

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1166

Short Title: Prohibit ATM Surcharges.

(Public)

Sponsors: Representatives Luebke; and Hardaway.

Referred to: Financial Institutions.

April 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO PROHIBIT FINANCIAL INSTITUTIONS FROM CHARGING
2 CERTAIN FEES FOR THE USE OF AUTOMATED TELLER MACHINES.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 53-62 is amended by adding a new subsection to read:

5 "(d2) A bank, savings and loan association, savings bank, credit union, or other
6 financial institution that owns, operates, or leases an off-premises terminal, device, or
7 machine authorized by subsection (d1) of this section shall not charge fees to consumers
8 for transactions conducted at the terminal, device, or machine when the transactions are
9 not related to or do not affect accounts held by the financial institution. A violation of
10 this subsection is an unfair and deceptive trade practice in violation of G.S. 75-1.1."

11 Section 2. G.S. 54B-77(a)(1) reads as rewritten:

12 "(1) Establish off the premises of any principal office or branch a customer
13 communications terminal, point-of-sale terminal, automated teller
14 machine, automated or other direct or remote information-processing
15 device or ~~machine, whether manned or unmanned,~~ machine through or by
16 means of which funds or information relating to any financial service or
17 transaction rendered to the public is stored and transmitted,
18 instantaneously or otherwise to or from an association terminal or
19 terminals controlled or used by or with other ~~parties,~~ parties. The device
20

1 or machine may be manned or unmanned and the establishment and use
2 of such a device or machine shall not be deemed to constitute a branch
3 office and the capital requirements and standards for approval of a
4 branch office as set forth in the statutes and ~~regulations, rules and~~ shall
5 not be applicable to the establishment of any ~~such~~ off-premises terminal,
6 device or ~~machine; and associations~~ machine. Associations may through
7 mutual consent share on-premises unmanned automated teller machines
8 and cash dispensers. The Administrator may ~~prescribe~~ adopt rules and
9 regulations with regard to the application for permission for use,
10 maintenance and supervision of ~~said~~ terminals, devices and ~~machines;~~
11 machines, except that no association that owns, operates, or leases an
12 off-premises terminal, device, or machine may charge a fee to
13 consumers for transactions conducted at off-premises terminals, devices,
14 or machines when the transactions are not related to or do not affect
15 accounts held by the association and any association that charges such a
16 fee is in violation of the Unfair and Deceptive Trade Practice Act, G.S.
17 75-1.1."

18 Section 3. G.S. 54C-146(a)(1) reads as rewritten:

19 "(1) Establish off the premises of any principal office or branch a customer
20 communications terminal, point of sale terminal, automated teller
21 machine, automated or other direct or remote information processing
22 device or machine, whether manned or unmanned, through or by means
23 of which funds or information relating to any financial service or
24 transaction rendered to the public is stored and transmitted,
25 instantaneously or otherwise to or from a savings bank terminal or
26 terminals controlled or used by or with other parties. The establishment
27 and use of a device or machine is not deemed to constitute a branch
28 office, and the capital requirements and standards for approval of a
29 branch office as set forth in the statutes and regulations are not
30 applicable to the establishment of any off-premises terminal, device or
31 machine. Savings banks may, through mutual consent, share on-
32 premises, unmanned, automated teller machines and cash dispensers. No
33 savings bank that owns, operates, or leases an off-premises terminal,
34 device, or machine may charge a fee to consumers for transactions
35 conducted at off-premises terminals, devices, or machines when the
36 transactions are not related to or do not affect accounts held by the bank
37 and any bank that charges such a fee is in violation of the Unfair and
38 Deceptive Trade Practice Act, G.S. 75-1.1."

39 Section 4. G.S. 53-180 is amended by adding a new subsection to read:

40 "(k) A bank, savings and loan association, savings bank, credit union, or other
41 financial institution that owns, operates, or leases an off-premises terminal, device, or
42 machine authorized by G.S. 53-62, 54B-77, or 54C-146 shall not charge fees to
43 consumers for transactions conducted at the terminal, device, or machine when the

1 transactions are not related to or do not affect accounts held by the financial institution.
2 A violation of this subsection is an unfair and deceptive trade practice in violation of G.S.
3 75-1.1."

4 Section 5. This act becomes effective October 1, 1999.