

## CHAPTER 96

(Senate Bill 653)

AN ACT to repeal and re-enact, with amendments, Section 77 of Article 11 of the Annotated Code of Maryland (1968 Replacement Volume), title "Banks and Trust Companies," subtitle "General Regulations," to change bank and trust company reserve requirements, to equalize bank and trust company reserve requirements, and to correct certain language therein.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section 77 of Article 11 of the Annotated Code of Maryland (1968 Replacement Volume), title "Banks and Trust Companies," subtitle "General Regulations," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

77.

Every bank (other than a savings bank without capital stock) AND TRUST COMPANY shall keep on hand at all times a reserve of at least ~~[[15]]~~ ~~[[10]]~~ percent of its deposits, payable on demand; which reserve may be kept as cash on hand, or on deposit in such bank or banks, trust company or trust companies of good standing, as the board of directors or executive committee by resolution may direct. A BANK OR TRUST COMPANY MAY KEEP AS PART OF ITS RESERVE REQUIREMENTS AN AMOUNT NOT TO EXCEED 5% OF ITS DEPOSITS IN THE FORM OF REGISTERED OR COUPON BONDS, PUBLIC STOCK OF THE UNITED STATES OR THE STATE OF MARYLAND, OR BALTIMORE CITY, OR THE BONDS OF ANY COUNTY OR MUNICIPAL CORPORATION OF THIS STATE, WHICH SHALL BE APPROVED BY THE COMMISSIONER. Every bank AND TRUST COMPANY shall also keep on hand at all times a reserve of at least three percent (3%) of their time deposits; which reserve may be kept as cash on hand, or on deposit in such bank or banks, or trust company or trust companies of good standing, as the board of directors or executive committee by resolution may direct, or in the form of direct obligations of the United States government, or the State of Maryland. [Every trust company shall keep on hand at all times a reserve of at least 10 percent of its deposits payable on demand; which reserve shall be kept on deposit in such bank or banks, or trust company or trust companies of good standing, as the board of directors or executive committee may direct; and every trust company shall also keep on hand, as an additional reserve, at least 5 percent of the amount of such deposits, which additional reserve may be kept on deposit in such bank or banks or trust company or trust companies as the board of directors or executive committee thereof may direct, or in the form of registered or coupon bonds or public stock of the United States, or the State of Maryland, or Baltimore City, or of the bonds of any county or municipal corporation of this State, which shall be approved by the Commissioner. Every trust company shall also keep on hand at all times a reserve of at least three percent (3%) of their time deposits; which reserve may be kept as cash on hand, or on deposit in such bank or banks, or trust company or trust companies of good standing, as the board of directors or executive committee by resolution may direct, or in the form of direct obligations of the United States government, or the State of Maryland.] Cash items shall not be considered as a part of the reserve herein required to be kept by either banks or trust companies~~ll~~, but cash actually on hand held by a trust company shall be considered as a part of the reserve herein first required to be kept by such trust company~~ll~~. No state bank or trust company shall be required to maintain any such reserve on a deposit of public funds when such deposits are fully secured by pledge of collateral as authorized and permitted by this article.