

Section 13-404

Annotated Code of Maryland

(1991 Replacement Volume and 1994 Supplement)

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

Article - Estates and Trusts

13-404.

(a) The trustee need not give bond.

(b) (1) A trustee who receives a check under § 13-403 of this subtitle shall:

(i) Subject to paragraph (3) of this subsection, deposit the check in any financial institution as defined in § 13-301 of this title; or

(ii) Invest OR REINVEST the proceeds of the check, directly or by securities or other interests of a broker or dealer, in general obligations of or obligations guaranteed by the United States or this State, or other obligations of the United States or this State or of its political subdivisions, agencies, authorities, or municipal corporations that are rated in one of the two highest rating categories by a nationally recognized credit rating agency[.], OR IN THE FORM OF SECURITIES OR OTHER INTERESTS IN ANY OPEN-END MANAGEMENT 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 SUCH MANAGEMENT INVESTMENT COMPANY OR INVESTMENT TRUST INVESTS PRIMARILY IN MONEY MARKET INSTRUMENTS THAT IS REGISTERED UNDER, AND MEETS THE CRITERIA OF A MONEY MARKET FUND THAT ARE SPECIFIED IN, THE FEDERAL INVESTMENT COMPANY ACT OF 1940, 15 U.S.C. § 80A-1 ET SEQ., AND THE REGULATIONS ADOPTED UNDER THAT LAW.

(2) If the trustee deposits the check in a financial institution under paragraph (1) (i) of this subsection, the trustee may direct the financial institution to invest OR REINVEST the proceeds of the check in a certificate of deposit or other interest bearing account.

(3) Deposits in a financial institution under paragraph (1) (i) of this subsection may not exceed the amount of insurance provided for such deposits.

~~(4) TRUST ASSETS HELD BY A BROKER OR DEALER MAY BE REINVESTED IN THE MANNER SPECIFIED IN SUBSECTION (B)(1)(II) OF THIS SECTION.~~

(4) INVESTMENTS IN MONEY MARKET FUNDS UNDER PARAGRAPH (1) (II) OF THIS SUBSECTION MAY NOT EXCEED 25 PERCENT OF TRUST ASSETS AT THE TIME OF THE INVESTMENT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1995.

May 24, 1995