

CITY COUNCIL

READ FILE COVER SHEET

Subject: **Ordinance 1238 concerning Adopting New Chapter 149
regarding Qualified Settlement Funds**

(Public Hearing)

Date: **10/8/2026**

Notice: Any comments made after 5:00 p.m. on the Thursday before the Council Meeting will not be seen in the agenda packet.

Purpose:

☐

FYI

☒

Read and Comment as Needed

☒

Action Required by October 19, 2026

☐

In Confidential File Drawer

Approve:

Johnny Boker
Comment: _____

☐ Yes

☐ No

☐ No Comment

Casi Boyer
Comment: _____

☐ Yes

☐ No

☐ No Comment

Lizz Clarke
Comment: _____

☐ Yes

☐ No

☐ No Comment

Matthew Ellis
Comment: _____

☐ Yes

☐ No

☐ No Comment

David Glenn
Comment: _____

☐ Yes

☐ No

☐ No Comment

Vicki Jones
Comment: _____

☐ Yes

☐ No

☐ No Comment

Note: Legislative summary attached.



CITY OF HAYRE DE GRACE

OFFICE OF THE MAYOR

William T. Martin

MEMORANDUM

TO: The Honorable Council President Casi Boyer and
The Honorable Members of the City Council

FROM: Christopher Ricci, Director of Administration

DATE: October 2, 2026

SUBJECT: Introduction of Ordinance – Establishing New Chapter 149 (Settlement Fund Registration Ordinance) Regarding Qualified Settlement Funds

1. Administrative and Legal Review

At the direction of Mayor Martin, the City Attorney and the Director of Administration, Christopher Ricci, have drafted the attached ordinance.

2. Executive Summary

On behalf of Mayor Martin, the Administration requests the introduction and passage of an ordinance establishing Havre de Grace City Code Chapter 149, Settlement Fund Registration Ordinance (SFRO).

The primary purpose of the proposed legislation is to register and retain continuing jurisdiction over businesses that administer settlement funds from physical offices within the city's corporate limits. By asserting this jurisdiction, the City allows these funds to satisfy specific U.S. Treasury Regulation requirements for qualified settlement funds.

The City Administration desires to direct the fees collected under Chapter 149 to support the municipal and charitable use of the STAR Centre and Opera House. To that end, the SFRO establishes that the fees collected may be directed by the Mayor and Director of Administration to support use of the STAR Centre and Opera House by City Commissions, such as the Youth Commission, as well as local charities.

The SFRO establishes an administrative framework, registrant requirements, data privacy, liability limitations, fee structure, revenue allocation, and zoning impacts.

- **Municipal Fund Administrator:** The ordinance creates a new City position, appointed by the Mayor and approved by the City Council to oversee the registration process. The Administrator's role is strictly ministerial, meaning they must grant approvals if application requirements are met and possess no discretionary authority to investigate or adjudicate underlying claims. The Municipal Fund Administrator may be an existing officer or employee of the City and the office may be held concurrently with another City position.

Legislative Summary

Introduction of Ordinance – Establishing New Chapter 149 (Settlement Fund Registration Ordinance) Regarding Qualified Settlement Funds

