## SENATE BILL NO. 420

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# INTRODUCED BY THOMAS, CHRISTIAENS

### IN THE SENATE

February 15, 1983		Introduced and referred
		to Committee on Business and Industry.
February 18, 1983		Committee recommend bill do pass. Report adopted.
February 19, 1983		Bill printed and placed on members' desks.
February 21, 1983		Second reading, do pass.
February 22, 1983		Correctly engrossed.
February 23, 1983		Third reading, passed. Ayes, 49; Noes, 0. Transmitted to House.
	IN THE HOUSE	
February 28, 1983		Introduced and referred to Committee on Business and Industry.
March 9, 1983		Committee recommend bill be concurred in. Report adopted.
March 10, 1983		Second reading, concurred in.
March 11, 1983		Third reading, concurred in.
	IN THE SENATE	1
March 12, 1983		Returned to Senate. Sent to enrolling.

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Reported correctly enrolled.

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tente AILL NO. 420 1 INTRODUCED BY 2 3

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA
ELECTRONIC FUNDS TRANSFER ACT TO ELIMINATE COST RESTRICTIONS
AND TO ALLOW SHARING OF OFF-PREMISES AUTOMATED TELLER
MACHINES WITHIN THE STATE; AMENDING SECTIONS 32-6-203 AND
32-6-204+ MCA+"

9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 Section 1. Section 32-6-203, MCA, is amended to read: 12 "32-6-203. Institutional access requirements. (1) A satellite terminal used by a financial institution must be 13 14 made available, on a nondiscriminatory basis, to all 15 financial institutions or branches thereof located within the geographic area that may use each type of satellite 16 17 terminal, as defined and outlined in 32-6-204, and that may want to participate in using this satellite terminal. In 18 19 addition, each customer authorized by any financial institution may use the satellite terminal, with the 20 limitations on the transactions imposed and outlined in 21 22 32-6-204. The charges required to be paid by any financial 23 institution which utilizes the satellite terminal may not 24 exceed a pro rata portion of the cost, determined in 25 accordance with generally accepted accounting principles,

1 and a reasonable return on the owner's equity. The-costs-for 2 the-use-of-an--sutomated--teller--machine--chargesble--to--a 3 financial--institution--for--o-financial-transaction-may-not exceed-125%-of-the-average-transaction-cost-for-the--use--of 4 automated---teller---machines---in---Montanav A financial 5 institution may contract with a merchant for the operation 6 7 of point-of-sale terminals. The contract shall specify the conditions upon which the merchant will make the R point-of-sale terminal(s) available to customers of the Q financial institution and shall include terms covering 10 11 connection charge, fees, format code, and security 12 provisions. A point-of-sale terminal shall be available for 13 use by all financial institutions upon such contractual 14 terms as may be commercially reasonable.

(2) A financial institution may invest in, acquire, or 15 16 hold shares in a corporation engaged solely in operating and 17 owning satellite terminals. A financial institution may utilize, establish, or own, either alone or with one or more 18 19 financial institutions, satellite terminals and related 20 communication equipment associated with electronic funds 21 transfers. Other business organizations may also own satellite terminals and lease or otherwise permit financial 22 23 institutions to use the satellite terminals, provided these other businesses comply with the provisions of this chapter 24 and agree to come under the supervision of the department. 25

INTRODUCED BILL

Such other business organizations may not engage in the
 business of a financial institution.

3 Section 2. Section 32-6-204, MCA, is amended to read: 4 \*32-6-204. Geographical restrictions on certain 5 satellite terminals. (1) If a financial institution is a 6 bank, savings and loan association, or a credit union, it 7 may engage in electronic funds transfers by means of an 8 automated teller machine located within or not more than 3 miles beyond the municipality where its office is located 9 10 or, if the financial institution is located outside any 11 incorporated municipality, not more than 3 miles from its 12 principal place of business.

13 (21\_Any\_financial\_institution\_or\_its\_customers\_max\_use 14 any\_automated\_teller\_machine\_located\_in\_\_this\_\_states 15 regardless\_of\_its\_ownerships\_to\_perform\_electronic\_funds 16 transfers\_under\_terms\_and\_conditions\_mutually\_agreeable\_to 17 the\_owner\_of\_the\_automated\_teller\_machine\_and\_the\_other\_user 18 and\_pursuant\_to\_32=6=203(1).

19 <u>fff11</u> The department may authorize the operation of 20 an automatic teller machine which a financial institution 21 uses only if such institution complies with this chapter and 22 regulations adopted by the department.

23 (97141) No out-of-state financial institution may
24 establish a satellite terminal within the state or lease
25 through other businesses satellite terminals within Montana.

An out-of-state financial institution may not engage in 1 2 electronic funds transfers within the state, except that a 3 customer of an out-of-state financial institution may debit his account in an out-of-state financial institution at an 4 in-state satellite terminal to pay for merchandise and 5 ĥ. services, provided the merchant credits an account in a financial institution whose principal place of business is 7 located within the state. 8 f4+151 Point-of-sale terminals may be available to all 9

10 customers authorized by in-state financial institutions for

11 debiting accounts to pay for merchandise and services.\*

-End-

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Approved by Committee on Business and Industry

BTLL ND. 420 1 honors 1 INTRODUCED BY 2 3

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA
ELECTRONIC FUNDS TRANSFER ACT TO ELIMINATE COST RESTRICTIONS
AND TO ALLOW SHARING OF OFF-PREMISES AUTOMATED TELLER
MACHINES WITHIN THE STATE; AMENDING SECTIONS 32-6-203 AND
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1 and a reasonable return on the owner's equity. The-costs-for 2 the-use-of-an--automated--teller--machine--chargeoble--to--a 3 financial--institution--for--a-financial-transaction-may-not exceed-1254-of-the-average-transaction-cast-far-the--use--of 4 automated---teller---machines---in---Hontanav 5 A financial institution may contract with a merchant for the operation 6 7 of point-of-sale terminals. The contract shall specify the conditions upon which the merchant will make the 8 9 point-of-sale terminal(s) available to customers of the 10 financial institution and shall include terms covering 11 connection charge, fees, format code, and security 12 provisions. A point-of-sale terminal shall be available for 13 use by all financial institutions upon such contractual terms as may be commercially reasonable. 14

(2) A financial institution may invest in, acquire, or 15 hold shares in a corporation engaged solely in operating and 16 17 owning satellite terminals. A financial institution may utilize, establish, or own, either alone or with one or more 18 19 financial institutions, satellite terminals and related communication equipment associated with electronic funds 20 21 transfers. Other business organizations may also own 22 satellite terminals and lease or otherwise permit financial 23 institutions to use the satellite terminals, provided these 24 other businesses comply with the provisions of this chapter 25 and agree to come under the supervision of the department.

> -2-SECOND READING SR427

Such other business organizations may not engage in the
 business of a financial institution."

3 Section 2. Section 32-6-204, MCA, is amended to read: 4 #32-6-204. Geographical restrictions on certain 5 satellite terminals. (1) If a financial institution is a 6 bank, savings and loan association, or a credit union, it 7 may engage in electronic funds transfers by means of an automated teller machine located within or not more than 3 8 9 miles beyond the municipality where its office is located or, if the financial institution is located outside any 10 11 incorporated municipality, not more than 3 miles from its 12 principal place of business.

13 (2)\_Any\_financial\_institution\_or\_its\_customers\_max\_use 14 any\_automated\_teller\_machine\_located\_in\_\_this\_\_states 15 regardless\_of\_its\_ownerships\_to\_perfore\_electronic\_funds 16 transfers\_under\_terms\_and\_conditions\_mutually\_agreeable\_to 17 the\_owner\_of\_the\_automated\_teller\_machine\_and\_the\_other\_user 18 and\_pursuant\_to\_32=6=203(1)s

19 (2)(3) The department may authorize the operation of 20 an automatic teller machine which a financial institution 21 uses only if such institution complies with this chapter and 22 regulations adopted by the department.

f3f(4) No out-of-state financial institution may
 establish a satellite terminal within the state or lease
 through other businesses satellite terminals within Montana.

1 An out-of-state financial institution may not engage in 2 electronic funds transfers within the state, except that a customer of an out-of-state financial institution may debit 3 4 his account in an out-of-state financial institution at an 5 in-state satellite terminal to pay for merchandise and 6 services, provided the merchant credits an account in a 7 financial institution whose principal place of business is located within the state. 8 9 +++151 Point-of-sale terminals may be available to all customers authorized by in-state financial institutions for 10 11 debiting accounts to pay for merchandise and services."

#### - End-

INTRODUCED BY

LC 1007/01

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA ELECTRONIC FUNDS TRANSFER ACT TO ELIMINATE COST RESTRICTIONS AND TO ALLOW SHARING OF OFF-PREMISES AUTOMATED TELLER MACHINES WITHIN THE STATE; AMENDING SECTIONS 32-6-203 AND 32-6-204, MCA."

Te BILL NO. 420

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 Section 1. Section 32-6-203, MCA, is amended to read: 12 #32-6-203. Institutional access requirements. (1) A satellite terminal used by a financial institution must be 13 14 made available, on a nondiscriminatory basis, to all 15 financial institutions or branches thereof located within the geographic area that may use each type of satellite 16 terminal, as defined and outlined in 32-6-204, and that may 17 want to participate in using this satellite terminal. In 18 addition, each customer authorized by any financial 19 20 institution may use the satellite terminal, with the limitations on the transactions imposed and outlined in 21 22 32-6-204. The charges required to be paid by any financial 23 institution which utilizes the satellite terminal may not 24 exceed a pro rata portion of the cost, determined in 25 accordance with generally accepted accounting principles,

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15 (2) A financial institution may invest in, acquire, or hold shares in a corporation engaged solely in operating and 16 17 owning satellite terminals. A financial institution may utilize, establish, or own, either alone or with one or more 18 financial institutions, satellite terminals and related 19 communication equipment associated with electronic funds 20 21 transfers. Other business organizations may also own 22 satellite terminals and lease or otherwise permit financial 23 institutions to use the satellite terminals, provided these other businesses comply with the provisions of this chapter 24 and agree to come under the supervision of the department. 25

> -2- THIRD READING 5B420

#### LC 1007/01

Such other business organizations may not engage in the
 business of a financial institution.

3 Section 2. Section 32-6-204, MCA, is amended to read: #32-6-204. Geographical restrictions on 4 certain 5 satellite terminals. (1) If a financial institution is a bank, savings and loan assoclation, or a credit union, it 6 7 may engage in electronic funds transfers by means of an automated teller machine located within or not more than 3 8 9 miles beyond the municipality where its office is located or, if the financial institution is located outside any 10 11 incorporated municipality, not more than 3 miles from its principal place of business. 12

13 (21\_Any\_financial\_institution\_or\_its\_customers\_may\_use 14 any\_automated\_teller\_\_machine\_located\_in\_\_this\_\_states 15 regardless\_of\_its\_ownerships\_to\_perform\_electronic\_funds 16 transfers\_under\_terms\_and\_conditions\_mutually\_agreeable\_\_to 17 the\_owner\_of\_the\_automated\_teller\_machine\_and\_the\_other\_user 18 and\_pursuant\_to\_32=6=203(1)\_s

19 (2)(3) The department may authorize the operation of 20 an automatic teller machine which a financial institution 21 uses only if such institution complies with this chapter and 22 regulations adopted by the department.

23 (3)(14) No out-of-state financial institution may
 24 establish a satellite terminal within the state or lease
 25 through other businesses satellite terminals within Montana.

An out-of-state financial institution may not engage in 1 2 electronic funds transfers within the state, except that a customer of an out-of-state financial institution may debit 3 4 his account in an out-of-state financial institution at an 5 in-state satellite terminal to pay for merchandise and services, provided the merchant credits an account in a 6 7 financial institution whose principal place of business is 8 located within the state.

9 (4)(1) Point-of-sale terminals may be available to all
 10 customers authorized by in-state financial institutions for
 11 debiting accounts to pay for merchandise and services."

-End-

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1	SENATE BILL NO. 420	1
Z	INTRODUCED BY THOMAS, CHRISTIAENS	2
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4	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA	4
5	ELECTRONIC FUNDS TRANSFER ACT TO ELIMINATE COST RESTRICTIONS	. 5
<b>6</b> 9	AND TO ALLOW SHARING OF OFF-PREMISES AUTOMATED TELLER	6
7	MACHINES WITHIN THE STATE; AMENDING SECTIONS 32-6-203 AND	7
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10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	10
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13	satellite terminal used by a financlal institution must be	13
14	made available, on a nondiscriminatory basis, to all	14
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16	the geographic area that may use each type of satellite	16
17	terminal, as defined and outlined in 32~6-204, and that may	17
18	want to participate in using this satellite terminal. In	18
19	addition, each customer authorized by any financial	19
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23	institution which utilizes the satellite terminal may not	23
24	exceed a pro rata portion of the cost, determined in	24
25	accordance with generally accepted accounting principles.	25

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> -2- SB 420 REFERENCE BILL

I Such other business organizations may not engage in the business of a financial institution.\*

Section 2. Section 32-6-204, MCA, is amended to read: 3 #32-6-204. Geographical restrictions on 4 certain 5 satellite terminals. (1) If a financial institution is a bank, savings and loan association, or a credit union, it 6 7 may engage in electronic funds transfers by means of an automated teller machine located within or not more than 3 8 9 miles beyond the municipality where its office is located or, if the financial institution is located outside any 10 11 incorporated municipality, not more than 3 miles from its 12 principal place of business.

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19 <u>f2f(3)</u> The department may authorize the operation of 20 an automatic teller machine which a financial institution 21 uses only if such institution complies with this chapter and 22 regulations adopted by the department.

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SB 420

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9 <u>t47151</u> Point-of-sale terminals may be available to all
10 customers authorized by in-state financial institutions for
11 debiting accounts to pay for merchandise and services."

-End-