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ATM FEE DISCLOSURE

House Bill 5297

Sponsor: Rep. Alan Sanborn

House Bill 5298

Sponsor: Rep. Lauren Hager

House Bill 5299

Sponsor: Rep. Samuel Buzz Thomas

House Bill 5300

Sponsor: Rep. David Woodward

Committee: Insurance and Financial
Services

Complete to 3-3-00

A SUMMARY OF HOUSE BILLS 5297-5300 AS INTRODUCED 2-3-00

The bills would require the notification of a customer prior to the completion of an electronic fund transfer (or ATM transaction) if a fee or charge was being assessed for the transfer. The consumer would have to be notified of the amount of the fee or charge and be provided with an opportunity to cancel the transaction without incurring the fee or charge.

The required notice would have to be displayed on the ATM screen until one of the following occurred: a) the consumer canceled the transaction; b) the consumer proceeded with the transaction; and c) 30 seconds had elapsed, at which time the transaction would be canceled automatically, without charge to the consumer, and the screen cleared.

The person or entity required to disclose fees or charges would also have to notify the consumer of another financial institution that his or her institution or credit card issuer might assess an additional fee for the ATM transaction.

Providing a notice in compliance with any federal regulation regarding ATM fees would be considered compliance with the bill, except that the disclosures required under the regulation would have to be displayed on the ATM screen.

House Bill 5297 would amend the Savings Bank Act (MCL 487.3513). House Bill 5298 would create a new act to apply to any individual or entity that owns, operates, or leases an ATM, including a governmental entity. House Bill 5299 would amend the Credit Union Act (MCL 490.31a). House Bill 5300 would amend the Savings and Loan Act (MCL 491.1135).

House Bill 5298 would specify that a violation of the new act would be a misdemeanor, punishable by a fine of not more than \$1,000 or by imprisonment for not more than 90 days, or both. Each transaction completed in violation of the act would be a separate offense.

The term “electronic fund transfer” in the bills would mean any transaction conducted by a consumer using an ATM that instructs or authorizes a financial institution to debit or credit the consumer’s deposit account or credit card arrangement. The term “ATM” as used in the bills would not include a point-of-sale terminal used exclusively to pay for a purchase of goods or services by transferring funds automatically from a consumer’s credit card arrangement or deposit account at a financial institution to the terminal provider’s account at a financial institution. It also would not apply to a device located on the premises of a customer of a financial institution used to execute transactions only between that customer and the financial institution. The term “financial institution” in the bills refers to a state or national chartered bank, or a state or federal chartered savings and loan association, savings bank, or credit union (or an affiliate or subsidiary).

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.