

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 1146 (Delegate Bobo. *et al.*)

Commerce and Government Matters

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**Financial Institutions - Fees for Dishonored Negotiable Instruments - Prohibition**

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This bill prohibits a financial institution from imposing a fee or other assessment against the account of a depositor because the drawee dishonors a negotiable instrument which has been deposited in good faith by the depositor.

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**Fiscal Summary**

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

**Local Effect:** None.

**Small Business Effect:** Minimal effect on small business.

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**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. 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.

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

**Fiscal Note History:**

First Reader - March 9, 1998

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