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

AN ACT concerning

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

FOR the purpose of requiring the State Treasurer, when evaluating competing bids or proposals submitted by financial institutions to provide banking or financial services to the State or an agency of the State, to multiply any bid or proposal submitted by a State financial institution by a certain factor in order to give the State financial institution a preference over the other bids or proposals submitted to provide those services; requiring a local government unit, when evaluating competing bids or proposals submitted by financial institutions to provide banking or financial services to the local government unit, to multiply any bid or proposal submitted by a State financial institution by a certain factor in order to give the State financial institution a preference over the other bids or proposals submitted to provide those services; defining certain terms; and generally relating to the procurement of banking and financial services by the State and local government units.

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

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

BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – State Finance and Procurement

6–201.

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

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

(e) “Financial institution” means:

(1) any banking institution;

(2) any national banking association;

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

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

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

6–229.

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

(b) An agreement under this section:
(1) shall specify the charges to be paid for a banking service;

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

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

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

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

6–230.

(A) IN THIS SECTION, “STATE FINANCIAL INSTITUTION” MEANS A FINANCIAL INSTITUTION THAT IS INCORPORATED UNDER THE LAWS OF THIS STATE.

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

Article 95 – Treasurer

23.

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

(2) “FINANCIAL INSTITUTION” HAS THE MEANING STATED IN § 6–201 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) “LOCAL GOVERNMENT UNIT” HAS THE MEANING STATED IN § 22F OF THIS ARTICLE.
(4) "State financial institution" has the meaning stated in § 6–230 of the State Finance and Procurement Article.

(B) When evaluating competing bids or proposals submitted by financial institutions to provide banking or financial services to a local government unit, the local government unit shall, with respect to any bid or proposal submitted by a State financial institution, multiply the bid price or proposal price by a factor of 0.9.

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