

HOUSE BILL 690

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P1

2004 Regular Session  
4r2134  
CF 4r2133

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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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Committee Report: Favorable

House action: Adopted

Read second time: March 2, 2004

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CHAPTER \_\_\_\_\_

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:

1 **Article - State Finance and Procurement**

2 6-229.

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

7 (b) An agreement under this section:

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

10 (2) [instead of charges, may:

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

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

20 (C) THE TREASURER, WITH THE CONCURRENCE OF THE COMPTROLLER, MAY  
21 AUTHORIZE A STATE AGENCY TO OPEN AND MAINTAIN AN ACCOUNT WITH A  
22 FINANCIAL INSTITUTION THAT HAS AN AGREEMENT WITH THE TREASURER UNDER  
23 THIS SECTION.

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

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