

check facsimiles under certain circumstances; defining certain terms; making stylistic changes; providing for a delayed effective date; and generally relating to truncated accounts offered by banking institutions to their customers.

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 5–513

Annotated Code of Maryland

(1998 Replacement Volume and 2002 Supplement)

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

Article – Financial Institutions

5–513.

[(a) A banking institution offering truncated checking accounts shall also offer customers a checking account plan that provides for the return of canceled checks on a monthly basis.

(b) When a customer opens a truncated checking account, the banking institution shall inform the customer of the length of time the banking institution intends to keep the original canceled checks.]

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CHECK” MEANS A DRAFT THAT IS DRAWN ON A BANKING INSTITUTION AND PAYABLE ON DEMAND.

(3) “CHECK FACSIMILE” MEANS A COPY OF AN ORIGINAL CHECK REPRODUCED THROUGH PHOTOGRAPHIC, PHOTOSTATIC, MICROFILM, MICROCARD, MINIATURE PHOTOGRAPHIC, OPTICAL IMAGING, ELECTRONIC, DIGITAL, MAGNETIC, WIRELESS, ELECTROMAGNETIC, OR OTHER PROCESS THAT ACCURATELY REPRODUCES OR FORMS A DURABLE MEDIUM FOR REPRODUCING THE ORIGINAL CHECK.

(4) “DRAFT” HAS THE MEANING STATED IN § 3–104 OF THE COMMERCIAL LAW ARTICLE.

(5) “TRUNCATED ACCOUNT” MEANS A CHECKING, NEGOTIABLE ORDER OF WITHDRAWAL, OR SIMILAR DEPOSIT ACCOUNT FOR WHICH THE ORIGINAL CHECKS DRAWN ON THE ACCOUNT ARE NOT RETURNED TO THE CUSTOMER ON A REGULAR BASIS.

[(c)] (B) (1) (I) [When a customer elects not to receive canceled checks on a regular basis, the banking institution shall, upon the customer’s request,] ON WRITTEN REQUEST OF A CUSTOMER WITH A TRUNCATED ACCOUNT, A BANKING INSTITUTION SHALL return any check [or check facsimile] the customer requires for tax audits or litigation OR IN CONNECTION WITH CAMPAIGN FINANCE REPORTING REQUIREMENTS UNDER THE ELECTION LAW ARTICLE, at no cost to the customer.