

WILLIAM DONALD SCHAEFER, Governor

Senate Bill No. 709

AN ACT concerning

Public Investments - United States Government
Obligations - Definition

FOR the purpose of amending the Rules of Interpretation of the Annotated Code to provide for the investment, purchase, or collateralization of an obligation, security, or other interest in any open-end or closed-end investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, under certain circumstances.

BY adding to

Article 1 - Rules of Interpretation
Section 31
Annotated Code of Maryland
(1987 Replacement Volume and 1987 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 1 - Rules of Interpretation

31.

WHENEVER ANY PROVISION OF THIS CODE AUTHORIZES OR PERMITS DIRECT INVESTMENT IN, PURCHASE OF, OR COLLATERALIZATION BY A BOND, OBLIGATION, OR OTHER EVIDENCE OF INDEBTEDNESS OF THE UNITED STATES OF AMERICA, THE PROVISION AUTHORIZES AND PERMITS INVESTMENT IN, PURCHASE OF, OR COLLATERALIZATION BY AN OBLIGATION OR SECURITY OF, OR OTHER INTEREST IN, ANY OPEN-END OR CLOSED-END MANAGEMENT TYPE INVESTMENT COMPANY OR INVESTMENT TRUST REGISTERED UNDER THE PROVISIONS OF THE FEDERAL INVESTMENT COMPANY ACT OF 1940, 15 U.S.C. § 80A-1 ET SEQ., IF:

{i} (1) THE PORTFOLIO OF THE OPEN-END OR CLOSED-END MANAGEMENT TYPE INVESTMENT COMPANY OR INVESTMENT TRUST IS LIMITED TO DIRECT OBLIGATIONS OF THE UNITED STATES GOVERNMENT AND TO REPURCHASE AGREEMENTS FULLY COLLATERALIZED BY UNITED STATES GOVERNMENT OBLIGATIONS; AND

{ii} (2) THE OPEN-END OR CLOSED-END MANAGEMENT TYPE INVESTMENT COMPANY OR INVESTMENT TRUST TAKES DELIVERY OF THAT COLLATERAL, EITHER DIRECTLY OR THROUGH AN AUTHORIZED CUSTODIAN.