

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 799 (Delegate Bobo, *et al.*)
Commerce and Government Matters

Referred to Finance

Financial Institutions - Fees for Dishonored Negotiable Instruments - Limitation

This amended bill prohibits financial institutions from assessing any fee or other assessment that exceeds an amount set by the Commissioner of Financial Regulation against the account of a depositor because of nonpayment by the drawee of any check, draft, or other negotiable instrument which had been deposited in good faith into her/his account.

Fiscal Summary

State Effect: None. The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Potential minimal effect on small business as discussed below.

Fiscal Analysis

Small Business Effect: To the extent that small businesses in the State are assessed fees based on the nonpayment of the drawee on checks deposited into their account, this bill could have a positive impact by reducing payments made to banking institutions depending upon the amount set by the Commissioner. This bill could reduce a cost of doing business.

The majority of banks affected by this bill are not small businesses. However, to the extent that small banks assess fees against depositors because of the nonpayment of a drawee, these businesses may experience a reduction in fees collected depending upon the amount set by the Commissioner.

Information Source(s): Department of Labor, Licensing, and Regulation (Office of Financial Regulation); Maryland Bankers Association

Fiscal Note History: First Reader - February 17, 1997

brd Revised - House Third Reader - March 25, 1997

Analysis by: Shelley Finlayson

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710