
By: **Delegate Heller (Joint Committee on the Management of Public Funds)**
and Delegates Aumann, Conway, and Marriott

Introduced and read first time: February 4, 2004

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: March 2, 2004

CHAPTER 366

1 AN ACT concerning

2 **State Treasury - Banking Services Agreements**

3 FOR the purpose of expanding the entities with which the Treasurer may enter into
4 an agreement for banking services to include certain financial institutions;
5 authorizing an agreement for banking services to include the terms and
6 conditions of the services; requiring an agreement to specify the charges for
7 banking services; authorizing an agreement to allow interest earnings to offset
8 charges for banking services; requiring interest earnings in excess of charges for
9 banking services to be credited to the general fund; allowing the Treasurer, with
10 the concurrence of the Comptroller, to authorize a State agency to open and
11 maintain an account with certain financial institutions; requiring certain
12 accounts to comply with certain statutes, regulations, and policies; and
13 generally relating to banking services agreements.

14 BY repealing and reenacting, with amendments,
15 Article - State Finance and Procurement
16 Section 6-229
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2003 Supplement)

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

1 **Article - State Finance and Procurement**

2 6-229.

3 (a) The Treasurer may make an agreement with a [bank or trust company]
4 FINANCIAL INSTITUTION as to TERMS, CONDITIONS, AND compensation for a banking
5 service that the [bank or trust company] FINANCIAL INSTITUTION provides to the
6 State OR ANY STATE AGENCY.

7 (b) An agreement under this section:

8 (1) [may allow] SHALL SPECIFY THE charges TO BE PAID for a banking
9 service; [or]

10 (2) [instead of charges, may:

11 (i) MAY allow the deposit of money with the [bank or trust
12 company] FINANCIAL INSTITUTION in an amount DETERMINED BY THE TREASURER
13 that permits the [bank or trust company] FINANCIAL INSTITUTION to earn sufficient
14 compensation TO OFFSET THE CHARGES for its banking service; and

15 [(ii)] (3) SHALL require the [bank or trust company] FINANCIAL
16 INSTITUTION to invest any money on deposit that exceeds [the allowed amount] ANY
17 AMOUNT ALLOWED BY THE TREASURER UNDER ITEM (2) OF THIS SUBSECTION and
18 UNLESS OTHERWISE SPECIFICALLY PROVIDED BY LAW to pay to the State the
19 proceeds of the investment TO THE GENERAL FUND OF THE STATE.

20 (C) THE TREASURER, WITH THE CONCURRENCE OF THE COMPTROLLER, MAY
21 AUTHORIZE A STATE AGENCY TO OPEN AND MAINTAIN AN ACCOUNT WITH A
22 FINANCIAL INSTITUTION THAT HAS AN AGREEMENT WITH THE TREASURER UNDER
23 THIS SECTION.

24 (D) AN ACCOUNT ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION
25 SHALL COMPLY WITH THE PROVISIONS OF THIS SUBTITLE AND REGULATIONS AND
26 POLICIES ADOPTED BY THE TREASURER AND THE COMPTROLLER.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2004.