

FINAL BILL REPORT

HB 1138

C 98 L 05

Synopsis as Enacted

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

Sponsors: By Representatives Ericksen and Holmquist.

House Committee on Financial Institutions & Insurance

Senate Committee on Financial Institutions, Housing & Consumer Protection

Background:

Financial institutions may issue debit and credit cards to their customers for use at an automated teller machine (ATM). An ATM may be owned by an entity that is not a financial institution. Customers may use an ATM to obtain cash, bank balances, view and make bank transactions, and, in some cases, receive stamps.

ATM Fees

The financial institution issuing the debit or credit card may charge its customers a convenience fee when a card is used at an ATM. In addition to a fee possibly charged by the financial institution, the owner of an ATM may charge an access fee. The ATM owner keeps the access fee for each transaction; the fee is paid by the financial institution that issued the card.

Some card networks have contractually prohibited ATM owners from imposing an access fee on holders of foreign bank cards unless state or federal law allows for a fee. At least 13 states have enacted legislation allowing ATM owners to impose access fees on all users, not just on users with accounts located in the United States.

Definitions

"Automated teller machine" is defined as an electronic information processing device located in this state that accepts or dispenses cash in connection with a credit, deposit, or convenience account. It does 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.

"Financial institution" is defined as a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law.

Summary:

The owner of an ATM may charge an access fee to customers who are making transactions when the account is located outside the United States.

Votes on Final Passage:

House	98	0
Senate	44	0

Effective: July 24, 2005