

(B) TERMS.

AN AGREEMENT UNDER THIS SECTION:

- (1) MAY ALLOW CHARGES FOR A BANKING SERVICE; OR
- (2) INSTEAD OF CHARGES, MAY:

(I) ALLOW THE DEPOSIT OF MONEY WITH THE BANK OR TRUST COMPANY IN AN AMOUNT THAT PERMITS THE BANK OR TRUST COMPANY TO EARN SUFFICIENT COMPENSATION FOR ITS BANKING SERVICE; AND

(II) REQUIRE THE BANK OR TRUST COMPANY TO INVEST ANY MONEY ON DEPOSIT THAT EXCEEDS THE ALLOWED AMOUNT AND TO PAY TO THE STATE THE PROCEEDS OF THE INVESTMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 95, § 24.

The former reference to "other provisions ... relating to the management of State funds" is deleted as surplusage.

The Commission to Revise the Annotated Code notes, for consideration by the General Assembly, whether the defined term "financial institution" should be substituted for the narrower references to a "bank or trust company".

GENERAL REVISOR'S NOTE:

Former Art. 49A, § 2, which allowed the lawful investments enumerated in ET § 15-106 to be accepted as security for public deposits, is deleted as obsolete in light of the later-enacted and specific requirements for collateral, in § 6-209 of this subtitle and Art. 95, § 22 of the Code.

Former Art. 90, §§ 8 and 9, which provided for a surety bond or other collateral from a depository, are deleted as obsolete.

Before 1974, former Art. 95, § 21(a) required a depository to provide collateral "as provided for in Article 90, § 9". Ch. 731, Acts of 1974, added former Art. 95, § 21A and amended then former Art. 95, § 21 to substitute a reference to former § 21A for the cross-reference to "Article 90, § 9" and, thus, seemed to preclude the further use of bonds and to negate the limitations on the obligations listed in former Art. 90, § 9. In practice, Ch. 731, Acts of 1974, has been so construed, although Ch. 501, Acts of 1975, amended former Art. 90, § 9, to add a specific reference to obligations of the Washington Suburban Sanitary District.

TITLE 7. APPROPRIATIONS.

SUBTITLE 1. STATE OPERATING BUDGET.