

SENATE BILL 583

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6lr2559

By: **Senators King, Currie, DeGrange, Ferguson, Guzzone, Manno, McFadden, and Peters**

Introduced and read first time: February 4, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – University System of Maryland – Quasi-Endowment Funds**

3 FOR the purpose of authorizing the Board of Regents of the University System of Maryland
4 to transfer up to a certain amount of funds from the State-supported fund balance
5 to a quasi-endowment fund; limiting the use of certain proceeds to certain purposes;
6 and generally relating to quasi-endowment funds of the University System of
7 Maryland.

8 BY repealing and reenacting, with amendments,
9 Article – Education
10 Section 12-104(e)(2)
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2015 Supplement)

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

15 **Article – Education**

16 12-104.

17 (e) (2) (i) Subject to [subparagraph (ii)] **SUBPARAGRAPHS (II) AND (III)**
18 of this paragraph, the Board may maintain and manage quasi-endowment funds.

19 (ii) The Board may only make a one-time transfer of no more than
20 \$50,000,000 from the non-State supported fund balance held and invested by the State
21 Treasurer to the quasi-endowment fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(III) 1. SUBJECT TO THE LIMITATION UNDER**
2 **SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE BOARD MAY MAKE ONLY A**
3 **ONE-TIME TRANSFER OF NO MORE THAN \$50,000,000 FROM THE**
4 **STATE-SUPPORTED FUND BALANCE HELD AND INVESTED BY THE STATE**
5 **TREASURER TO THE QUASI-ENDOWMENT FUND.**

6 **2. THE BOARD MAY USE THE INVESTMENT PROCEEDS**
7 **FOR FACILITY RENEWAL PROJECTS RELATING ONLY TO CAPITAL FACILITIES USED**
8 **FOR STATE-SUPPORTED ACTIVITIES.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2016.