

**1999 DRAFTING REQUEST**

**Senate Substitute Amendment (SSA-SB325)**

Received: 02/08/2000

Received By: rmarchan

Wanted: 02/08/2000

Identical to LRB:

For: Mary Lazich (608) 266-5400

By/Representing: Chris

This file may be shown to any legislator: NO

Drafter: rmarchan

May Contact:

Alt. Drafters:

Subject: Fin. Inst. - miscellaneous

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Automated teller machine fees

**Instructions:**

See Attached. Use LRB-2137

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 02/08/2000	jgeller 02/08/2000		_____			
/1			haueca 02/08/2000	_____	lrb_docadmin 02/08/2000	lrb_docadmin 02/08/2000	

FE Sent For:

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FE Sent For:

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D-note

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status **MARK**

DRIVE

~~1999 BILL~~

SSA to

SB 325

Reger

1 **AN ACT to amend** 186.113 (15) (a), 214.04 (21) (b), 215.13 (46) (a) 1. and 221.0303  
 2 (2) of the statutes; **relating to:** disclosure of automatic teller machine fees and  
 3 requiring the exercise of rule-making authority.

***Analysis by the Legislative Reference Bureau***

Under current law, banks, credit unions, savings banks and savings and loan associations (financial institutions) are authorized to operate customer bank communications terminals, remote service units or remote terminals, commonly referred to as automatic teller machines (ATMs). Financial institutions are required to make their ATMs available for use, on a nondiscriminatory basis, upon request by another financial institution or by customers designated by a financial institution using the terminal, subject to joint rules established by the division of savings and loan, the division of banking and the office of credit unions in the department of financial institutions.

This bill requires these joint rules to require state, national or federal financial institutions that operate ATMs to post a statement on each ATM screen, disclosing any charge the financial institutions impose upon a person for using the ATMs. The joint rules must also require the financial institutions to allow a person, in response to this disclosure, to discontinue the transaction free of charge. Federal law may preempt these rules with regard to national and federal financial institutions.

**BILL**

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 186.113 (15) (a) of the statutes is amended to read:

2           186.113 (15) (a) Directly or indirectly, acquire, place and operate, or participate  
3 in the acquisition, placement and operation of, at locations other than its offices,  
4 remote terminals, in accordance with rules established by the office of credit unions.  
5 The rules shall provide that any remote terminal shall be available for use, on a  
6 nondiscriminatory basis, by any state or federal credit union which has its principal  
7 place of business in this state, by any other credit union obtaining the consent of a  
8 state or federal credit union which has its principal place of business in this state and  
9 is using the terminal and by all members designated by a credit union using the  
10 terminal. This subsection does not authorize a credit union which has its principal  
11 place of business outside the state to conduct business as a credit union in this state.  
12 The remote terminals also shall be available for use, on a nondiscriminatory basis,  
13 by any state or national bank, state or federal savings bank or state or federal savings  
14 and loan association, whose home office is located in this state, if the bank, savings  
15 bank or savings and loan association requests to share its use, subject to the joint  
16 rules established under s. 221.0303 (2). The joint rules under s. 221.0303 (2) shall  
17 require a state or federal credit union operating a remote terminal in this state to  
18 disclose the amount of any charge imposed by the state or federal credit union upon  
19 a person for making a transaction at the remote terminal. This disclosure shall be  
20 made by posting a statement on the remote terminal's screen. The joint rules under  
21 s. 221.0303 (2) shall also require a state or federal credit union operating a remote

**BILL**

1 terminal in this state to allow a person, in response to this disclosure, to discontinue  
2 the transaction without incurring a charge. The office of credit unions by order may  
3 authorize the installation and operation of a remote terminal in a mobile facility,  
4 after notice and hearing upon the proposed service stops of the mobile facility.

5 SECTION 2. 214.04 (21) (b) of the statutes is amended to read:

6 214.04 (21) (b) The rules of the division shall provide that any remote service  
7 unit shall be available for use, on a nondiscriminatory basis, by any state or federal  
8 savings bank which has its principal place of business in this state, by any other state  
9 or federal savings bank obtaining the consent of a state or federal savings bank that  
10 has its principal place of business in this state and is using the terminal and by all  
11 customers designated by a savings bank using the unit. This paragraph does not  
12 authorize a savings bank which has its principal place of business outside this state  
13 to conduct business as a savings bank in this state. A remote service unit shall be  
14 available for use, on a nondiscriminatory basis, by any credit union, state or national  
15 bank or state or federal savings and loan association, whose home office is located  
16 in this state, if the credit union, bank or savings and loan association requests to  
17 share its use, subject to joint rules established by ~~the division of banking, the office~~  
18 ~~of credit unions and the division~~ under s. 221.0303 (2). The joint rules under s.  
19 221.0303 (2) shall require a state or federal savings bank operating a remote service  
20 unit in this state to disclose the amount of any charge imposed by the state or federal  
21 savings bank upon a person for making a transaction at the remote service unit. This  
22 disclosure shall be made by posting a statement on the remote service unit's screen.  
23 The joint rules under s. 221.0303 (2) shall also require a state or federal savings bank  
24 operating a remote service unit in this state to allow a person, in response to this  
25 disclosure, to discontinue the transaction without incurring a charge. The division

**BILL****SECTION 2**

1 by order may authorize the installation and operation of a remote service unit in a  
2 mobile facility, after notice and hearing upon the proposed service stops of the mobile  
3 facility.

