



General Assembly

February Session, 2000

***Raised Bill No. 11***

LCO No. 826

Referred to Committee on Banks

Introduced by:

(BA)

***An Act Concerning The Establishment Of Automated Teller Machines.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-2 of the general statutes is repealed and the  
2 following is substituted in lieu thereof:

3 As used in this title, unless the context otherwise requires:

4 (1) "Affiliate" of a person means any person controlling, controlled  
5 by, or under common control with, that person;

6 (2) "Applicant" with respect to any license or approval provision  
7 pursuant to this title means a person who applies for that license or  
8 approval;

9 (3) "Automated teller machine" means a stationary or mobile  
10 unattended device, including a satellite device but excluding a point of  
11 sale terminal, at which banking transactions, including, but not limited  
12 to, deposits, withdrawals, advances, payments or transfers, may be  
13 conducted;

14 (4) "Bank" means a Connecticut bank or a federal bank;

15 (5) "Bank and trust company" means an institution chartered or  
16 organized under the laws of this state as a bank and trust company;

17 (6) "Bank holding company" has the meaning given to that term in  
18 12 USC Section 1841(a), as from time to time amended, except that the  
19 term "bank", as used in 12 USC Section 1841(a) includes a bank or out-  
20 of-state bank that functions solely in a trust or fiduciary capacity;

21 (7) "Capital stock" when used in conjunction with any bank or out-  
22 of-state bank means a bank or out-of-state bank that is authorized to  
23 accumulate funds through the issuance of its capital stock;

24 (8) "Club deposit" means deposits to be received at regular intervals,  
25 the whole amount deposited to be withdrawn by the owner or repaid  
26 by the bank in not more than fifteen months from the date of the first  
27 deposit, and upon which no interest or dividends need to be paid;

28 (9) "Commissioner" means the Commissioner of Banking. With  
29 respect to any function of the commissioner, "commissioner" includes  
30 any person authorized or designated by the commissioner to carry out  
31 that function;

32 (10) "Company" means any corporation, joint stock company, trust,  
33 association, partnership, limited partnership, unincorporated  
34 organization, limited liability company or similar organization, but  
35 does not include (A) any corporation the majority of the shares of  
36 which are owned by the United States or by any state, or (B) any trust  
37 which by its terms must terminate within twenty-five years or not later  
38 than twenty-one years and ten months after the death of beneficiaries  
39 living on the effective date of the trust;

40 (11) "Connecticut bank" means a bank and trust company, savings  
41 bank or savings and loan association chartered or organized under the  
42 laws of this state;

43 (12) "Connecticut credit union" means a cooperative, nonprofit  
44 association, the membership of which is limited as provided in section  
45 36a-438 which is incorporated without capital stock under the laws of  
46 this state and licensed under chapter 667 for the purposes of  
47 encouraging thrift among its members, creating a source of credit at a  
48 fair and reasonable rate of interest and providing an opportunity for its  
49 members to use and control their own money to improve their  
50 economic and social condition;

51 (13) "Consolidation" means a combination of two or more  
52 institutions into a new institution. All institutions party to the  
53 consolidation, other than the new institution, are "constituent"  
54 institutions; the new institution is the "resulting" institution;

55 (14) "Control" has the meaning given to that term in 12 USC Section  
56 1841(a), as from time to time amended;

57 (15) "Customer" means any person using a service offered by a  
58 financial institution;

59 (16) "Demand account" means an account into which demand  
60 deposits may be made;

61 (17) "Demand deposit" means a deposit that is payable on demand,  
62 a deposit issued with an original maturity or required notice period of  
63 less than seven days or a deposit representing funds for which the  
64 bank does not reserve the right to require at least seven days' written  
65 notice of the intended withdrawal, but does not include any time  
66 deposit;

67 (18) "Deposit" means funds deposited with a depository;

68 (19) "Deposit account" means an account into which deposits may  
69 be made;

70 (20) "Depositor" includes a member of a mutual savings and loan  
71 association;

72 (21) "Director" means a member of the governing board of a  
73 financial institution;

74 (22) "Equity capital" means the excess of a Connecticut bank's total  
75 assets over its total liabilities, as defined in the instructions of the  
76 federal Financial Institutions Examination Council for consolidated  
77 reports of condition and income;

78 (23) "Executive officer" means every officer of a Connecticut bank  
79 who participates or has authority to participate, otherwise than in the  
80 capacity of a director, in major policy-making functions of such bank,  
81 regardless of whether such officer has an official title or whether that  
82 title contains a designation of assistant and regardless of whether such  
83 officer is serving without salary or other compensation. The president,  
84 vice president, secretary and treasurer of such bank are deemed to be  
85 executive officers, unless, by resolution of the governing board or by  
86 such bank's bylaws, any such officer is excluded from participation in  
87 major policy-making functions, otherwise than in the capacity of a  
88 director of such bank, and such officer does not actually participate in  
89 such policy-making functions;

