

CHAPTER 665

(Senate Bill 567)

AN ACT to repeal and re-enact, with amendments, Section 9 of Article 90 of the Annotated Code of Maryland (1969 Replacement Volume), title "Sureties," subtitle "Countersecurity," to provide that the State Treasurer may in his discretion accept as surety collateral for the deposit of public funds, bonds or other securities of the United States, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Land Bank or of the State Roads Commission of Maryland; to provide for the acceptance of these bonds or securities authorized at not exceeding a certain percentage of their par value; and relating generally to the laws of this State concerning security of deposits of State money made by the Treasurer in depositories.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Section 9 of Article 90 of the Annotated Code of Maryland (1969 Replacement Volume), title "Sureties," be and it is hereby repealed and re-enacted, with amendments, to read as follows:*

9.

When the surety or sureties on the bond of any bank or trust company used as a depository for the funds of the State Treasurer shall notify the Governor and the State Treasurer of their or its desire to be relieved from further liability as such surety, as provided in Section 8 of this article, or when any new bond shall be given by any bank or trust company, that may be used as a depository for the funds of the State by the State Treasurer, [it shall be lawful for] the State Treasurer, *may in his discretion accept [to receive]* from such bank or trust company, its bond, conditioned, as provided by law, and, as surety collateral to the said bond, instead of the surety heretofore provided by law, [registered public stock and/or bonds of the United States or of the State of Maryland or of Baltimore City or the bonds of any county or municipal corporation of this State, or of the Home Owners' Loan Corporation, a corporation created by an act of the Congress of the United States, approved June 13, 1933] *bonds or other securities of the United States, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Land Bank or of the State of Maryland or the State Roads Commission of Maryland at not exceeding 90% of their par value or bonds of Baltimore City or of any county or municipal corporation of this State, at not exceeding 80% of their PAR value which [shall] may be approved by the State Treasurer to the amount, in value, of the penalty of the bond, and said amount shall be at all times maintained by said bank or trust company; which [stock and/or] bonds must be registered in the name of said Treasurer, officially, as held in trust under and pursuant to this section and the same shall be held by such Treasurer in trust to secure the performance of the conditions of the said bond; provided, however, said Treasurer may, in his discretion, accept as surety collateral any of said [stock and/or] bonds in unregistered form upon such conditions as he may prescribe with respect thereto. Any such bank or trust company that may heretofore have given the bond, as heretofore provided by law, may at any time secure the cancellation*