

Senate JOINT RESOLUTION NO. 5

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INTRODUCED BY *Byron Deane E. Smith Michael*

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA CALLING FOR AN INTERIM STUDY OF ELECTRONIC FUNDS TRANSFER SYSTEMS.

WHEREAS, the technology now exists whereby banks, savings and loan associations, and credit unions may engage in financial transactions with their depositors, members, or customers by means of electronic impulses rather than written instruments; and

WHEREAS, proposals to authorize and regulate such electronic funds transfer systems in Montana have been presented to the legislature; and

WHEREAS, the relationship of such proposed legislation to the Uniform Commercial Code, the Criminal Code of 1973, and other Montana statutes is unclear; and

WHEREAS, the proper roles of state and federal agencies in regulating electronic funds transfer systems is presently being studied by the National Commission on Electronic Fund Transfers, which commission is to report to Congress next October; and

WHEREAS, electronic funds transfer involves complex issues in inter-institutional sharing of system hardware,

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privacy and consumer protection, policies on branch banking, and security.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Committee on Priorities is requested to assign the appropriate standing committees to study the feasibility of authorizing financial transactions by electronic funds transfer systems, giving due consideration to issues of liability for unauthorized transactions, opportunities for correction of computer errors, shared-access for different types of financial institutions, the role of federal agencies, and the protection of individual privacy.

BE IT FURTHER RESOLVED, that the subcommittee file its report and recommendations with the Legislative Council not later than August 31, 1978.

-End-

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