90 (24) "Federal agency" has the meaning given to that term in 12 USC  
91 Section 3101, as from time to time amended;

92 (25) "Federal bank" means a national banking association, federal  
93 savings bank or federal savings and loan association having its  
94 principal office in this state;

95 (26) "Federal branch" has the meaning given to that term in 12 USC  
96 Section 3101, as from time to time amended;

97 (27) "Federal credit union" means any institution chartered or  
98 organized as a federal credit union pursuant to the laws of the United  
99 States having its principal office in this state;

100 (28) "Fiduciary" means a person undertaking to act alone or jointly  
101 with others primarily for the benefit of another or others in all matters

102 connected with its undertaking and includes a person acting in the  
103 capacity of trustee, executor, administrator, guardian, assignee,  
104 receiver, conservator, agent, custodian under the Connecticut Uniform  
105 Gifts to Minors Act or the Uniform Transfers to Minors Act, and acting  
106 in any other similar capacity;

107 (29) "Financial institution" means any Connecticut bank,  
108 Connecticut credit union, or other person whose activities in this state  
109 are subject to the supervision of the commissioner, but does not  
110 include a person whose activities are subject to the supervision of the  
111 commissioner solely pursuant to chapter 672a, 672b or 672c or any  
112 combination thereof;

113 (30) "Foreign bank" has the meaning given to that term in 12 USC  
114 Section 3101, as from time to time amended;

115 (31) "Foreign country" means any country other than the United  
116 States and includes any colony, dependency or possession of any such  
117 country;

118 (32) "Governing board" means the group of persons vested with the  
119 management of the affairs of a financial institution irrespective of the  
120 name by which such group is designated;

121 (33) "Holding company" means a bank holding company or a  
122 savings and loan holding company, except, as used in sections 36a-180  
123 to 36a-191, inclusive, "holding company" means a bank holding  
124 company or a savings and loan holding company that controls a bank;

125 (34) "Insured depository institution" has the meaning given to that  
126 term in 12 USC Section 1813, as from time to time amended;

127 (35) "Licensee" means any person who is licensed or required to be  
128 licensed pursuant to the applicable provisions of this title;

129 (36) "Loan" includes any line of credit or other extension of credit;

130 (37) "Merger" means the combination of one or more institutions  
131 with another which continues its corporate existence. All institutions  
132 party to the merger are "constituent" institutions; the merging  
133 institution which upon the merger continues its existence is the  
134 "resulting" institution;

135 (38) "Mutual" when used in conjunction with any institution that is a  
136 bank or out-of-state bank means any such institution without capital  
137 stock;

138 (39) "Mutual holding company" means any mutual savings bank or  
139 mutual savings and loan association reorganized or any nonstock  
140 corporation formed in connection with a reorganization pursuant to  
141 sections 36a-192 to 36a-199, inclusive, to hold a majority of the  
142 ordinary voting shares of a reorganized savings institution;

143 (40) "Out-of-state" includes any state other than Connecticut and  
144 any foreign country;

145 (41) "Out-of-state bank" means any institution that engages in the  
146 business of banking, but does not include a bank, Connecticut credit  
147 union, federal credit union or out-of-state credit union;

148 (42) "Out-of-state credit union" means any credit union other than a  
149 Connecticut credit union or a federal credit union;

150 (43) "Out-of-state trust company" means any company chartered to  
151 act as a fiduciary but does not include a company chartered under the  
152 laws of this state, a bank, an out-of-state bank, a Connecticut credit  
153 union, a federal credit union or an out-of-state credit union;

154 (44) "Person" means an individual, company, including a company  
155 described in subparagraphs (A) and (B) of subdivision (10) of this  
156 section, or any other legal entity, including a federal, state or municipal  
157 government or agency or any political subdivision thereof;

158 (45) "Point of sale terminal" means a device located in a commercial

159 establishment at which sales transactions can be charged directly to the  
160 buyer's deposit, loan or credit account, but at which deposit  
161 transactions cannot be conducted;

162 (46) "Reorganized savings bank" means any savings bank  
163 incorporated and organized in accordance with sections 36a-192 and  
164 36a-193 a majority of the ordinary voting shares of which is owned by  
165 a mutual holding company;

166 (47) "Reorganized savings and loan association" means any savings  
167 and loan association incorporated and organized in accordance with  
168 sections 36a-192 and 36a-193 a majority of the ordinary voting shares  
169 of which is owned by a mutual holding company;

170 (48) "Reorganized savings institution" means any reorganized  
171 savings bank or reorganized savings and loan association;

172 (49) "Representative office" has the meaning given to that term in 12  
173 USC Section 3101, as from time to time amended;

