

HOUSE BILL NO. 458

1/24 Introduced
1/24 Referred to Business & Labor
2/21 Hearing
Died in Committee

1 HOUSE BILL NO. 458
2 INTRODUCED BY Rock McLaughlin Manuel

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A CREDIT UNION
5 OR A SAVINGS AND LOAN ASSOCIATION TO MAINTAIN A SATELLITE
6 TERMINAL AT OR NEAR A BRANCH OFFICE, SUBJECT TO THE
7 GEOGRAPHICAL RESTRICTIONS ON SATELLITE TERMINALS; AMENDING
8 SECTIONS 32-3-104, 32-6-202, AND 32-6-204, MCA."
9

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

11 Section 1. Section 32-3-104, MCA, is amended to read:

12 "32-3-104. Office facilities and satellite terminals.

13 (1) A credit union may change its place of business within
14 this state upon written notice to the department of
15 commerce.

16 (2) A credit union may share office space with one or
17 more credit unions and contract with any person or
18 corporation to provide facilities or personnel.

19 (3) A credit union may maintain, upon prior written
20 notice to the department, additional offices and satellite
21 terminals at locations other than its principal place of
22 business if the purpose of maintaining the additional
23 offices and satellite terminals is to furnish service to its
24 members.

25 (4) The department shall approve any additional office

1 or satellite terminal unless a compelling reason for
2 disapproval is found by the department. Competition with
3 other financial institutions is not a sufficiently
4 compelling reason for disapproval.

5 (5) If the department disapproves an additional office
6 or satellite terminal, the credit union shall be afforded an
7 opportunity for a hearing according to Title 2, chapter 4,
8 part 6. The purpose of the hearing shall be to determine
9 whether a compelling reason exists for disapproval of the
10 additional office."

11 Section 2. Section 32-6-202, MCA, is amended to read:

12 "32-6-202. Authorization for certain satellite
13 terminals required. (1) Subject to the limitation expressed
14 in 32-6-204 and to the other requirements of this chapter, a
15 business entity owned by a financial institution or
16 financial institutions may install and maintain satellite
17 terminals located within or not more than 3 miles beyond the
18 incorporated municipality where each participating
19 institution maintains its office or a branch office (if
20 allowed) or, if the financial institution is located outside
21 an incorporated municipality, then not more than 3 miles
22 from its principal place of business or a branch office (if
23 allowed), after first obtaining authorization from the
24 department pursuant to rules adopted by the department.
25 Business organizations other than financial institutions may



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1 own satellite terminals, provided, however, that such
 2 organizations shall not engage in the business of a
 3 financial institution and that ownership and possession of
 4 such satellite terminals shall be regulated by the
 5 department and they shall not be used for any purpose other
 6 than is authorized in this chapter.

7 (2) A merchant may install and operate a point-of-sale
 8 terminal. A merchant may utilize a machine as a
 9 point-of-sale terminal, which machine performs functions in
 10 addition to electronic funds transfer if such other
 11 functions do not violate the provisions of this chapter."

12 Section 3. Section 32-6-204, MCA, is amended to read:

13 "32-6-204. Geographical restrictions on certain
 14 satellite terminals. (1) If a financial institution is a
 15 bank, savings and loan association, or a credit union, it
 16 may engage in electronic funds transfers by means of an
 17 automated teller machine located within or not more than 3
 18 miles beyond the municipality where its office or a branch
 19 office (if allowed) is located or, if the financial
 20 institution is located outside any incorporated
 21 municipality, not more than 3 miles from its principal place
 22 of business or a branch office (if allowed).

23 (2) Any financial institution or its customers may use
 24 any automated teller machine located in this state,
 25 regardless of its ownership, to perform electronic funds

1 transfers under terms and conditions mutually agreeable to
 2 the owner of the automated teller machine and the other user
 3 and pursuant to 32-6-203(1).

4 (3) The department may authorize the operation of an
 5 automatic teller machine which a financial institution uses
 6 only if such institution complies with this chapter and
 7 regulations adopted by the department.

8 (4) No out-of-state financial institution may
 9 establish a satellite terminal within the state or lease
 10 through other businesses satellite terminals within Montana.
 11 An out-of-state financial institution may not engage in
 12 electronic funds transfers within the state, except that a
 13 customer of an out-of-state financial institution may debit
 14 his account in an out-of-state financial institution at an
 15 in-state satellite terminal to pay for merchandise and
 16 services, provided the merchant credits an account in a
 17 financial institution whose principal place of business is
 18 located within the state.

19 (5) Point-of-sale terminals may be available to all
 20 customers authorized by in-state financial institutions for
 21 debiting accounts to pay for merchandise and services."

22 NEW SECTION. Section 4. Extension of authority. Any
 23 existing authority of the department of commerce to make
 24 rules on the subject of the provisions of this act is
 25 extended to the provisions of this act.

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