October 2, 2026

Page 2

- **Registration:** To register under the SFRO, an applicant must submit a complete application alongside the required fee.
- **Qualifying Offices:** A registrant must maintain a "Qualifying Office". This must be a physical, staffed location within the City of Havre de Grace where ministerial acts are regularly performed.
- **Annual Certification:** Registrants must renew their status annually and submit a verified report in bulk for all active settlement funds by July 31 of each year.
- **Data Restrictions:** The City is prohibited from requesting, collecting, or retaining sensitive information, including the identities of claimants, beneficiaries, and transferors. The City cannot retain settlement amounts, account numbers, or details regarding the underlying legal actions.
- **Fund Identification:** To maintain anonymity, all settlement funds must be tracked in City filings and approvals exclusively by a unique "Fund Identifying Number".
- **Fiduciary Disclaimer:** The City assumes no ownership, custody, control, or fiduciary duty over the settlement funds or their assets. The City does not evaluate claimant petitions, guarantee distributions, or certify the tax treatment of any fund.
- **Fee Structure:** The SFRO implements a non-refundable fee of \$275 for the application and approval of a settlement fund, and a \$175 fee for annual registrations or amendments.
- **Revenue Allocation:** Fees are intended to recover the City's administrative costs. The collected fees may be deposited into the General Fund and directed by the Mayor and Director of Administration to support the use of the STAR Centre and Opera House by City commissions, such as the Youth Commission, as well as local charitable entities.
- **Zoning Amendment:** The ordinance amends City Code Chapter 205-13 to expand the definition of "Financial Institution". The updated definition includes "administrators of qualified settlement funds approved under City Code Chapter 149".

CITY COUNCIL
OF
HAVRE DE GRACE, MARYLAND
ORDINANCE NO. 1238

Introduced by Council President Boyer

AN ORDINANCE BY THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE, MARYLAND, ADOPTED PURSUANT TO THE AUTHORITY OF ARTICLE XI-E OF THE MARYLAND CONSTITUTION, THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND SECTIONS 33 AND 34 OF THE HAVRE DE GRACE CITY CHARTER AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE, MARYLAND, PROVIDING FOR THE REGISTRATION OF PERSONS ADMINISTERING SETTLEMENT FUNDS FROM OFFICES WITHIN THE CITY, ESTABLISHING THE OFFICE OF MUNICIPAL FUND ADMINISTRATOR, AND PROVIDING FOR THE APPROVAL OF AND RETENTION OF CONTINUING JURISDICTION OVER SUCH FUNDS AND AMENDMENT OF CITY CODE CHAPTER 205 ZONING AMENDING DEFINITION OF “FINANCIAL INSTITUTIONS”

On: October 5, 2026
at: 7:00 p.m.

Ordinance introduced, read first time, ordered posted and public hearing scheduled.

PUBLIC HEARING

A Public Hearing is scheduled for October 19, 2026, 7:00 p.m. at Bulle Rock Resident’s Club.

EXPLANATION

Underlining indicates matter added to existing law.

[Bold Brackets] indicate matter deleted from existing law.

Amendments proposed prior to final adoption will be noted on a separate page with line references or by handwritten changes on the draft legislation.

34 **WHEREAS**, the City regulates various markets, land use and zoning, business development,
35 financial and commercial activities within the City limits; and
36

37 **WHEREAS**, persons engaged in the business of administering settlement funds desire to conduct
38 that business from offices located within the corporate limits of the City, employ persons within
39 the City, and maintain books and records within the City, and the conduct of that business within
40 the City is a matter subject to the municipal jurisdiction of the City; and
41

42 **WHEREAS**, Charter Section 33 authorizes the adoption of ordinances necessary for good
43 government and for the benefit of the City; and
44

45 **WHEREAS**, Charter Section 34 enumerates the following subject matters appropriate for City
46 Council ordinances: administrative, finances, job creation, licenses, and regulations of businesses
47 within the City's jurisdictional limits, and further provides that the enumeration is illustrative and
48 not a limitation on the City's power; and
49

50 **WHEREAS**, the subject matter of this ordinance is among the proper subjects of City ordinances
51 under Charter Sections 33 and 34; and
52

53 **WHEREAS**, Charter Section 18C provides for the appointment of such other officers as the
54 ordinances of the City may provide; and
55

56 **WHEREAS**, the Maryland Annotated Code, Local Gov't 5-202, 5-204(e), and 5-205(d)(1)
57 authorize ordinances for the good government of the municipality, the exercise of licensing
58 authority granted by law, and the establishment of reasonable fees; and
59

