



BILL NO.: House Bill 233
TITLE: Counties and Municipal Corporations – Direct Deposit of Wages
POSITION: **SUPPORT WITH AMENDMENTS**
DATE: March 30, 2011
COMMITTEE: Finance
CONTACT: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** House Bill 233 **WITH AMENDMENTS**. This bill would authorize municipal corporations to pay employees' wages by direct deposit. The bill then stipulates conditions that must be met to require direct deposit and the manner in which direct deposit must be implemented.

MACo has worked closely with the House sponsors, the City of Gaithersburg, and the Maryland Municipal League, and appreciates their support in amending county governments into the bill. MACo took the same position with respect to the Senate crossfile, SB 484. However, these bills have been amended differently and MACo would respectfully request that HB 233 be amended in the same form as SB 484, which authorizes direct deposit as a "condition of employment."

MACo is now concerned about the effects on counties that currently require direct deposit through bargaining negotiations or through a local personnel regulation. There is concern that this bill would effectively take them a step backward due to bill language specifying that direct deposit does not apply to employees hired before September 30, 2011 and the opt-out provision that applies to individuals that do not have bank accounts. MACo seeks amendment language grandfathering in jurisdictions that currently require direct deposit in this manner.

Once amended to mirror SB 484, this language would be amended into subsection (D) (II) and read, "A COUNTY OR MUNICIPAL CORPORATION THAT DID NOT REQUIRE, THROUGH LOCAL LAWS, REGULATIONS, OR COLLECTIVE AGREEMENTS, THE PAYMENT OF WAGES BY DIRECT DEPOSIT BEFORE OCTOBER 1, 2011, MAY NOT REQUIRE THE PAYMENT OF WAGES BY DIRECT DEPOSIT FOR AN EMPLOYEE."

During difficult fiscal times, counties need tools to promote efficiency and achieve cost savings. Authorizing counties to require electronic payment methods would further reduce costs and save taxpayer expenditures.

For these reasons, MACo **SUPPORTS** HB 233 **WITH AMENDMENTS** and urges the Committee to give the bill a **FAVORABLE** report with the offered **AMENDMENTS**.