

Approved May 24, 1973.

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CHAPTER 838

(House Bill 1087)

AN ACT to add new Sections 6 to 15, inclusive, to Article 49A of the Annotated Code of Maryland (1972 Replacement Volume), title "Investments," to follow immediately after Section 5 thereof and to be under the new subtitle "Management of Institutional Funds," enacting the so-called Uniform Management of Institutional Funds Act, and relating generally to the policies, procedures, powers, and duties for the management, handling, and administration of certain institutional and other funds.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Sections 6 to 15, inclusive, be and they are hereby added to Article 49A of the Annotated Code of Maryland (1972 Replacement Volume), title "Investments," to follow immediately after Section 5 thereof and to be under the new subtitle "Management of Institutional Funds," and to read as follows:

MANAGEMENT OF INSTITUTIONAL FUNDS

6. DEFINITIONS:

(A) THE WORDS AND PHRASES LISTED BELOW IN THIS SUBTITLE HAVE THE MEANINGS INDICATED.

(B) "INSTITUTION" MEANS AN INCORPORATED OR UNINCORPORATED ORGANIZATION ORGANIZED AND OPERATED EXCLUSIVELY FOR EDUCATIONAL, RELIGIOUS, CHARITABLE, OR OTHER ELEEMOSYNARY PURPOSES, OR A GOVERNMENTAL ORGANIZATION TO THE EXTENT THAT IT HOLDS FUNDS EXCLUSIVELY FOR ANY OF THESE PURPOSES.

(C) "INSTITUTIONAL FUND" MEANS A FUND HELD BY AN INSTITUTION FOR ITS EXCLUSIVE USE, BENEFIT, OR PURPOSES, BUT DOES NOT INCLUDE (1) A FUND HELD FOR AN INSTITUTION BY A TRUSTEE THAT IS NOT AN INSTITUTION OR (2) A FUND IN WHICH A BENEFICIARY THAT IS NOT AN INSTITUTION HAS AN INTEREST, OTHER THAN POSSIBLE RIGHTS THAT COULD ARISE UPON VIOLATION OR FAILURE OF THE PURPOSES OF THE FUND.

(D) "ENDOWMENT FUND" MEANS AN INSTITUTIONAL FUND, OR ANY PART THEREOF, NOT WHOLLY EXPENDABLE BY THE INSTITUTION ON A CURRENT BASIS UNDER THE TERMS OF THE APPLICABLE GIFT INSTRUMENT.

(E) "GOVERNING BOARD" MEANS THE BODY RESPONSIBLE FOR THE MANAGEMENT OF AN INSTITUTION OR OF AN INSTITUTIONAL FUND.

(F) "HISTORIC DOLLAR VALUE" MEANS THE AGGREGATE FAIR VALUE IN DOLLARS OF (1) AN ENDOWMENT FUND AT THE TIME IT BECAME AN ENDOWMENT FUND, (2) EACH SUBSEQUENT