60 **WHEREAS**, the City is a municipal corporation and a political subdivision of the State of
61 Maryland and U.S. Treas. Reg. section 1.468B-1(c)(1) provides that a fund, account, or trust
62 satisfies the requirements of that paragraph if, among other conditions, it is established pursuant
63 to an order of, or is approved by, a political subdivision of a state, or an agency or instrumentality
64 thereof, and is subject to the continuing jurisdiction of that governmental authority; and
65

66 **WHEREAS**, settlement funds are used to resolve claims of injured and vulnerable persons,
67 including those who may reside in the City; and
68

69 **WHEREAS**, under the Ordinance the City is prohibited from collecting or receiving the identity
70 of any claimant, transferor, or beneficiary, or the amount of any claim or settlement; and
71

72 **WHEREAS**, the registration established by this Ordinance is supported entirely by fees paid by
73 the regulated persons and requires no appropriation of City funds; and
74

75 **WHEREAS**, under the Ordinance the City assumes no ownership, custody, control, supervisory
76 obligation, or fiduciary duty with respect to any settlement fund or its assets;
77

78 **NOW, THEREFORE, BE IT ENACTED AND ORDAINED**, the Mayor and City Council of
79 Havre de Grace, in accordance with the authority vested in the Mayor and City Council of Havre

de Grace, by law and the Charter of the City of Havre de Grace hereby adopts new Chapter 149 of the Havre de Grace City Code as follows:

Chapter 149 Settlement Fund Registration

§149-1. Short Title; Purpose; Scope.

(a) This Chapter may be cited as the “Settlement Fund Registration Ordinance” or “SFRO”.

(b) Its purpose is to register persons conducting the business of administering Settlement Funds within the City and, as an incident of that registration, to approve and retain continuing jurisdiction over Settlement Funds administered from a Qualifying Office.

(c) This Chapter regulates the conduct of a business within the corporate limits of the City. It does not regulate any claimant, transferor, trustee, or beneficiary.

(d) Acts of administration performed at a Qualifying Office are ministerial. Nothing in this Chapter, and no Approval issued under it, creates, recognizes, confers, or implies any fiduciary capacity, duty, or status on the part of a Registrant, and nothing in this Chapter reaches the fiduciary functions of a Settlement Fund, which its trustee performs.

§149-2. Definitions.

(a) “Approval” means an approval issued under §149-7.

(b) “Acts of administration” means ministerial acts performed in support of the administration of a Settlement Fund, including: (1) serving as the official depository of the records of the fund for archival purposes; (2) intake and processing of Distribution Petitions; (3) evaluation of claimant submissions against the qualifying criteria established for the fund, applying those criteria as established and without the exercise of discretion; (4) preparation and filing of the fund’s tax returns and information returns, and the making of related tax deposits and withholdings; (5) preparation or review of distribution calculations; (6) maintenance of the fund ledger and accounting records; and (7) transmission of instructions to a trustee or custodian.

Acts of administration do not include the exercise of fiduciary discretion, the investment or distribution of fund assets, or the determination of any claimant’s entitlement, each of which is performed by the trustee of the Settlement Fund and none of which this Chapter reaches. Acts of administration do not include registration and approvals performed by the Municipal Fund Administrator.

(c) “Distribution Petition” means a request submitted by or on behalf of a claimant to a Registrant or a trustee for a distribution from a Settlement Fund. A Distribution Petition is not filed with the City, and the City has no role with respect to it.

(d) “Fund Identifying Number” means the unique alphanumeric designation assigned by a Registrant to a Settlement Fund.

(e) “Municipal Fund Administrator” means the City officer holding the office established by §149-3.

(f) “Qualifying Office” means a physical office within the corporate limits of the City, occupied by the Registrant under a lease or ownership interest, regularly staffed during ordinary business hours by one or more natural persons employed or engaged by the Registrant who perform acts of administration at that office, which serves as the official depository, for archival purposes, of a portion of the records of each Settlement Fund for which an Approval is held or sought, and at

which one or more categories of acts of administration with respect to that Settlement Fund are regularly performed. A place at which acts of administration are performed only occasionally or incidentally, and a place that serves only as a mailing address or registered-agent address, is not a Qualifying Office.

