

standards set forth in Title 21, Subtitle 2 of the State Personnel and Pensions Article in connection with funds under their custody or control.

22-O.

(A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "DEPOSITOR" MEANS A LOCAL GOVERNMENT OR ITS AUTHORIZED ACKNOWLEDGED AGENT MAKING A DEPOSIT OF UNEXPENDED OR SURPLUS MONEY AS PROVIDED IN THIS SECTION.

(3) "LOCAL GOVERNMENT" MEANS:

(I) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION;

(II) A COUNTY BOARD OF EDUCATION;

(III) THE GOVERNING BODY OF A ROAD, DRAINAGE, IMPROVEMENT, CONSTRUCTION, OR SOIL CONSERVATION DISTRICT OR COMMISSION IN THE STATE;

(IV) THE UPPER POTOMAC RIVER COMMISSION; OR

(V) ANY OTHER POLITICAL SUBDIVISION OR BODY POLITIC OF THE STATE.

(4) "STATE FINANCIAL INSTITUTION" MEANS ANY OF THE FOLLOWING INSTITUTIONS THAT HAVE A BRANCH IN THE STATE THAT TAKES DEPOSITS:

(I) BANK, TRUST COMPANY, OR SAVINGS BANK INCORPORATED UNDER THE LAWS OF THE STATE;

(II) BANK INCORPORATED UNDER FEDERAL LAW;

(III) BANK INCORPORATED UNDER THE LAWS OF ANY OTHER STATE;

OR

(IV) SAVINGS AND LOAN ASSOCIATION INCORPORATED UNDER THE LAWS OF THE STATE OR OF THE UNITED STATES.

(B) NOTWITHSTANDING THE PROVISIONS OF § 22 OF THIS ARTICLE, A LOCAL GOVERNMENT MAY DEPOSIT UNEXPENDED OR SURPLUS MONEY IN ANY FEDERALLY INSURED BANK OR SAVINGS AND LOAN ASSOCIATION WITHOUT THE SECURITY REQUIRED IN § 22(A) OF THIS ARTICLE IF:

(1) THE UNEXPENDED OR SURPLUS MONEY IS INITIALLY PLACED FOR DEPOSIT WITH A STATE FINANCIAL INSTITUTION SELECTED BY THE DEPOSITOR;

(2) THE STATE FINANCIAL INSTITUTION SELECTED BY THE DEPOSITOR ARRANGES FOR THE FURTHER DEPOSIT OF THE MONEY INTO ONE OR MORE CERTIFICATES OF DEPOSIT OF NOT MORE THAN \$100,000 EACH IN ONE OR MORE FEDERALLY INSURED BANKS OR SAVINGS AND LOAN ASSOCIATIONS FOR THE ACCOUNT OF THE DEPOSITOR;