

SENATE BILL 160

Unofficial Copy  
II

2003 Regular Session  
(3r1522)

**ENROLLED BILL**  
-- Finance/Economic Matters --

Introduced by **Senator Astle**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

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; requiring a banking institution that returns check~~  
8 ~~facsimiles instead of original checks to a customer who has requested the return~~  
9 ~~of a check for tax audits or litigation, litigation, or in connection with campaign~~  
10 ~~financing reporting requirements to return to the customer, on the customer's~~  
11 ~~request, certain check facsimiles at no additional cost to the customer; altering~~  
12 ~~the purposes for which a customer with a truncated account may request the~~  
13 ~~return of a check; altering the number of checks that a banking institution must~~  
14 ~~return to a customer with a truncated account under certain circumstances;~~  
15 ~~clarifying that a banking institution may return a check facsimile instead of an~~  
16 ~~original check to a customer under certain circumstances; requiring a banking~~  
17 ~~institution, on request of a customer with a certain truncated account, to return~~

1 to the customer, on a regular basis, the customer's original checks or certain  
2 check facsimiles under certain circumstances; requiring a banking institution,  
3 on request of a customer with a certain truncated account, to return to the  
4 customer, on a regular basis and at no additional cost to the customer, certain  
5 check facsimiles under certain circumstances; defining certain terms; making  
6 stylistic changes; providing for a delayed effective date; and generally relating to  
7 truncated accounts offered by banking institutions to their customers.

8 BY repealing and reenacting, with amendments,  
9 Article - Financial Institutions  
10 Section 5-513  
11 Annotated Code of Maryland  
12 (1998 Replacement Volume and 2002 Supplement)

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

15 **Article - Financial Institutions**

16 5-513.

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

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

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

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

27 (3) "CHECK FACSIMILE" MEANS A COPY OF AN ORIGINAL CHECK  
28 REPRODUCED THROUGH PHOTOGRAPHIC, PHOTOSTATIC, MICROFILM, MICROCARD,  
29 MINIATURE PHOTOGRAPHIC, OPTICAL IMAGING, ELECTRONIC, DIGITAL, MAGNETIC,  
30 WIRELESS, ELECTROMAGNETIC, OR OTHER PROCESS THAT ACCURATELY  
31 REPRODUCES OR FORMS A DURABLE MEDIUM FOR REPRODUCING THE ORIGINAL  
32 CHECK.

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

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

1 [(c)] (B) (1) (I) [When a customer elects not to receive canceled checks on a  
2 regular basis, the banking institution shall, upon the customer's request,] ON  
3 ~~WRITTEN~~ REQUEST OF A CUSTOMER WITH A TRUNCATED ACCOUNT, A BANKING  
4 INSTITUTION SHALL return any check [or check facsimile] the customer requires for  
5 tax audits or litigation OR IN CONNECTION WITH CAMPAIGN FINANCE REPORTING  
6 REQUIREMENTS UNDER THE ELECTION LAW ARTICLE, at no cost to the customer.

7 (II) IF A BANKING INSTITUTION RETURNS CHECK FACSIMILES  
8 INSTEAD OF ORIGINAL CHECKS TO A CUSTOMER UNDER SUBPARAGRAPH (I) OF THIS  
9 PARAGRAPH, ON REQUEST OF THE CUSTOMER, THE BANKING INSTITUTION SHALL  
10 RETURN TO THE CUSTOMER, AT NO ADDITIONAL COST TO THE CUSTOMER, CHECK  
11 FACSIMILES OF THE FRONT AND THE BACK OF THE CUSTOMER'S ORIGINAL CHECKS  
12 THAT ARE AT LEAST THE SAME SIZE AS THE CUSTOMER'S ORIGINAL CHECKS.

13 (2) ~~It~~ SUBJECT TO THE REQUIREMENTS OF SUBSECTION (C)(1) AND (2)  
14 OF THIS SECTION, IN all other instances, ON ~~WRITTEN~~ REQUEST OF A CUSTOMER  
15 WITH A TRUNCATED ACCOUNT, the banking institution[, at the customer's request,]  
16 shall [provide] RETURN a [minimum] MAXIMUM of 2 checks [or check facsimiles]  
17 per month, at no cost to the customer.

18 (3) A BANKING INSTITUTION REQUIRED TO RETURN A CHECK TO A  
19 CUSTOMER UNDER THIS SUBSECTION MAY RETURN A CHECK FACSIMILE INSTEAD  
20 OF THE ORIGINAL CHECK.

21 (C) (1) ON REQUEST OF A CUSTOMER WITH A TRUNCATED ACCOUNT UNDER  
22 WHICH THE CUSTOMER DOES NOT RECEIVE CHECK FACSIMILES ON A REGULAR  
23 BASIS, A BANKING INSTITUTION SHALL RETURN TO THE CUSTOMER ON A REGULAR  
24 BASIS, AT THE BANKING INSTITUTION'S OPTION, EITHER THE CUSTOMER'S ORIGINAL  
25 CHECKS OR CHECK FACSIMILES OF THE FRONT OF THE CUSTOMER'S ORIGINAL  
26 CHECKS.

27 (2) ON REQUEST OF A CUSTOMER WITH A TRUNCATED ACCOUNT UNDER  
28 WHICH THE BANKING INSTITUTION RETURNS CHECK FACSIMILES ON A REGULAR  
29 BASIS, A BANKING INSTITUTION SHALL RETURN TO THE CUSTOMER ON A REGULAR  
30 BASIS, AT NO ADDITIONAL COST TO THE CUSTOMER, CHECK FACSIMILES OF THE  
31 FRONT OF THE CUSTOMER'S ORIGINAL CHECKS THAT ARE AT LEAST THE SAME SIZE  
32 AS THE CUSTOMER'S ORIGINAL CHECKS.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 ~~June 1, 2003~~ January 1, 2004.

