

institutions are required to make funds available on deposits of their customers and members; and

WHEREAS, The final form of this federal legislation has not yet been determined; and

WHEREAS, It would be preferable to have State-chartered financial institutions and federally chartered financial institutions regulated uniformly after the federal law is enacted; and

WHEREAS, The General Assembly believes it is necessary to regulate funds availability practices of State-chartered financial institutions until such time as federal legislation supersedes State law; now, therefore,

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

Article - Financial Institutions

SUBTITLE 3A. WITHDRAWAL OF ITEMS

5-3A-01.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "BUSINESS DAY" MEANS ANY DAY EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS.

(C) "COLLECTION BASIS" MEANS FUNDS ARE MADE AVAILABLE TO A CUSTOMER FOR AN ITEM WHEN THEY ARE COLLECTED BY THE DEPOSITORY BANK.

(D) "DEPOSITORY BANK" MEANS A BANKING INSTITUTION WHICH MAINTAINS THE ACCOUNT INTO WHICH AN ITEM IS FIRST DEPOSITED.

(E) "FOREIGN ITEM" MEANS ANY ITEM THAT IS PAYABLE AS DRAWN OR ACCEPTED BY A FOREIGN FINANCIAL INSTITUTION THAT HAS ITS PRINCIPAL PLACE OF BUSINESS IN A FOREIGN NATION AND DOES NOT HAVE A SUBSIDIARY IN THE STATE.

(F) (1) "ITEM" MEANS ANY INSTRUMENT, WHETHER NEGOTIABLE OR NONNEGOTIABLE, FOR THE PAYMENT OF MONEY.

(2) "ITEM" DOES NOT INCLUDE MONEY.

(G) "LOCAL ITEM" MEANS ANY ITEM THAT IS PAYABLE AS DRAWN OR ACCEPTED BY A FINANCIAL INSTITUTION THAT HAS A PRINCIPAL OFFICE OR BRANCH OFFICE LOCATED IN THE STATE.