(g) “Registrant” means a person holding a current registration under §149-4.

(h) “Settlement Fund” means a fund, account, or trust established to resolve or satisfy one or more contested or uncontested claims of a kind described in Treas. Reg. section 1.468B-1(c)(2) as in effect when an application is filed.

§149-3. Municipal Fund Administrator.

(a) The office of Municipal Fund Administrator is established as a position of the City. The Mayor shall appoint the Municipal Fund Administrator with the approval of the City Council, in accordance with Charter Section 18C, and the officer shall serve at the pleasure of the Mayor.

(b) The Municipal Fund Administrator may be an existing officer or employee of the City designated to serve in that capacity, and the office may be held concurrently with another City position.

(c) The Municipal Fund Administrator shall receive and act upon registrations, applications, and certifications under this Chapter; maintain the register required by §149-7(b); and perform no other function under this Chapter.

(d) The Municipal Fund Administrator shall exercise the duties of the office in accordance with the standards stated in §149-4(c) and 6, and shall have no discretion beyond those standards. The Municipal Fund Administrator may consult with the City Attorney to confirm performance of his or her duties are consistent with this Chapter.

(e) Compensation of the Municipal Fund Administrator shall be set by the Director of Administration and approved by the Mayor on a pay scale consistent with similar duties performed by personnel currently employed by the City. In the absence of an appointment, or during a vacancy, the Director of Administration shall appoint a City employee to temporarily perform the duties of the office under the title Acting Municipal Fund Administrator, subject to approval by the Mayor.

§149-4. Registration.

(a) A person may not file an application to approve a Settlement Fund administered from a Qualifying Office within City limits under this Chapter unless that person holds a current registration or is applying for registration simultaneously with an application.

(b) A registration application shall state the applicant’s legal name, form and jurisdiction of organization, and principal business address; the street address of the Qualifying Office and evidence of the right to occupy it; the applicant’s registration to do business in the State of Maryland together with any required state or county licenses; and the name and address of an agent within the State authorized to accept service.

(c) The Municipal Fund Administrator shall grant the registration if the registration application is complete, the fee has been paid, and the office described satisfies the definition of a Qualifying Office, and shall deny it if any of those conditions are not met. No registration may be granted or denied on any other basis.

(d) A registration expires on June 30 following issuance and may be renewed annually on the same conditions, subject to the applicable annual filing fee. A Registrant shall report any change in the information required by subsection (b) within ten days.

§149-5. Application; Contents; Privacy Limitation.

(a) Only a Registrant may file an application with the Municipal Fund Administrator to approve a Settlement Fund administered from the Registrant's Qualifying Office. The application shall be verified under oath by a natural person having personal knowledge of the matters stated and shall be accompanied by the application fee.

(b) The application shall state only the following (no other information will be under the custody or control of the City):

(1) the Registrant's name and registration number issued by the Municipal Fund Administrator and the address of the Qualifying Office;

(2) the Fund Identifying Number and the date of the instrument establishing the Settlement Fund;

(3) the Registrant's declaration that the Settlement Fund satisfies Treas. Reg. section 1.468B-1(c)(2), identifying which of the following describes at least one claim the Settlement Fund is established to resolve or satisfy: (i) a claim arising out of a tort; (ii) a claim arising out of a breach of contract; (iii) a claim arising out of a violation of law; (iv) a claim under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; or (v) a claim designated by the Commissioner of Internal Revenue in a revenue ruling or revenue procedure;

(4) the Registrant's declaration that the Settlement Fund assets are segregated as required by Treas. Reg. section 1.468B-1(c)(3);

(5) the Registrant's declaration that the Qualifying Office serves as the official depository, for archival purposes, of a portion of the records of the Settlement Fund, that natural persons employed or engaged by the Registrant are regularly present there, and that one or more categories of acts of administration with respect to the Settlement Fund are and will be regularly performed there, identifying those categories. The declaration shall state that the acts so performed are ministerial and are performed in a ministerial and not a fiduciary capacity;

