

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

LRB-1502/1dn
RJM:wlj:jf

December 18, 2000

This draft clarifies that the prohibition established by the bill applies to all state, national, and federal banking institutions. However, it is unclear whether and to what extent the state may regulate the fees charged by national and federal banking institutions. For example, it is possible that the National Banking Act, at 12 USC 24 (Seventh), would preempt the application of this bill to national banks. See *Bank of America v. City and County of San Francisco*, 2000 U.S. Dist. LEXIS 12587 (N.D. Cal. 2000); *Bank One v. Guttau*, 190 F. 3d 844 (8th Cir. 1999).

The draft also contains nonsubstantive, technical changes to 1999 AB-131. If you desire to further discuss these or other issues, please feel free to contact me.

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