



Senate Bill 1119

State Treasurer - Supranational Issuers

MACo Position: **SUPPORT**

Date: March 17, 2016

To: Budget and Taxation Committee

From: Robin Clark Eilenberg, Esq.

The Maryland Association of Counties (MACo) **SUPPORTS** SB 1119. This bill would allow the State Treasurer and county government investment officers to invest in top-rated supranational issuances.

This legislation, introduced by request of the Joint Committee on the Management of Public Funds, would provide a few more options to county governments and the State as they seek stable investments that provide some earning for future governmental use. To qualify, supranational issuers must be rated in the highest credit rating category by a nationally recognized rating organization.

The legislation would modestly broaden options for the Treasurer in investing local government insurance trust funds, which could benefit counties who invest via the Local Government Investment Pool, managed by the Treasurer. Since local governments doing their own investing are bound by these same standards, SB 1119 would grant them the same option and benefit.

In the context of reduced issuances from federal agencies (notably Freddie Mac and Fannie Mae), this slight expansion could be particularly helpful to the county bottom line.

This bill grants reasonable new flexibility for state and local investment options, and MACo recommends a **FAVORABLE** report on SB 1119.