

(2) Each person licensed to issue or sell traveler's checks shall have at all times permissible investments with a book or market value, whichever is greater, that at least equals the total of the outstanding traveler's checks.

(b) A licensee shall require each agent to:

(1) Hold in trust from the moment of receipt the proceeds of a sale or delivery of the licensee's payment instruments and traveler's checks. An agent may not commingle the proceeds with his own property or funds, except to use the funds in the ordinary course of its business for the purpose of making change and cashing instruments, and except to remit the proceeds to the licensee in an amount equal to that due the licensee as a result of the sale of payment instruments or traveler's checks by the agent or subagent. If any agent of a licensee commingles any proceeds received from the sale of the instruments issued by the licensee with any other funds or property owned or controlled by the agent, all commingled proceeds and other property shall be impressed with a trust in favor of such licensee in an amount equal to the amount of the proceeds due the licensee from the sale of payment instruments and traveler's checks less the amount due the agent from the sale.

(2) Within 48 hours of the next regular business day after the agent receives the money, remit the money to the licensee or the licensee's authorized representative, or deposit the money in the licensee's account with a financial institution.

(c) Deposit by the agent in an account with a financial institution of funds in advance of the sale of the payment instruments, but in an amount not less than the amount that the agent would normally receive from the sales of payment instruments, constitutes compliance with this section.

12-416.

[A] EXCEPT AS PERMITTED BY § 17-308.1 OF THE COMMERCIAL LAW ARTICLE, A licensee may not charge a service fee to any original buyer who redeems an unused payment instrument or traveler's check.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1995.

Approved May 18, 1995.

CHAPTER 433

(House Bill 1063)

AN ACT concerning

St. Mary's College of Maryland – Auxiliary and Academic Facilities Bonding Authority
FOR the purpose of increasing the bonding authority for St. Mary's College of Maryland.
BY repealing and reenacting, without amendments,