

Chapter 302

(Senate Bill 522)

AN ACT concerning

Commercial Law – Maryland Uniform Commercial Code – Funds Transfers

FOR the purpose of altering the applicability of provisions of the Maryland Uniform Commercial Code governing funds transfers; providing that the provisions apply to a certain remittance transfer except under certain circumstances; establishing that, in the event of an inconsistency between an applicable provision of the Maryland Uniform Commercial Code governing funds transfers and an applicable provision of the federal Electronic Fund Transfer Act, the federal law governs to the extent of the inconsistency; and generally relating to funds transfers under the Maryland Uniform Commercial Code.

BY repealing and reenacting, without amendments,

Article – Commercial Law

Section 4A–101, 4A–102, and 4A–104

Annotated Code of Maryland

(2013 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 4A–108

Annotated Code of Maryland

(2013 Replacement Volume)

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

Article – Commercial Law

4A–101.

This title may be cited as Maryland Uniform Commercial Code – Funds Transfers.

4A–102.

Except as otherwise provided in § 4A–108 of this subtitle, this title applies to funds transfers defined in § 4A–104 of this subtitle.

4A–104.

In this title:

(1) “Funds transfer” means the series of transactions, beginning with the originator’s payment order, made for the purpose of making payment to the beneficiary of the order. The term includes any payment order issued by the originator’s bank or by an intermediary bank intended to carry out the originator’s payment order. A funds transfer is completed by acceptance by the beneficiary’s bank of a payment order for the benefit of the beneficiary of the originator’s payment order.

(2) “Intermediary bank” means a receiving bank other than:

(i) The originator’s bank; or

(ii) The beneficiary’s bank.

(3) “Originator” means the sender of the first payment order in a funds transfer.

(4) “Originator’s bank” means:

(i) The receiving bank to which the payment order of the originator is issued if the originator is not a bank; or

(ii) The originator if the originator is a bank.

4A-108.

(A) [This] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THIS title does not apply to a funds transfer any part of which is governed by the Electronic Fund Transfer Act of 1978 (Title XX, Public Law 95-630, 92 Stat. 3728, 15 U.S.C. § 1693 et seq.) as amended from time to time.

(B) THIS TITLE APPLIES TO A FUNDS TRANSFER THAT IS A REMITTANCE TRANSFER AS DEFINED IN THE ELECTRONIC FUND TRANSFER ACT (15 U.S.C. § 1693O-1) AS AMENDED FROM TIME TO TIME, UNLESS THE REMITTANCE TRANSFER IS AN ELECTRONIC FUND TRANSFER AS DEFINED IN THE ELECTRONIC FUND TRANSFER ACT (15 U.S.C. § 1693A) AS AMENDED FROM TIME TO TIME.

(C) IN A FUNDS TRANSFER TO WHICH THIS TITLE APPLIES, IN THE EVENT OF AN INCONSISTENCY BETWEEN AN APPLICABLE PROVISION OF THIS TITLE AND AN APPLICABLE PROVISION OF THE ELECTRONIC FUND TRANSFER ACT, THE PROVISION OF THE ELECTRONIC FUND TRANSFER ACT GOVERNS TO THE EXTENT OF THE INCONSISTENCY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.

Approved by the Governor, May 5, 2014.