174 (50) "Reserves for loan and lease losses" means the amounts  
175 reserved by a Connecticut bank against possible loan and lease losses  
176 as shown on the bank's consolidated reports of condition and income;

177 (51) "Satellite device" means an automated teller machine which is  
178 not part of an office of the bank, out-of-state bank, Connecticut credit  
179 union, [or] federal credit union or out-of-state credit union which has  
180 established such machine;

181 (52) "Savings account" means a deposit account, other than an  
182 escrow account established pursuant to section 49-2a, into which  
183 savings deposits may be made and which account must be evidenced  
184 by periodic statements delivered at least semiannually or by a  
185 passbook;

186 (53) "Savings and loan association" means an institution chartered or  
187 organized under the laws of this state as a savings and loan

188 association;

189 (54) "Savings bank" means an institution chartered or organized  
190 under the laws of this state as a savings bank;

191 (55) "Savings deposit" means any deposit other than a demand  
192 deposit or time deposit on which interest or a dividend is paid  
193 periodically;

194 (56) "Savings and loan holding company" has the meaning given to  
195 that term in 12 USC Section 1467a, as from time to time amended;

196 (57) "State" means any state of the United States, the District of  
197 Columbia, any territory of the United States, Puerto Rico, Guam,  
198 American Samoa, the trust territory of the Pacific Islands, the Virgin  
199 Islands and the Northern Mariana Islands;

200 (58) "State agency" has the meaning given to that term in 12 USC  
201 Section 3101, as from time to time amended;

202 (59) "State branch" has the meaning given to that term in 12 USC  
203 Section 3101, as from time to time amended;

204 (60) "Subsidiary" has the meaning given to that term in 12 USC  
205 Section 1841(d), as from time to time amended;

206 (61) "Supervisory agency" means: (A) The commissioner; (B) the  
207 Federal Deposit Insurance Corporation; (C) the Resolution Trust  
208 Corporation; (D) the Office of Thrift Supervision; (E) the National  
209 Credit Union Administration; (F) the Board of Governors of the  
210 Federal Reserve System; (G) the United States Comptroller of the  
211 Currency; and (H) any successor to any of the foregoing agencies or  
212 individuals;

213 (62) "Time account" means an account into which time deposits may  
214 be made; and

215 (63) "Time deposit" means a deposit that the depositor does not

216 have a right and is not permitted to make withdrawals from within six  
217 days after the date of deposit, unless the deposit is subject to an early  
218 withdrawal penalty of at least seven days' simple interest on amounts  
219 withdrawn within the first six days after deposit, subject to those  
220 exceptions permissible under Title 12, Part 204 of the Code of Federal  
221 Regulations, as from time to time amended.

222 Sec. 2. Section 36a-3 of the general statutes, as amended by section 1  
223 of public act 99-22, section 1 of public act 99-63, and section 1 of public  
224 act 99-158, is repealed and the following is substituted in lieu thereof:

225 Other definitions applying to this title or to specified parts thereof  
226 and the sections in which they appear are:

227 "Account". Sections 36a-155, as amended by section 3 of this act, and  
228 36a-365.

229 "Advance Fee". Sections 36a-510, 36a-485 and 36a-615.

230 "Advertise" or "advertisement". Sections 36a-485 and 36a-510.

231 "Agency bank". Section 36a-285.

232 "Alternative mortgage loan". Section 36a-265.

233 "Amount financed". Section 36a-690.

234 "Annual percentage rate". Section 36a-690.

235 "Annual percentage yield". Section 36a-316.

236 "Applicant". Section 36a-736.

237 "Associate". Section 36a-184.

238 "Bank". Section 36a-30.

239 "Bankers' bank". Section 36a-70.

- 240 "Banking business". Section 36a-425.
- 241 "Billing cycle". Section 36a-565.
- 242 "Bona fide nonprofit organization". Section 36a-655.
- 243 "Branch". Sections 36a-145 and 36a-410.
- 244 "Branch or agency net payment entitlement". Section 36a-428n.
- 245 "Branch or agency net payment obligation". Section 36a-428n.
- 246 "Broker". Section 36a-510.
- 247 "Business and industrial development corporation". Section 36a-626.
- 248 "Business and property in this state". Section 36a-428n.
- 249 "Cash advance". Section 36a-564.
- 250 "Cash dispensing machine". Section 7 of this act.
- 251 "Cash price". Section 36a-770.
- 252 "Certificate of organization". Section 36a-435.
- 253 "Closely related activities". Section 36a-250.
- 254 "Collective managing agency account". Section 36a-365.
- 255 "Commercial vehicle". Section 36a-770.
- 256 "Community bank". Section 36a-70.
- 257 "Community development bank". Section 36a-70.
- 258 "Connecticut holding company". Section 36a-410.
- 259 "Consumer". Sections 36a-155, as amended by section 3 of this act,  
260 36a-676 and 36a-695.

