

SENATE BILL NO. 420

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

March 12, 1983	Returned to Senate. Sent to enrolling.
	Reported correctly enrolled.

1 *Amended* BILL NO. *420*  
2 INTRODUCED BY *Thomas Chikara*  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA  
5 ELECTRONIC FUNDS TRANSFER ACT TO ELIMINATE COST RESTRICTIONS  
6 AND TO ALLOW SHARING OF OFF-PREMISES AUTOMATED TELLER  
7 MACHINES WITHIN THE STATE; AMENDING SECTIONS 32-6-203 AND  
8 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  
13 satellite terminal used by a financial institution must be  
14 made available, on a nondiscriminatory basis, to all  
15 financial institutions or branches thereof located within  
16 the geographic area that may use each type of satellite  
17 terminal, as defined and outlined in 32-6-204, and that may  
18 want to participate in using this satellite terminal. In  
19 addition, each customer authorized by any financial  
20 institution may use the satellite terminal, with the  
21 limitations on the transactions imposed and outlined in  
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 automated teller machine chargeable to a~~  
3 ~~financial institution for a financial transaction may not~~  
4 ~~exceed 125% of the average transaction cost for the use of~~  
5 ~~automated teller machines in Montana.~~ A financial  
6 institution may contract with a merchant for the operation  
7 of point-of-sale terminals. The contract shall specify the  
8 conditions upon which the merchant will make the  
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  
14 terms as may be commercially reasonable.  
15 (2) A financial institution may invest in, acquire, or  
16 hold shares in a corporation engaged solely in operating and  
17 owning satellite terminals. A financial institution may  
18 utilize, establish, or own, either alone or with one or more  
19 financial institutions, satellite terminals and related  
20 communication equipment associated with electronic funds  
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.

INTRODUCED BILL

1 Such other business organizations may not engage in the  
2 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  
9 miles beyond the municipality where its office is located  
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 ~~(2) Any financial institution or its customers may use~~  
14 ~~any automated teller machine located in this state,~~  
15 ~~regardless of its ownership, 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 ~~(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)(4)~~ 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.

1 An out-of-state financial institution may not engage in  
2 electronic funds transfers within the state, except that a  
3 customer of an out-of-state financial institution may debit  
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  
8 located within the state.

9 ~~(4)(5)~~ 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-

Approved by Committee  
on Business and Industry

1 *Sen. 420* BILL NO. *420*  
2 INTRODUCED BY *Thomas Michael*

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA  
5 ELECTRONIC FUNDS TRANSFER ACT TO ELIMINATE COST RESTRICTIONS  
6 AND TO ALLOW SHARING OF OFF-PREMISES AUTOMATED TELLER  
7 MACHINES WITHIN THE STATE; AMENDING SECTIONS 32-6-203 AND  
8 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  
13 satellite terminal used by a financial institution must be  
14 made available, on a nondiscriminatory basis, to all  
15 financial institutions or branches thereof located within  
16 the geographic area that may use each type of satellite  
17 terminal, as defined and outlined in 32-6-204, and that may  
18 want to participate in using this satellite terminal. In  
19 addition, each customer authorized by any financial  
20 institution may use the satellite terminal, with the  
21 limitations on the transactions imposed and outlined in  
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 automated teller machine chargeable to a~~  
3 ~~financial institution for a financial transaction may not~~  
4 ~~exceed 125% of the average transaction cost for the use of~~  
5 ~~automated teller machines in Montana.~~ A financial  
6 institution may contract with a merchant for the operation  
7 of point-of-sale terminals. The contract shall specify the  
8 conditions upon which the merchant will make the  
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  
14 terms as may be commercially reasonable.

15 (2) A financial institution may invest in, acquire, or  
16 hold shares in a corporation engaged solely in operating and  
17 owning satellite terminals. A financial institution may  
18 utilize, establish, or own, either alone or with one or more  
19 financial institutions, satellite terminals and related  
20 communication equipment associated with electronic funds  
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.

1 Such other business organizations may not engage in the  
2 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  
9 miles beyond the municipality where its office is located  
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 ~~(2) Any financial institution or its customers may use~~  
14 ~~any automated teller machine located in this state,~~  
15 ~~regardless of its ownership, 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 ~~(2)(2)~~ 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)(4)~~ 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.

1 An out-of-state financial institution may not engage in  
2 electronic funds transfers within the state, except that a  
3 customer of an out-of-state financial institution may debit  
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  
8 located within the state.

9 ~~(4)(5)~~ 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."

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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 automated teller machine chargeable to a~~  
3 ~~financial institution for a financial transaction may not~~  
4 ~~exceed 25% of the average transaction cost for the use of~~  
5 ~~automated teller machines in Montana.~~ A financial  
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7 of point-of-sale terminals. The contract shall specify the  
8 conditions upon which the merchant will make the  
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13 use by all financial institutions upon such contractual  
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15 (2) A financial institution may invest in, acquire, or  
16 hold shares in a corporation engaged solely in operating and  
17 owning satellite terminals. A financial institution may  
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19 financial institutions, satellite terminals and related  
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22 satellite terminals and lease or otherwise permit financial  
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9 miles beyond the municipality where its office is located  
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12 principal place of business.

13 ~~(2) Any financial institution or its customers may use~~  
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