

SENATE BILL 270

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II

1999 Regular Session  
9lr0937

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By: **Senators Conway, Blount, Mitchell, Hughes, McFadden, Frosh, Stone,  
Teitelbaum, Exum, Sfikas, Van Hollen, and Kelley**

Introduced and read first time: February 4, 1999

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions - Proof of Identity from Payees and Prospective**  
3 **Account Holders**

4 FOR the purpose of authorizing a financial institution to request proof of identity  
5 from a payee of a check, draft, or other negotiable instrument or an individual  
6 applying to open an account at the financial institution under certain  
7 circumstances; prohibiting a financial institution from requiring a payee of a  
8 check, draft, or other negotiable instrument to submit to fingerprinting under  
9 certain circumstances; prohibiting a financial institution from requiring a  
10 prospective account holder to submit to a criminal history records check under  
11 certain circumstances; and generally relating to proof of identity from payees  
12 and prospective account holders in financial institutions.

13 BY repealing and reenacting, without amendments,  
14 Article - Financial Institutions  
15 Section 1-101(i)  
16 Annotated Code of Maryland  
17 (1998 Replacement Volume and 1998 Supplement)

18 BY adding to  
19 Article - Financial Institutions  
20 Section 1-208  
21 Annotated Code of Maryland  
22 (1998 Replacement Volume and 1998 Supplement)

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

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**Article - Financial Institutions**

2 1-101.

3 (i) "Financial institution" means any financial institution of the type  
4 supervised under this article, whether or not State-chartered.

5 1-208.

6 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A FINANCIAL  
7 INSTITUTION MAY REQUEST PROOF OF IDENTITY FROM:

8 (1) A PAYEE OF A CHECK, DRAFT, OR OTHER NEGOTIABLE INSTRUMENT  
9 WHO PRESENTS THE CHECK, DRAFT, OR OTHER NEGOTIABLE INSTRUMENT FOR  
10 PAYMENT AT THE FINANCIAL INSTITUTION; OR

11 (2) AN INDIVIDUAL APPLYING TO OPEN AN ACCOUNT AT THE FINANCIAL  
12 INSTITUTION.

13 (B) A FINANCIAL INSTITUTION:

14 (1) MAY NOT REQUIRE, AS A CONDITION TO PAYING A CHECK, DRAFT, OR  
15 OTHER NEGOTIABLE INSTRUMENT, THAT THE PAYEE OF THE CHECK, DRAFT, OR  
16 OTHER NEGOTIABLE INSTRUMENT SUBMIT TO FINGERPRINTING; AND

17 (2) MAY NOT REQUIRE, AS A CONDITION TO OPENING AN ACCOUNT IN  
18 THE FINANCIAL INSTITUTION, THAT A PROSPECTIVE ACCOUNT HOLDER SUBMIT TO  
19 A CRIMINAL HISTORY RECORDS CHECK.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
21 effect October 1, 1999.