



THE STATE TREASURER
AN OVERVIEW OF THE OFFICE

THE MARYLAND GENERAL ASSEMBLY

The State Treasurer

An Overview

of the Office



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The State Treasurer

History of the Office

The Office of the State Treasurer was created in Maryland in pre-revolutionary times when the lower house of the General Assembly claimed the right to appoint two treasurers, one each for the Western and Eastern Shores. These officials served as custodians of the Colony's treasury independently of Royal or Proprietary Governors.

When Maryland's first State Constitution was adopted in 1776, it directed the House of Delegates to continue electing the two treasurers. But in 1841, the General Assembly abolished the Office of the Treasurer of the Eastern Shore and authorized the Treasurer of the Western Shore to assume all of the duties. The Constitution of 1851 finally established a single Office of the Treasurer, stipulating that the Treasurer be elected by a joint ballot of both the House of Delegates and the Senate for a two-year term. The Constitution also set a yearly salary of \$2,500 for the part-time position.

In 1922 the term of office was extended to four years to run concurrently with that of the Governor, Comptroller, and General Assembly. In 1966 the salary provision was removed from the Constitution. The General Assembly mandated the creation of a full-time position in 1973. Since 2006 the Treasurer has received an annual salary of \$125,000.

Election of the Treasurer

Maryland is one of four states whose Legislature selects the State Treasurer. Under the Maryland Constitution, the House of Delegates and the Senate elect the Treasurer by joint ballot during the first session of the four-year term, a majority of the combined votes being necessary to win.

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Qualifications for the Treasurer

By law, the Treasurer is expected to work full time during the term and must place all personal capital stock of banks, trust companies, and other financial institutions in a trust that the Treasurer cannot control.

While in office, the Treasurer may not own any stock or receive compensation from a bank, trust company, or other financial institution. The Treasurer must also take the constitutional oath within one month after election and post bond with the Clerk of the Court of Appeals before being considered “qualified” to assume the duties of Treasurer.

Organization of the Treasurer’s Office

The Treasurer may appoint a Chief Deputy Treasurer and one or more deputy treasurers. By January 1 each year, the Treasurer is responsible for reporting to the Governor and the General Assembly about the activities and operations of the office, including statements on the management of State funds, the interest from investments, and the administration of the State Insurance Program and the State Insurance Trust Fund. The Treasurer also submits reports to the Legislative Policy Committee of the General Assembly on a semi-annual basis and as needed on issues of legislative importance.

Duties of the Treasurer

The Treasurer shares with the Comptroller responsibility for discharging the duties of the Treasury Department. In general, the Treasurer is responsible for receiving, depositing, investing, and distributing State money. Specifically, the Treasurer is charged with:

- selecting financial institutions to serve as depositories for State funds;
- investing unexpended or surplus State money;

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- acting as custodian of the stocks, bonds, and securities held by the State, including securities pledged by insurance companies doing business in the State;
- requiring banks to provide collateral to cover all State deposits;
- arranging for interest and principal payments on the State debt;
- administering and arranging for the sale, settlement, and delivery of State General Obligation bonds, certificates, and other evidence of State debt;
- working with the nationally recognized bond rating agencies and preparing the official statements required prior to bond ratings;
- administering the State Insurance Program of purchased insurance and self-insurance including coverage of the State's liability under the Maryland Tort Claims Act;
- administering the Maryland Local Government Investment Pool;
- approving all banking services contracts throughout State government;
- administering the master capital equipment and energy performance lease program; and
- paying, upon warrant of the Comptroller, all bills of State agencies.

The Treasurer also reports all accounts to the Comptroller of the Treasury on a quarterly basis to show available cash and where it is deposited.

In general, constitutional and statutory provisions relating to the Office of the State Treasurer may be found in Articles I, III, V, VI, and XII of the Maryland Constitution, Title 5 of the State Government Article, and Titles 2 and 6 through 9 of the State Finance and Procurement Article.

The State Treasurer

Boards, Commissions, and Committees

The Treasurer has many responsibilities in addition to the duties as custodian of the State Treasury. Whether through the Constitution, by law, or by an appointment of the Governor, the Treasurer serves on many boards, commissions, and committees.