(6) the Registrant's declaration that an account of the Settlement Fund may be maintained at an office or branch of a financial institution located within the corporate limits of the City;

(7) the requested effective date, which may not precede the date of filing;

(8) the Registrant's acknowledgment of §149-7(c), 7(e), and 8; and

(9) if the Registrant requests approval as administrator of the Settlement Fund, the Registrant's declaration that it serves or will serve as administrator of that fund and its acknowledgment of §149-7(e).

(c) An application may not contain, and the Municipal Fund Administrator may not request, require, or retain: the name or identity of any claimant, transferor, beneficiary, or party to any underlying action; the caption, docket number, or forum of any underlying action; the amount of any claim, settlement, or transfer; any account number; or any description of the underlying matter beyond the category identified under §149-5 (b)(3). An application containing any such

information shall be returned for correction for removal of such information and shall not be retained.

(d) No copy of the instrument establishing a Settlement Fund shall be filed with the City. The Registrant shall retain that instrument at the Qualifying Office.

(e) A Settlement Fund shall be identified in every filing, record, and Approval under this Chapter by its Fund Identifying Number and not by name.

(f) A preexisting Settlement Fund may be transferred subject to its original date of establishment and approval by another Governmental Authority but subject to registration approval under this Chapter.

§149-6. Ministerial Determination.

(a) The Municipal Fund Administrator shall grant the Approval if, and only if, the applicant is a Registrant in good standing with the State of Maryland and the City; the application is complete, verified, states each matter required by §149-5(b), and contains no information prohibited by §149-5(c); the office identified satisfies the definition of a Qualifying Office; and the fee has been paid. Where the application so requests and states the declaration described in §149-5(b)(9), the Approval shall also approve the Registrant as administrator of the Settlement Fund. That approval is granted on the same ministerial basis as the Approval itself and on no other basis.

(b) The Municipal Fund Administrator shall deny the Approval if any condition in subsection (a) above is not met, and has no discretion to grant or deny an Approval on any other basis.

(c) The determination by the Municipal Fund Administrator is ministerial. The Municipal Fund Administrator shall not weigh, investigate, adjudicate, or determine the truth of any matter stated in the application, and shall not determine, find, or rule upon the character of any claim, but shall accept the Registrant's verified declarations as stated.

(d) The Municipal Fund Administrator shall act on a complete application within five business days. A Registrant aggrieved by a denial or failure to act may within thirty days request review by the Mayor and City Council, which shall apply the standards in subsection (a) and no others.

§149-7. Approval; Limitations.

(a) An Approval shall be issued as a Certificate of Approval, in writing, signed by the Municipal Fund Administrator under the seal of the City, stating only: the name of the City; the Fund Identifying Number; the approval of the establishment and continuation of that Settlement Fund; the acceptance and retention of continuing jurisdiction under §149-8; the date and time the Approval is granted; a reference incorporating the limitations stated in subsection (c); and the name, title, and signature of the Municipal Fund Administrator. The form of the Certificate is prescribed by §149-7A.

(b) An Approval takes effect at the date and time stated on the Certificate, which may not precede the date of filing of the application. The Municipal Fund Administrator shall maintain a register of Approvals granted, denied, amended, suspended, and revoked, identifying each Settlement Fund by Fund Identifying Number only.

(c) An Approval approves the establishment and continuation of a Settlement Fund and nothing further. The City does not determine, certify, or opine as to the tax treatment of any fund or person; assumes no ownership, custody, control, investment authority, supervisory obligation, or fiduciary

duty; and does not guarantee, insure, or stand behind any fund or any distribution from it. A Registrant may not state or imply otherwise.

