
By: Chairman, Commerce and Government Matters Committee (Departmental - Labor, Licensing and Regulation)

Introduced and read first time: February 14, 1996
Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 12, 1996

CHAPTER _____

1 AN ACT concerning

2 **Financial Institutions - Confidential Financial Records**

3 FOR the purpose of eliminating the requirement that a subpoena served on a fiduciary
4 institution for customer financial records contain a certification that a copy of the
5 subpoena has been served on the customer whose records are sought, where
6 ~~notification to the customer of the existence of the subpoena would violate State or~~
7 ~~federal law governing the secrecy of grand jury subpoenas~~ the subpoena is a state or
8 federal grand jury subpoena; and generally relating to confidential financial records.

9 BY repealing and reenacting, with amendments,
10 Article - Financial Institutions
11 Section 1-304
12 Annotated Code of Maryland
13 (1992 Replacement Volume and 1995 Supplement)

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

16 **Article - Financial Institutions**

17 1-304.

18 (a) In this section, "subpoena" means a subpoena, summons, warrant, or court
19 order that appears on its face to have been issued on lawful authority.

20 (b) [A] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A
21 fiduciary institution may disclose or produce financial records or information derived
22 from financial records in compliance with a subpoena served on the fiduciary institution,
23 if:

2

1 (1) The subpoena contains a certification that a copy of the subpoena has
2 been served on the person whose records are sought by the party seeking the disclosure or
3 production of the records; or

4 (2) Contains a certification that service has been waived by the court for
5 good cause.

6 (C) A FIDUCIARY INSTITUTION MAY DISCLOSE OR PRODUCE FINANCIAL
7 RECORDS OR INFORMATION DERIVED FROM FINANCIAL RECORDS IN COMPLIANCE
8 WITH A SUBPOENA THAT DOES NOT CONTAIN THE CERTIFICATION OR WAIVER
9 REQUIRED UNDER SUBSECTION (B) OF THIS SECTION IF:

10 ~~(1) THE SUBPOENA IS A STATE OR FEDERAL GRAND JURY SUBPOENA;~~
11 ~~AND~~

12 ~~(2) SERVICE OF A COPY OF THE SUBPOENA ON THE PERSON WHOSE~~
13 ~~RECORDS ARE SOUGHT IS PROHIBITED UNDER STATE OR FEDERAL LAW.~~

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 1996.