association in the State of Maryland in interest–bearing time deposit or savings accounts, or in the local government investment pool created in this article. [Deposits] EXCEPT AS PROVIDED IN § 22–O OF THIS ARTICLE, DEPOSITS in banks or in savings and loan associations shall only be made if the bank or savings and loan association has given as security for these deposits any of the types of collateral set forth in § 6–202 of the State Finance and Procurement Article. The interest or income from any such investment or deposit shall become a part of the fund from which the investment or deposit was made and may itself be so invested or deposited. If the fund so invested or deposited constitutes the proceeds of the issue of bonds or other obligations, the principal of or interest on which the issuer is obligated to repay to the holders thereof, the interest or income from the investments may be used to pay the principal or interest by the issuer. Investments or deposits made pursuant to this section may be withdrawn or altered from time to time by the investing or depositing officer or governing body either to meet the requirements for which such funds are held or for reinvestment pursuant to this subsection.

(b) The trustees or other officers in charge of any pension or retirement system or fund of any political subdivision of the State or any agency or department of the political subdivision may invest, redeem, sell, exchange, and reinvest moneys under their custody or control as provided by law by the governing body of the political subdivision and shall comply with fiduciary standards that at least meet the standards set forth in Title 21, Subtitle 2 of the State Personnel and Pensions Article in connection with funds under their custody or control.

22–O.

(A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "DEPOSITOR" MEANS A LOCAL GOVERNMENT OR ITS AUTHORIZED ACKNOWLEDGED AGENT MAKING A DEPOSIT OF UNEXPENDED OR SURPLUS MONEY AS PROVIDED IN THIS SECTION.

(3) "LOCAL GOVERNMENT" MEANS:

(I) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION;

(II) A COUNTY BOARD OF EDUCATION;

(III) THE GOVERNING BODY OF A ROAD, DRAINAGE, IMPROVEMENT, CONSTRUCTION, OR SOIL CONSERVATION DISTRICT OR COMMISSION IN THE STATE;

(IV) THE UPPER POTOMAC RIVER COMMISSION; OR

(V) ANY OTHER POLITICAL SUBDIVISION OR BODY POLITIC OF THE STATE.

(4) "STATE FINANCIAL INSTITUTION" MEANS ANY OF THE FOLLOWING INSTITUTIONS THAT HAVE A BRANCH IN THE STATE THAT TAKES DEPOSITS: