1 House BILL NO. 75/
2 INTRODUCED BY Walkon

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A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT A PERSON CONVICTED TWICE IN 3 YEARS OF ISSUING A PAD CHECK FROM MAINTAINING A CHECKING ACCOUNT IN THE STATE OF MONTHANA."

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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Checking accounts prohibited --- when.
10 (1) No person, upon being twice convicted of issuing a bad
11 check within 3 years, may be allowed to maintain a checking
12 account in any state or national bank operating in the state
13 of Montana.

issuing a bad check shall be given by the court in which the conviction was obtained to the department of tusiness regulation, which shall maintain a record of all convictions obtained. Subject to the provision of subsection (3), whenever two notices are received within 3 years by the department that a person has been so convicted, the department shall notify all state and national hanks operating in the state and shall request such banks to close out within 30 days any checking account in the name of the convicted person and to refuse to open or maintain a checking account for such person.

1 (3) Such request by the department may not be made 2 until an appeal, if any, from such conviction is determined 3 or until the time has elapsed for the filing of an appeal.

Section 2. Penalty — enforcement. (1) A bank failing
to comply with a request of the department under this
section is subject to a penalty not exceeding \$500.

7 (2) It is the duty of the department of business 8 regulation to enforce this section.

9 Section 3. Use and destruction of records. No record
10 of conviction maintained by the department under [section 1]
11 may be used for any purpose other than as designated in this
12 act. The department shall review such records of conviction
13 every 6 months and shall destroy all records of convictions
14 obtained more than 3 years prior to the date of such review.

-End-

STATE OF MONTANA

REQUEST NO. 507-77

FISCAL NOTE

Form BD-15

In compliance with a written request received <u>February 14</u> , 1977, there is hereby submitted a Fiscal Note
House Bill 751 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members
of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 751 would prohibit a person convicted twice in three (3) years of issuing a bad check from maintaining a checking account in the State of Montana.

ASSUMPTIONS:

- 1. Rules for reporting must be adopted, and reporting forms established. 156 banks must be monitored for compliance. Communications must be established with all Montana courts in which conviction could be accomplished. Convictions must be followed up until an appeal is made or not made within required time. Extensive record keeping system must be set up and maintained. Each day a second conviction or convictions become effective, notice must be mailed to all 156 banks. Crime Control Division reported 60 convictions in District Courts during 1976. Estimated convictions in Justice of Peace Courts is 350. Hearings must be held to impose a fine against each non-complying bank.
- 2. Two additional positions, plus operational expenses and equipment will be needed to enforce this bill.
- 3. No addititional source of revenue is identified in the bill for the purpose of enforcement; thus, it must be assumed that General Funds will be required for support.

FISCAL IMPACT:

	FY 78	FY 79
Personal services	\$29,688	\$31,766
Operating expenses	8,000	8,000
Capital outlay	2,500	300
Additional cost of proposed legislation	<u>\$40,188</u>	<u>\$40,066</u>

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: <u>\(\delta\) \(\lambda\) </u>