



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

March 3, 2020

Committee: Senate Finance

Bill: SB 975 - Governmental Entities - Authorization to Bank With Credit Unions

Position: Support

Reason for Position:

The Maryland Municipal League supports SB 975 which allows credit unions to act as fiscal agents for municipal governments.

Currently, municipalities along with other governmental entities, are not authorized to use credit unions for public fiscal business and this bill would create that authority. In some cases, traditional banks may not be the most convenient or, in the judgement of the municipality, the best option with which to conduct their fiscal affairs. Credit unions would need to be federally insured and incorporated in the state in order to be eligible to work with a municipality, providing safeguards for public funds.

Allowing governmental entities to work with credit unions for their fiscal affairs provides more options for municipalities when choosing their fiscal partner. For these reasons we therefore respectfully request that this committee report SB 975 favorably.

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