(d) The City does not receive, review, evaluate, approve, or act upon any Distribution Petition, any claimant submission, or any determination of a claimant's eligibility or allocation or any related dispute, except for challenges to the veracity of the representations made in any application filed with the City. No such document may be filed with the City, and any such document received shall be returned unread. Evaluation of claimant submissions against the qualifying criteria applicable to a Settlement Fund is an act of the Registrant, performed at the Qualifying Office, in which the City has no part. However, if a claim is filed challenging the veracity of the representations made in an application, the City may suspend or revoke the approval and refer the matter to the original court authorizing the Settlement Fund for further review.

(e) Where an Approval approves a Registrant as administrator of a Settlement Fund, that approval identifies the person holding that role and nothing further. The City makes no representation as to the Registrant's qualifications, competence, solvency, or performance; assumes no responsibility for any return, filing, deposit, calculation, or distribution; and owes no duty to any transferor, claimant, beneficiary, or taxing authority in respect of the Registrant's acts or omissions. The approval does not make the Registrant an agent, employee, or instrumentality of the City.

§149-7A. Form of Certificate of Approval.

The Certificate of Approval shall be substantially in the following form, and shall contain nothing further, except that where the application so requests the Certificate shall also include the administrator sentence provided below:

CITY OF HAVRE DE GRACE, MARYLAND. CERTIFICATE OF APPROVAL OF SETTLEMENT FUND. Certificate No. _____.

The Mayor and City Council of Havre de Grace, a municipal corporation and a political subdivision of the State of Maryland, upon the verified application of a Registrant under Chapter 149 of the Code of the City of Havre de Grace, APPROVES the establishment and continuation of the settlement fund bearing Fund Identifying Number _____, and ACCEPTS and RETAINS continuing jurisdiction over that fund under City Code §147-8.

[Where requested: The City further APPROVES _____ as administrator of that fund for purposes of Treas. Reg. section 1.468B-2(k)(3)(i), subject to City Code 149-7(e).]

Granted this _____ day of _____, 20____, at _____:____.m. Eastern Time.

This Certificate is subject to the limitations stated in City Code 149-7(c), which are incorporated by reference.

_____[Name], Municipal Fund Administrator, City of Havre de Grace, Maryland. [SEAL]

§149-8. Continuing Jurisdiction.

(a) The City accepts and retains continuing jurisdiction, solely as defined by Treas. Reg. section 1.468B-1 over each Settlement Fund for which an Approval is in effect.

(b) The jurisdiction retained consists of the authority to receive and act upon the annual certification required by subsection (d); to receive and act upon an application for supplemental,

amended, or successor Approval; to amend, condition, suspend, or revoke an Approval under §149-9; and to require of the Registrant such information concerning the matters stated in §149-5(b) as is necessary to administer this Chapter, subject always to Section §149-5(c).

(c) The jurisdiction retained does not include any authority over the assets, investments, distributions, or beneficiaries of a Settlement Fund, or any obligation to supervise, monitor, audit, or account for any Settlement Fund. Upon the filing of a complaint by a beneficiary of a Settlement Fund filed with the Municipal Fund Administrator challenging the veracity of the representations and certifications contained therein, the City may revoke an approval as provided under §149-9, and refer the matter to the court originally authorizing the Settlement Fund for further review.

(d) On or before July 31 of each year, a Registrant shall file, a single report in bulk for all active Settlement Fund for which an Approval is in effect, a verified certification identifying the Settlement Funds by Fund Identifying Number and stating whether the declarations made under §149-5(b)(5) and (6) remain true, and identifying any change in the categories of acts of administration regularly performed at the Qualifying Office.

§149-9. Amendment, Suspension, and Revocation.

(a) The Municipal Fund Administrator may amend an Approval on the verified application of the Registrant.

(b) The Municipal Fund Administrator may suspend or revoke an Approval, after written notice stating the grounds and an opportunity to be heard not less than fifteen days after the notice, if a material declaration was untrue when made; a condition in §149-6(a) has ceased to be satisfied; a required certification has not been filed; the Registrant's registration has expired or been revoked; or the Registrant has violated §149-7(c).

