

Code of Public General Laws of Maryland

Local Government

§ 17-101

(c) Subject to Subtitle 2 of this title and notwithstanding any provision of local law or ordinance, a governmental entity or its authorized agent:

(2) may deposit unexpended money in:

(i) an interest-bearing time deposit account or savings account at a federally insured bank or federally insured savings and loan association in the State;

(f) A governmental entity or its authorized agent may deposit unexpended money in a federally insured bank or federally insured savings and loan association without the security required under subsection (d) of this section if:

(1) the money is initially placed for deposit with a State financial institution chosen by the depositor to arrange for the redeposit of the money through a deposit placement program that meets the requirements under this subsection;

(2) on or after the date that the money of the governmental entity is received, the State financial institution:

(i) arranges for the redeposit of the money into one or more deposit accounts, each in an amount of not more than the applicable Federal Deposit Insurance Corporation maximum insurance coverage limit, in one or more federally insured banks or federally insured savings and loan associations for the account of the depositor; and

(ii) acts as custodian for the depositor with respect to the money deposited into the accounts;

(3) any money of a governmental entity deposited into a State financial institution in accordance with this subsection and held by that State financial institution at the close of a business day that is in excess of the amount insured by the Federal Deposit Insurance Corporation is secured in accordance with this title;

(4) the full amount of the money of the governmental entity redeposited by the State financial institution into deposit accounts in federally insured banks or federally insured savings and loan associations under this subsection is insured by the Federal Deposit Insurance Corporation; and

(5) on the same date that the money of the governmental entity is redeposited under this subsection, the State financial institution receives an amount of deposits from customers of other banks or savings and loans in accordance with the deposit placement program that is at least equal to the amount of the money of the governmental entity redeposited by the State financial institution.¹

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¹ Highlight added editorially; participating banks should take note that the rule requires the bank to take reciprocal deposits in order to qualify under these provisions.