

generally relating to banking services agreements.

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 6-229

Annotated Code of Maryland

(2001 Replacement Volume and 2003 Supplement)

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

Article - State Finance and Procurement

6-229.

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

(b) An agreement under this section:

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

(2) [instead of charges, may:

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

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

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

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

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

May 25, 2004