(c) Suspension or revocation operates prospectively only. A Registrant aggrieved by a suspension or revocation decision may within thirty days request review by the Mayor and City Council. The City Council may stay consideration of any decision and refer the matter to the Court originally authorizing the Settlement Fund.

(d) Only aggrieved persons have standing to petition the Municipal Fund Administrator.

§149-10. Fees.

(a) The following fees are established and shall be added to the schedule maintained under Chapter 70 of the City Code: application for establishment and continuation of Settlement Fund, or approval of administrator \$275.00; annual registration or amendment to existing registration, \$175.00. Subsequent increases may be made by ordinance by amendments to City Code Chapter 70 and such later amendments to Chapter 70 will control if inconsistent with this Section.

(b) Each fee is payable at filing, is non-refundable, and is not contingent upon the grant of a registration, Approval, or amendment.

(c) Each fee is fixed by the Mayor and City Council and may be changed only by ordinance or by amendment of the Chapter 70 fee schedule adopted by the Mayor and City Council. No officer or employee of the City has authority to establish, waive, reduce, increase, or negotiate any fee under this Section.

(d) The fees are calculated to recover the reasonable cost to the City of administering this Chapter, as determined by estimated costs and employee hours needed to administer this Chapter. The City administration may authorize from time to time a cost study to determine the reasonableness of

fees charged. No fee is measured by the size of any Settlement Fund, the amount of any settlement or claim, or any tax consequence or benefit to any person.

(e) Fees collected under this Chapter may be deposited in the General Fund and used to fund and/or defer costs associated with the use of the STAR Centre and Opera House by City Commissions, such as the Youth Commission, and other local charitable organizations as determined by the Mayor and the Director of Administration, in furtherance of the City's general purposes or in aid of education or charity within the City.

§149-11. No Appropriation; No Liability; No Fiduciary Relationship.

(a) Nothing in this Chapter obligates the City to expend money or to incur liability, and no officer or employee is authorized by this Chapter to expend money that is not appropriated or to contract or incur a liability, consistent with Charter Section 37.

(b) No fiduciary, trust, agency, or confidential relationship arises between the City and any Registrant, transferor, claimant, trustee, or beneficiary by reason of this Chapter or any Approval.

(c) Nothing in this Chapter waives, extends, or modifies any immunity, notice requirement, or damages limitation available to the City under the Local Government Tort Claims Act or other applicable law.

§149-12. Severability; Narrowing Construction.

(a) The provisions of this Chapter are severable.

(b) If a court determines that this Chapter may not validly be applied to a class of Settlement Funds, Registrants, or circumstances, it is the express intent of the Mayor and City Council that the Chapter continue in force as to every other class to which it may validly be applied, and that it be given the narrowest construction necessary to sustain its validity rather than be held invalid in whole, including by application to those Settlement Funds as to which all acts of administration are performed at the Qualifying Office.

AND ADD THE FOLLOWING AMENDMENT TO THE DEFINITION OF "FINANCIAL INSTITUTIONS" UNDER CITY CODE CHAPTER 205-13 with all other provisions of 205-13 remaining unchanged:

§205-13 Definitions.

* * *
FINANCIAL INSTITUTION — Any establishment for which the primary business is concerned with such state or federally regulated activities as banking, savings and loans, administrators of qualified settlement funds approved under City Code Chapter 149, and consumer loan companies.

* * *

ADOPTED by the City Council of Havre de Grace, Maryland this ____ day of _____, 2026.

SIGNED by the Mayor and attested by the Director of Administration this ____ day of _____, 2026.

372 ATTEST:
373
374
375
376 _____
377 Christopher Ricci
378 Director of Administration
379 Introduced/First Reading: 10/5/2026
380 Public Hearing:
381 Second Reading:
382
383 Effective Date:
384

MAYOR AND CITY COUNCIL
OF HAVRE DE GRACE

William T. Martin
Mayor