Board of Public Works

The Treasurer serves on the Board of Public Works with the Comptroller and the Governor. The Board, with its vast executive authority, supervises a substantial part of the fiscal affairs of the State. The Board's scope of responsibility includes:

- approving the sale of general obligation bonds;
- supervising the expenditure of all sums appropriated through State loans and grants authorized by the General Assembly;
- supervising all other capital expenditures except those for roads, bridges, and highways, and approving all contracts for such expenditures;
- approving all leases of land, buildings, and office space before such contracts are executed by any State agency;
- approving the sale, lease, or transfer of real property belonging to any State agency or institution;
- approving the acquisition of easements and fee simple properties for agricultural preservation;
- adopting or approving certain regulations of business administration in the various State agencies, and approval of the terms and renewal of all bonds furnished by State officials;
- custody of the General Emergency Fund;
- issuing licenses and permits to dredge or fill State tidal wetlands;

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- adoption of rules, regulations, and procedures for the administration of the State's Public School Construction Program and approval of the allocations paid to the local subdivisions;
- supervising the implementation of the State's procurement policies for both capital projects and operating budget contracts; and
- reviewing and approving, when necessary, proposals by the Governor to reduce appropriations in order to assure the State's financial integrity.

Fiscal Planning Committees

The Treasurer also serves on a number of financial planning committees, is Chair of the Capital Debt Affordability Committee and of the Commission on State Debt, and is a member of the Board of Revenue Estimates. The Capital Debt Affordability Committee conducts an annual State debt affordability analysis to evaluate how much can reasonably be spent on tax-supported debt and debt service and recommends an amount to the Governor and the General Assembly. Since its inception in 1978, the Governor and the General Assembly have followed those recommendations. The Commission on State Debt recommends each year, to the Board of Public Works, a State tax rate sufficient to meet the State's debt service obligations, which is currently 11.2 cents per \$100 of the full assessed value of all real property. The Board of Revenue Estimates submits an analysis of the State's anticipated revenues for the next fiscal year with recommendations to the Governor and is the basis for the budget.

Retirement and Pension System

The Treasurer also plays an active role on the Board of Trustees of the Maryland State Retirement and Pension System as Chairman and custodian of the System's funds and investments with assets of more than \$35 billion. The Treasurer currently serves on the Administrative, Investment, and Corporate Governance Committees. The Treasurer also serves as a Trustee on the Maryland Teachers and State Employees Supplemental Retirement Board.

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Other Board and Commission Work

The Treasurer is an “ex officio” member of numerous other boards including the Maryland Agricultural Land Preservation Foundation; the Maryland Health and Higher Educational Facilities Authority; the Small Business Development Financing Authority; the Board of State Canvassers; the Governor's Salary Commission; and the Hall of Records Commission.

Vacancies in the Treasurer’s Office

If the Treasurer leaves office before the term expires, or is found guilty of malfeasance, incompetence, willful negligence, or misappropriation of State funds, the Chief Deputy Treasurer serves as the replacement until the General Assembly elects another Treasurer at the next regular or special session. The Chief Deputy Treasurer also acts as Treasurer when the Treasurer is temporarily unable or unavailable to perform the duties of the office, unless the presiding officers of the General Assembly choose another individual as Acting Treasurer.

State Treasurers of Maryland

1852	James S. Owens
1854	Dennis Claude
1860	Sprigg Harwood
1862	Robert Fowler
1870	John Merryman
1872	John W. Davis
1874	Barnes Compton
1885	John S. Gittings
1886	Stevenson Archer
1890	Edwin H. Brown
1892	Spencer C. Jones
1896	Thomas J. Shryock
1900	Murray Vandiver
1916	John M. Dennis
1918	William P. Jackson
1920	John M. Dennis
1935	Hooper S. Miles
1963	John A. Luetkemeyer
1973	J. Millard Tawes
1975	William S. James
1987	Lucille Maurer
1996	Richard N. Dixon
2002	Nancy K. Kopp



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