

directed, authorized and empowered to invest, redeem, sell, exchange and reinvest all unexpended or surplus moneys in any fund or account of which they have custody or control either in bonds or other obligations for the payment of principal and interest of which the faith and credit of the United States of America are pledged, or in obligations of the Federal National Mortgage Association, federal land banks, federal intermediate credit banks or banks for cooperatives, issued pursuant to acts of Congress, or to deposit said moneys in any bank or banks in the State of Maryland in interest-bearing time deposit and/or savings accounts. Such deposits in banks shall only be made [where] IF the bank has deposited a like amount of bonds in escrow, as now prescribed by law, covering bank deposits, OR IF THE BANK HAS GIVEN AS SECURITY FOR THESE DEPOSITS ANY OF THE TYPES OF COLLATERAL SET FORTH IN SECTION 21A OF THIS ARTICLE. The interest or income from any such investment or deposit shall be and become a part of the fund from which the investment or deposit was made and may itself be so invested or deposited, provided, however, that where the fund so invested, or deposited constitutes the proceeds of the issue of bonds or other obligations, the principal of and/or interest on which the issuer is obligated to repay to the holders thereof, the interest or income from such investments may be used to pay the principal and/or interest on the same by the issuer. Investments or deposits made pursuant to this section may be withdrawn or altered from time to time by the investing or depositing officer or governing body either to meet the requirements for which such funds are held or for reinvestment pursuant to the terms hereof.

All such investments made prior to March 2, 1943, are hereby legalized, validated, ratified and confirmed, notwithstanding the absence of statutory authority therefor or any inconsistent provision of law.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1974.

Approved May 31, 1974.

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CHAPTER 732

(House Bill 640)

AN ACT concerning