

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 290

(Senator Lawlah, *et al.*)

Budget and Taxation

Appropriations

State Treasury - Banking Services Agreements

This bill clarifies the authority of the Treasurer to make banking service agreements and to provide for the terms, conditions, and compensation for a financial institution providing banking services to the State or any State agency. The bill also allows earnings on deposits to offset bank service charges and requires that all investment earnings be paid to the general fund. Finally, the bill provides that the Treasurer may authorize agency bank accounts and requires that such accounts comply with regulations and policies of the Treasurer and the Comptroller.

Fiscal Summary

State Effect: None. The bill codifies current practice.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Agency bank accounts are not currently authorized by statute.

Background: The bill specifically provides that agency bank accounts be authorized by the Treasurer with the concurrence of the Comptroller. Some agency bank accounts collect interest, which is then deposited into the general fund. Other agency accounts earn earnings credits rather than interest. Earning credits are used to pay bank fees. The

bill codifies current practice. This bill was introduced on a recommendation from the Joint Committee on the Management of Public Funds.

Additional Information

Prior Introductions: None.

Cross File: HB 690 (Delegate Heller, *et al.*) (Joint Committee on the Management of Public Funds) – Appropriations.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2004
ncs/hlb

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