
**Financial Institutions &
Insurance Committee**

HB 2350

Brief Description: Regulating fees for using an automated teller machine.

Sponsors: Representatives Ericksen, Moeller and Benson.

Brief Summary of Bill

- Allows the owner of an automated teller machine (ATM) to charge an access fee or surcharge to any customer.

Hearing Date: 1/20/04

Staff: Carrie Tellefson (786-7127).

Background:

Financial institutions may issue debit and credit cards to their customers for use at automated teller machines (ATM) throughout the United States and around the world to obtain cash, bank balances, view and make bank transactions, and, in some cases, receive stamps. The issuing financial institution may charge the customer a convenience fee when a card is used at an ATM. In addition, the owner of an ATM may charge an access fee. The owner keeps the access fee for each ATM transaction, which is paid by the cardholder's issuing financial institution. Financial institutions, international sales organizations sponsored by a financial institution, and merchants may "own" ATMs for use by the public on owned or leased premises.

Some card networks have contractually prohibited ATM owners from imposing an access fee on holders of foreign bank cards. Twelve states have enacted legislation prohibiting such restriction on ATM owners, thus allowing ATM owners to impose access fees on all users.

An ATM is an electronic information processing device located in this state that accepts or dispenses cash in connection with a credit, deposit, or convenience account. ATMs do not include a device used primarily to facilitate check guarantees or check authorizations, used in connection with the acceptance or dispensing of cash on a person-to-person basis such as by a store cashier, or used for payment of goods and services.

Summary of Bill:

Owners of ATMs may charge an access fee or surcharge to any customer. An agreement to operate an ATM may not prohibit or restrict the operator from charging such a fee.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.