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By: **Delegates Bobo, Bronrott, Clagett, Dobson, Dypski, Mandel, Moe,  
Morhaim, Paige, and Swain**

Introduced and read first time: February 9, 2001  
Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of prohibiting a financial institution from imposing any fee, charge,  
5 or other assessment against the account of a depositor of the financial  
6 institution because the drawee of a check, draft, or other negotiable instrument  
7 that has been deposited in the financial institution by the depositor dishonors  
8 the check, draft, or other negotiable instrument under certain circumstances;  
9 and generally relating to a prohibition against fees imposed by financial  
10 institutions for dishonored negotiable instruments.

11 BY repealing and reenacting, without amendments,  
12 Article - Financial Institutions  
13 Section 1-101(i)  
14 Annotated Code of Maryland  
15 (1998 Replacement Volume and 2000 Supplement)

16 BY adding to  
17 Article - Financial Institutions  
18 Section 1-207  
19 Annotated Code of Maryland  
20 (1998 Replacement Volume and 2000 Supplement)

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

23 **Article - Financial Institutions**

24 1-101.

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

1 1-207.

2 A FINANCIAL INSTITUTION SUBJECT TO THE PROVISIONS OF THIS ARTICLE MAY  
3 NOT IMPOSE ANY FEE, CHARGE, OR OTHER ASSESSMENT AGAINST THE ACCOUNT OF  
4 A DEPOSITOR OF THE FINANCIAL INSTITUTION BECAUSE THE DRAWEE OF A CHECK,  
5 DRAFT, OR OTHER NEGOTIABLE INSTRUMENT THAT HAS BEEN DEPOSITED IN THE  
6 FINANCIAL INSTITUTION IN GOOD FAITH BY THE DEPOSITOR DISHONORS THE  
7 CHECK, DRAFT, OR OTHER NEGOTIABLE INSTRUMENT.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2001.