4 **SECTION 3.** 215.13 (46) (a) 1. of the statutes is amended to read:

5 215.13 (46) (a) 1. Directly or indirectly, acquire, place and operate, or  
6 participate in the acquisition, placement and operation of, at locations other than its  
7 home or branch offices, remote service units, in accordance with rules established by  
8 the division. Remote service units established in accordance with such rules are not  
9 subject to sub. (36), (39), (40) or (47) or s. 215.03 (8). The rules of the division shall  
10 provide that any such remote service unit shall be available for use, on a  
11 nondiscriminatory basis, by any state or federal savings and loan association which  
12 has its principal place of business in this state, by any other savings and loan  
13 association obtaining the consent of a state or federal savings and loan association  
14 which has its principal place of business in this state and is using the terminal and  
15 by all customers designated by a savings and loan association using the unit. This  
16 paragraph does not authorize a savings and loan association which has its principal  
17 place of business outside this state to conduct business as a savings and loan  
18 association in this state. The remote service units also shall be available for use, on  
19 a nondiscriminatory basis, by any credit union, state or national bank or state or  
20 federal savings bank, whose home office is located in this state, if the credit union,  
21 bank or savings bank requests to share its use, subject to the joint rules established  
22 under s. 221.0303 (2). The joint rules under s. 221.0303 (2) shall require a state or  
23 federal savings and loan association operating a remote service unit in this state to  
24 disclose the amount of any charge imposed by the state or federal savings and loan  
25 association upon a person for making a transaction at the remote service unit. This

**BILL**

1 disclosure shall be made by posting a statement on the remote service unit' screen.  
2 The joint rules under s. 221.0303 (2) shall also require a state or federal savings and  
3 loan association operating a remote service unit in this state to allow a person, in  
4 response to this disclosure, to discontinue the transaction without incurring a  
5 charge. The division by order may authorize the installation and operation of a  
6 remote service unit in a mobile facility, after notice and hearing upon the proposed  
7 service stops of the mobile facility.

*, as affected by 1999 Wisconsin Act 9,*

8

**SECTION 4.** 221.0303 (2) of the statutes is amended to read:

9

**221.0303 (2) OPERATION AND ACQUISITION OF CUSTOMER BANK COMMUNICATIONS**

10

**TERMINALS.** A bank may, directly or indirectly, acquire, place and operate, or

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participate in the acquisition, placement and operation of, at locations other than its

12

main or branch offices, customer bank communications terminals, in accordance

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with rules established by the division. The rules of the division shall provide that

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any such customer bank communications terminal shall be available for use, on a

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nondiscriminatory basis, by any state or national bank and by all customers

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designated by a bank using the terminal. This subsection does not authorize a bank

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which has its principal place of business outside this state to conduct banking

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business in this state. The customer bank communications terminals also shall be

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available for use, on a nondiscriminatory basis, by any credit union, savings and loan

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association or savings bank, if the credit union, savings and loan association or

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savings bank requests to share its use, subject to rules jointly established by the

22

division of banking, the office of credit unions and the division of savings ~~and loan~~

*erase ↓*

*institutions ← plain*

23

The joint rules shall require a state or national bank operating a customer bank

24

communications terminal in this state to disclose the amount of any charge imposed

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by the state or national bank upon a person for making a transaction at the customer

**BILL****SECTION 4**

1 bank communications terminal. This disclosure shall be made by posting a  
2 statement on the customer bank communications terminal's screen. The joint rules  
3 shall also require a state or national bank operating a customer bank  
4 communications terminal in this state to allow a person, in response to this  
5 disclosure, to discontinuc the transaction without incurring a charge. The division  
6 by order may authorize the installation and operation of a customer bank  
7 communications terminal in a mobile facility, after notice and hearing upon the  
8 proposed service stops of the mobile facility.

**SECTION 5. Nonstatutory provisions.**

10 (1) The division of banking, the office of credit unions, and the division of  
11 savings and loan <sup>institutions</sup> shall submit in proposed form the rules required under section  
12 221.0303 (2) of the statutes, as affected by this act, to the legislative council staff  
13 under section 227.15 (1) of the statutes no later than the first day of the 3rd month  
14 beginning after the effective date of this subsection.

**SECTION 6. Effective date.**

16 (1) The treatment of sections 186.113 (15) (a), 214.04 (21) (b), 215.13 (46) (a) 1.,  
17 and 221.0303 (2) of the statutes takes effect on the first day of the 6th month  
18 beginning after publication.

19

(END)

D-note  
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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBs0292/1dn

RJM:.....

jlq

Senator Lazich:

It is unclear whether and to what extent the state may require national and federal financial institutions to make the disclosure required by this draft. In addition, federal law, with certain limited exceptions, requires fee disclosure by every automated teller machine operator.

If you desire to discuss these or other issues, please feel free to contact me. Also, please let me know, if you want copies of the federal laws that deal with these issues.

Robert J. Marchant  
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Phone: (608) 261-4454  
E-mail: Robert.Marchant@legis.state.wi.us

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBs0292/1dn  
RJM:jlg:ch

February 8, 2000

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