

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

House Bill 1598 (Delegate Miller)  
Economic Matters

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**Financial Institutions - Cashing of Paychecks - Fees and Charges Prohibited**

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This bill prohibits a banking institution from assessing any charge or fee to cash a paycheck against an individual who does not have an account at the institution if the paycheck is drawn on an account held there by the individual's employer.

The bill takes effect June 1, 2006.

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**Fiscal Summary**

**State Effect:** Enforcement could be handled with the existing budgeted resources of the Commissioner of Financial Regulation.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Whether a financial institution charges a fee for cashing a paycheck is not specifically regulated by statute.

A banking institution is an institution that is incorporated under Maryland law as a State bank, trust company, or savings bank.

**Background:** Many financial institutions charge a fee to a person without an account at the financial institution for cashing a check or other instrument drawn on the institution.

Chapter 573 of 2005 authorizes employers to credit an employee's wages to a debit card or card account which allows the employee to access the funds through withdrawal, purchase, or transfer. The employee must authorize the payment to be made in this manner, and any card or account fees must be disclosed to the employee in writing.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2006  
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