trust company in its capacity as a fiduciary or cofiduciary, and operated and administered pursuant to the requirements of this Section.

(3) The fiduciary capacities referred to in this Section shall include all of those in which a trust company is permitted to act under the provisions of this Article.

(4) Any trust company in its capacity as a fiduciary or cofiduciary, whether such fiduciary capacity arose before or is created after this Act takes effect, may invest funds which it lawfully holds for investment in interests or participations in one or more common trust funds, if it, either alone or in conjunction with any person acting with it, be authorized by the instrumentality creating the fiduciary account to exercise its or their discretion with respect to investments of the account, or if such investment be not inconsistent with the terms of the instrument, judgment, decree, order or other factor by virtue of which the fiduciary relationship exists, and provided, in the case of cofiduciaries, that the trust company procures the written consent of its cofiduciary or cofiduciaries to such in-