

HOUSE BILL 1325

P2, L6, I1

0lr2546

By: **Delegates Frick, Barkley, Bobo, Bronrott, Carr, G. Clagett, Dumais, Frush, Hecht, Howard, Lee, Mizeur, Reznik, Rice, and F. Turner**
Introduced and read first time: February 18, 2010
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **State and Local Government Procurement – Banking and Financial Services**
3 **– Preference for State Financial Institutions**

4 FOR the purpose of requiring the State Treasurer, when evaluating competing bids or
5 proposals submitted by financial institutions to provide banking or financial
6 services to the State or an agency of the State, to multiply any bid or proposal
7 submitted by a State financial institution by a certain factor in order to give the
8 State financial institution a preference over the other bids or proposals
9 submitted to provide those services; requiring a local government unit, when
10 evaluating competing bids or proposals submitted by financial institutions to
11 provide banking or financial services to the local government unit, to multiply
12 any bid or proposal submitted by a State financial institution by a certain factor
13 in order to give the State financial institution a preference over the other bids or
14 proposals submitted to provide those services; defining certain terms; and
15 generally relating to the procurement of banking and financial services by the
16 State and local government units.

17 BY repealing and reenacting, without amendments,
18 Article – State Finance and Procurement
19 Section 6–201(a), (b), (e), and (f)
20 Annotated Code of Maryland
21 (2009 Replacement Volume)

22 BY repealing and reenacting, with amendments,
23 Article – State Finance and Procurement
24 Section 6–229
25 Annotated Code of Maryland
26 (2009 Replacement Volume)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement
2 Section 6–230
3 Annotated Code of Maryland
4 (2009 Replacement Volume)

5 BY adding to
6 Article 95 – Treasurer
7 Section 23
8 Annotated Code of Maryland
9 (2003 Replacement Volume and 2009 Supplement)

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

12 **Article – State Finance and Procurement**

13 6–201.

14 (a) In this subtitle the following words have the meanings indicated.

15 (b) “Banking institution” means an institution that is incorporated under the
16 laws of the State as a State bank, trust company, or savings bank.

17 (e) “Financial institution” means:

18 (1) any banking institution;

19 (2) any national banking association;

20 (3) an institution that is incorporated under the laws of any other
21 state as a bank; and

22 (4) an institution that is incorporated under the laws of this State or of
23 the United States as a savings and loan association.

24 (f) “National banking association” means an institution that is incorporated
25 under federal law as a bank.

26 6–229.

27 (a) **[The] SUBJECT TO § 6–230 OF THIS SUBTITLE, THE** Treasurer may
28 make an agreement with a financial institution as to terms, conditions, and
29 compensation for a banking service that the financial institution provides to the State
30 or any State agency.

31 (b) An agreement under this section:

1 (1) shall specify the charges to be paid for a banking service;

2 (2) may allow the deposit of money with the financial institution in an
3 amount determined by the Treasurer that permits the financial institution to earn
4 sufficient compensation to offset the charges for its banking service; and

5 (3) shall require the financial institution to invest any money on
6 deposit that exceeds any amount allowed by the Treasurer under item (2) of this
7 subsection and unless otherwise specifically provided by law to pay to the State the
8 proceeds of the investment to the General Fund of the State.

9 (c) The Treasurer, with the concurrence of the Comptroller, may authorize a
10 State agency to open and maintain an account with a financial institution that has an
11 agreement with the Treasurer under this section.

12 (d) An account established under subsection (c) of this section shall comply
13 with the provisions of this subtitle and regulations and policies adopted by the
14 Treasurer and the Comptroller.

15 **6-230.**

16 (A) IN THIS SECTION, "STATE FINANCIAL INSTITUTION" MEANS A
17 FINANCIAL INSTITUTION THAT IS INCORPORATED UNDER THE LAWS OF THIS
18 STATE.

19 (B) WHEN EVALUATING COMPETING BIDS OR PROPOSALS SUBMITTED
20 BY FINANCIAL INSTITUTIONS TO PROVIDE BANKING OR FINANCIAL SERVICES TO
21 THE STATE OR A STATE AGENCY, THE TREASURER SHALL, WITH RESPECT TO
22 ANY BID OR PROPOSAL SUBMITTED BY A STATE FINANCIAL INSTITUTION,
23 MULTIPLY THE BID PRICE OR PROPOSAL PRICE BY A FACTOR OF 0.9.

24 **Article 95 – Treasurer**

25 **23.**

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

28 (2) "FINANCIAL INSTITUTION" HAS THE MEANING STATED IN §
29 6-201 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

30 (3) "LOCAL GOVERNMENT UNIT" HAS THE MEANING STATED IN §
31 22F OF THIS ARTICLE.

1 (4) “STATE FINANCIAL INSTITUTION” HAS THE MEANING STATED
2 IN § 6-230 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 (B) WHEN EVALUATING COMPETING BIDS OR PROPOSALS SUBMITTED
4 BY FINANCIAL INSTITUTIONS TO PROVIDE BANKING OR FINANCIAL SERVICES TO
5 A LOCAL GOVERNMENT UNIT, THE LOCAL GOVERNMENT UNIT SHALL, WITH
6 RESPECT TO ANY BID OR PROPOSAL SUBMITTED BY A STATE FINANCIAL
7 INSTITUTION, MULTIPLY THE BID PRICE OR PROPOSAL PRICE BY A FACTOR OF
8 **0.9.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2010.