

HOUSE BILL 830

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II

2002 Regular Session  
2r1783  
CF 2r1784

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By: **Delegates Sophocleus, Parrott, Bozman, Riley, Crouse, Dobson, Swain,  
Benson, Bobo, McIntosh, Brinkley, Paige, Dypski, Clagett, and DeCarlo**

Introduced and read first time: February 7, 2002  
Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Banking Institutions - Truncated Accounts**

3 FOR the purpose of repealing certain provisions of law requiring certain banking  
4 institutions to offer customers a certain checking account plan and to provide  
5 certain information to a customer opening a truncated checking account;  
6 clarifying that a request by a customer with a truncated account for return of a  
7 check must be in writing; altering the number of checks that a banking  
8 institution must return to a customer with a truncated account under certain  
9 circumstances; clarifying that a banking institution may return a check  
10 facsimile instead of an original check to a customer under certain circumstances;  
11 defining certain terms; making stylistic changes; and generally relating to  
12 truncated accounts offered by banking institutions to their customers.

13 BY repealing and reenacting, with amendments,  
14 Article - Financial Institutions  
15 Section 5-513  
16 Annotated Code of Maryland  
17 (1998 Replacement Volume and 2001 Supplement)

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

20 **Article - Financial Institutions**

21 5-513.

22 [(a) A banking institution offering truncated checking accounts shall also offer  
23 customers a checking account plan that provides for the return of canceled checks on  
24 a monthly basis.

25 (b) When a customer opens a truncated checking account, the banking  
26 institution shall inform the customer of the length of time the banking institution  
27 intends to keep the original canceled checks.]

1 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3 (2) "CHECK" MEANS A DRAFT THAT IS DRAWN ON A BANKING  
4 INSTITUTION AND PAYABLE ON DEMAND.

5 (3) "CHECK FACSIMILE" MEANS A COPY OF THE ORIGINAL CHECK  
6 REPRODUCED THROUGH PHOTOGRAPHIC, PHOTOSTATIC, MICROFILM, MICROCARD,  
7 MINIATURE PHOTOGRAPHIC, OPTICAL IMAGING, ELECTRONIC, DIGITAL, MAGNETIC,  
8 WIRELESS, ELECTROMAGNETIC, OR OTHER PROCESS THAT ACCURATELY  
9 REPRODUCES OR FORMS A DURABLE MEDIUM FOR REPRODUCING THE ORIGINAL  
10 CHECK.

11 (4) "DRAFT" HAS THE MEANING STATED IN § 3-104 OF THE COMMERCIAL  
12 LAW ARTICLE.

13 (5) "TRUNCATED ACCOUNT" MEANS A CHECKING, NEGOTIABLE ORDER  
14 OF WITHDRAWAL, OR SIMILAR DEPOSIT ACCOUNT FOR WHICH THE ORIGINAL  
15 CHECKS DRAWN ON THE ACCOUNT ARE NOT RETURNED TO THE CUSTOMER ON A  
16 REGULAR BASIS.

17 [(c)] (B) (1) [When a customer elects not to receive canceled checks on a  
18 regular basis, the banking institution shall, upon the customer's request,] ON  
19 WRITTEN REQUEST OF A CUSTOMER WITH A TRUNCATED ACCOUNT, A BANKING  
20 INSTITUTION SHALL return any check [or check facsimile] the customer requires for  
21 tax audits or litigation, at no cost to the customer.

22 (2) In all other instances, ON WRITTEN REQUEST OF A CUSTOMER  
23 WITH A TRUNCATED ACCOUNT, the banking institution[, at the customer's request,]  
24 shall [provide] RETURN a [minimum] MAXIMUM of 2 checks [or check facsimiles]  
25 per month, at no cost to the customer.

26 (3) A BANKING INSTITUTION REQUIRED TO RETURN A CHECK TO A  
27 CUSTOMER UNDER THIS SUBSECTION MAY RETURN A CHECK FACSIMILE INSTEAD  
28 OF THE ORIGINAL CHECK.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 June 1, 2002.