

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

**Article 24 – Political Subdivisions – Miscellaneous Provisions**

**SUBTITLE 12. RESERVE ACCOUNTS**

9-1201.

(A) AFTER PROPER NOTICE AND HEARING, THE COUNTIES AND BALTIMORE CITY MAY ESTABLISH, BY ORDINANCE OR LOCAL LAW, ONE OR MORE RESERVE ACCOUNTS.

(B) A RESERVE ACCOUNT IS AN ACCOUNT OR FUND IN WHICH FUNDS ARE RETAINED TO SUPPORT APPROPRIATIONS WHICH HAVE BECOME UNFUNDED.

(C) AN ORDINANCE OR LOCAL LAW ESTABLISHING A RESERVE ACCOUNT SHALL, AT A MINIMUM, ESTABLISH OR PROVIDE FOR:

(1) REQUIREMENTS FOR THE ACCUMULATION OF A FIXED DOLLAR AMOUNT OR A PERCENTAGE OF DESIGNATED REVENUES OR BOTH;

(2) THE CIRCUMSTANCES UNDER WHICH THE FUNDS IN THE ACCOUNT MAY BE USED; AND

(3) THE USE OF ANY EARNINGS ON THE ACCOUNT.

(D) AN ACCOUNT CREATED PURSUANT TO THIS SECTION SHALL BE A CONTINUING, NONLAPSING ACCOUNT.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the authority conferred by this Act is in addition to any existing authority granted to the counties and Baltimore City pursuant to existing law, and that the authority conferred by this Act prevails, to the extent of conflict, over any other public general law, public local law or charter provision to the contrary, including (without limitation) any law or charter provision providing that unexpended and unencumbered appropriations in a county's current expense budget lapse into the county treasury at the end of a fiscal year or providing similar or related restrictions upon a county.

SECTION 3. AND BE IT FURTHER ENACTED, That if any part of this Act is held to be invalid for any reason, such holding shall not be construed as affecting the validity of any remaining part of this Act, it being the legislative intent that the remainder of this Act shall stand, notwithstanding the invalidity of such part.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1992.

Approved May 12, 1992.