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By: **Delegate Heller (Joint Committee on the Management of Public Funds)**  
**and Delegates Aumann, Conway, and Marriott**

Introduced and read first time: February 4, 2004

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **State Treasury - Banking Services Agreements**

3 FOR the purpose of expanding the entities with which the Treasurer may enter into  
4 an agreement for banking services to include certain financial institutions;  
5 authorizing an agreement for banking services to include the terms and  
6 conditions of the services; requiring an agreement to specify the charges for  
7 banking services; authorizing an agreement to allow interest earnings to offset  
8 charges for banking services; requiring interest earnings in excess of charges for  
9 banking services to be credited to the general fund; allowing the Treasurer, with  
10 the concurrence of the Comptroller, to authorize a State agency to open and  
11 maintain an account with certain financial institutions; requiring certain  
12 accounts to comply with certain statutes, regulations, and policies; and  
13 generally relating to banking services agreements.

14 BY repealing and reenacting, with amendments,  
15 Article - State Finance and Procurement  
16 Section 6-229  
17 Annotated Code of Maryland  
18 (2001 Replacement Volume and 2003 Supplement)

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

21 **Article - State Finance and Procurement**

22 6-229.

23 (a) The Treasurer may make an agreement with a [bank or trust company]  
24 FINANCIAL INSTITUTION as to TERMS, CONDITIONS, AND compensation for a banking  
25 service that the [bank or trust company] FINANCIAL INSTITUTION provides to the  
26 State OR ANY STATE AGENCY.

27 (b) An agreement under this section:

1 (1) [may allow] SHALL SPECIFY THE charges TO BE PAID for a banking  
2 service; [or]

3 (2) [instead of charges, may:

4 (i) MAY allow the deposit of money with the [bank or trust  
5 company] FINANCIAL INSTITUTION in an amount DETERMINED BY THE TREASURER  
6 that permits the [bank or trust company] FINANCIAL INSTITUTION to earn sufficient  
7 compensation TO OFFSET THE CHARGES for its banking service; and

8 [(ii) (3) SHALL require the [bank or trust company] FINANCIAL  
9 INSTITUTION to invest any money on deposit that exceeds [the allowed amount] ANY  
10 AMOUNT ALLOWED BY THE TREASURER UNDER ITEM (2) OF THIS SUBSECTION and  
11 UNLESS OTHERWISE SPECIFICALLY PROVIDED BY LAW to pay to the State the  
12 proceeds of the investment TO THE GENERAL FUND OF THE STATE.

13 (C) THE TREASURER, WITH THE CONCURRENCE OF THE COMPTROLLER, MAY  
14 AUTHORIZE A STATE AGENCY TO OPEN AND MAINTAIN AN ACCOUNT WITH A  
15 FINANCIAL INSTITUTION THAT HAS AN AGREEMENT WITH THE TREASURER UNDER  
16 THIS SECTION.

17 (D) AN ACCOUNT ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION  
18 SHALL COMPLY WITH THE PROVISIONS OF THIS SUBTITLE AND REGULATIONS AND  
19 POLICIES ADOPTED BY THE TREASURER AND THE COMPTROLLER.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 2004.