

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1147 (Delegate Bobo. *et al.*)

Commerce and Government Matters

Banking Institutions - Basic Banking Accounts

This bill requires “banking institutions” to offer basic banking accounts or basic share draft accounts whereby the initial deposit required for opening the account may not exceed \$25 and the institution may not require a minimum balance. The bill establishes other specified rules, conditions, and terms for such accounts, including that an institution may not charge more than \$3 per periodic cycle (28 to 31 days) to maintain the account and that a financial institution may charge an account holder for transactions at ATMs not operated by the banking institution as long as the charge does not exceed the amounts charged to other consumers for similar transactions.

Banking institutions may require low cost banking applicants or account holders to: (1) be State residents; (2) provide the same information required of other “consumer transaction accounts”; (3) arrange for direct deposit; or (4) not maintain another consumer transaction account.

Banking institutions may apply to the Bank Commissioner for approval to offer alternative accounts if their actual costs exceed the charges they are authorized to impose. The bill stipulates information that must be contained in such an application and requires the Bank Commissioner to consider certain conditions.

Fiscal Summary

State Effect: None. This bill would not affect the operations or finances of the Bank Commissioner.

Local Effect: None.

Small Business Effect: None.

Information Source(s): Department of Labor, Licensing, and Regulation (Office of the Bank Commissioner); Department of Legislative Services

Fiscal Note History: First Reader - March 13, 1998

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