

# HOUSE BILL 564

I4

4lr2488  
CF SB 522

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By: **Delegate Olszewski**

Introduced and read first time: January 29, 2014

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Maryland Uniform Commercial Code – Funds Transfers**

3 FOR the purpose of altering the applicability of provisions of the Maryland Uniform  
4 Commercial Code governing funds transfers; providing that the provisions apply  
5 to a certain remittance transfer except under certain circumstances;  
6 establishing that, in the event of an inconsistency between an applicable  
7 provision of the Maryland Uniform Commercial Code governing funds transfers  
8 and an applicable provision of the federal Electronic Fund Transfer Act, the  
9 federal law governs to the extent of the inconsistency; and generally relating to  
10 funds transfers under the Maryland Uniform Commercial Code.

11 BY repealing and reenacting, without amendments,  
12 Article – Commercial Law  
13 Section 4A–101, 4A–102, and 4A–104  
14 Annotated Code of Maryland  
15 (2013 Replacement Volume)

16 BY repealing and reenacting, with amendments,  
17 Article – Commercial Law  
18 Section 4A–108  
19 Annotated Code of Maryland  
20 (2013 Replacement Volume)

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

23 **Article – Commercial Law**

24 4A–101.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 This title may be cited as Maryland Uniform Commercial Code – Funds  
2 Transfers.

3 4A–102.

4 Except as otherwise provided in § 4A–108 of this subtitle, this title applies to  
5 funds transfers defined in § 4A–104 of this subtitle.

6 4A–104.

7 In this title:

8 (1) “Funds transfer” means the series of transactions, beginning with  
9 the originator’s payment order, made for the purpose of making payment to the  
10 beneficiary of the order. The term includes any payment order issued by the  
11 originator’s bank or by an intermediary bank intended to carry out the originator’s  
12 payment order. A funds transfer is completed by acceptance by the beneficiary’s bank  
13 of a payment order for the benefit of the beneficiary of the originator’s payment order.

14 (2) “Intermediary bank” means a receiving bank other than:

15 (i) The originator’s bank; or

16 (ii) The beneficiary’s bank.

17 (3) “Originator” means the sender of the first payment order in a  
18 funds transfer.

19 (4) “Originator’s bank” means:

20 (i) The receiving bank to which the payment order of the  
21 originator is issued if the originator is not a bank; or

22 (ii) The originator if the originator is a bank.

23 4A–108.

24 **(A) [This] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**  
25 **THIS** title does not apply to a funds transfer any part of which is governed by the  
26 Electronic Fund Transfer Act of 1978 (Title XX, Public Law 95–630, 92 Stat. 3728, 15  
27 U.S.C. § 1693 et seq.) as amended from time to time.

28 **(B) THIS TITLE APPLIES TO A FUNDS TRANSFER THAT IS A REMITTANCE**  
29 **TRANSFER AS DEFINED IN THE ELECTRONIC FUND TRANSFER ACT (15 U.S.C. §**  
30 **1693O–1) AS AMENDED FROM TIME TO TIME, UNLESS THE REMITTANCE**  
31 **TRANSFER IS AN ELECTRONIC FUND TRANSFER AS DEFINED IN THE**

1 **ELECTRONIC FUND TRANSFER ACT (15 U.S.C. § 1693A) AS AMENDED FROM**  
2 **TIME TO TIME.**

3 **(C) IN A FUNDS TRANSFER TO WHICH THIS TITLE APPLIES, IN THE**  
4 **EVENT OF AN INCONSISTENCY BETWEEN AN APPLICABLE PROVISION OF THIS**  
5 **TITLE AND AN APPLICABLE PROVISION OF THE ELECTRONIC FUND TRANSFER**  
6 **ACT, THE PROVISION OF THE ELECTRONIC FUND TRANSFER ACT GOVERNS TO**  
7 **THE EXTENT OF THE INCONSISTENCY.**

8 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
9 **October 1, 2014.**