- 261 "Consumer Credit Protection Act". Section 36a-676.
- 262 "Consumer debtor" and "debtor". Sections 36a-645 and 36a-800.
- 263 "Consumer collection agency". Section 36a-800.
- 264 "Controlling interest". Section 36a-276.
- 265 "Credit". Sections 36a-645 and 36a-676.
- 266 "Creditor". Sections 36a-676, 36a-695 and 36a-800.
- 267 "Credit card", "cardholder" and "card issuer". Section 36a-676.
- 268 "Credit clinic". Section 36a-695.
- 269 "Credit rating agency". Section 36a-695.
- 270 "Credit report". Section 36a-695.
- 271 "Credit sale". Section 36a-676.
- 272 "De novo branch". Section 36a-410.
- 273 "Debt". Section 36a-645.
- 274 "Debt adjustment". Section 36a-655.
- 275 "Debt mutual fund". Section 36a-275.
- 276 "Debt securities". Section 36a-275.
- 277 "Deliver". Section 36a-316.
- 278 "Deposit". Section 36a-316.
- 279 "Deposit account". Section 36a-316.
- 280 "Deposit account charge". Section 36a-316.
- 281 "Deposit account disclosures". Section 36a-316.

- 282 "Deposit contract". Section 36a-316.
- 283 "Deposit services". Section 36a-425.
- 284 "Depositor". Section 36a-316.
- 285 "Earning period". Section 36a-316.
- 286 "Electronic payment instrument". Section 36a-596.
- 287 "Eligible account holder". Section 36a-136.
- 288 "Eligible collateral". Section 36a-330.
- 289 "Equity mutual fund". Section 36a-276.
- 290 "Federal Home Mortgage Disclosures Act". Section 36a-736.
- 291 "Fiduciary". Section 36a-365.
- 292 "Filing fee". Section 36a-770.
- 293 "Finance charge". Sections 36a-690 and 36a-770.
- 294 "Financial institution". Sections 36a-41, 36a-155, as amended by  
295 section 3 of this act, 36a-316, 36a-330 and 36a-736.
- 296 "Financial records". Section 36a-41.
- 297 "First mortgage loan". Sections 36a-485, 36a-705 and 36a-715.
- 298 "Fiscal year". Section 36a-435.
- 299 "Foreign banking corporation". Section 36a-425.
- 300 "General facility". Section 36a-580.
- 301 "Global net payment entitlement". Section 36a-428n.
- 302 "Global net payment obligation". Section 36a-428n.

- 303 "Goods". Sections 36a-535 and 36a-770.
- 304 "Graduated payment mortgage loan". Section 36a-265.
- 305 "Guardian". Section 36a-365.
- 306 "Holder". Section 36a-596.
- 307 "Home banking services". Section 36a-170.
- 308 "Home banking terminal". Section 36a-170.
- 309 "Home improvement loan". Section 36a-736.
- 310 "Home purchase loan". Section 36a-736.
- 311 "Home state". Section 36a-410.
- 312 "Immediate family". Section 36a-435.
- 313 "Instalment loan contract". Sections 36a-535 and 36a-770.
- 314 "Instrument". Section 36a-596.
- 315 "Insurance bank". Section 36a-285.
- 316 "Insurance department". Section 36a-285.
- 317 "Interest". Section. 36a-316.
- 318 "Interest rate". Section 36a-316.
- 319 "Lender". Sections 36a-510 and 36a-770.
- 320 "Lessor". Section 36a-676.
- 321 "License". Section 36a-626.
- 322 "Licensee". Sections 36a-510, 36a-596 and 36a-626.
- 323 "Limited branch". Section 36a-145.

- 324 "Limited facility". Section 36a-580.
- 325 "Loan broker". Section 36a-615.
- 326 "Loss". Section 36a-330.
- 327 "Made in this state". Section 36a-770.
- 328 "Managing agent". Section 36a-365.
- 329 "Member". Section 36a-435.
- 330 "Membership share". Section 36a-435.
- 331 "Money order". Section 36a-596.
- 332 "Mortgage broker". Section 36a-485.
- 333 "Mortgage insurance". Section 36a-725.
- 334 "Mortgage lender". Sections 36a-485 and 36a-705.
- 335 "Mortgage loan". Sections 36a-261 and 36a-265.
- 336 "Mortgage rate lock-in". Section 36a-705.
- 337 "Mortgage servicing company". Section 36a-715.
- 338 "Mortgagor". Section 36a-715.
- 339 "Motor vehicle". Section. 36a-770.
- 340 "Multiple common bond membership". Section 36a-435.
- 341 "Municipality". Section 36a-800.
- 342 "Net worth" Section. 36a-596.
- 343 "Network". Section 36a-155, as amended by section 3 of this act.
- 344 "Nonbank". Section 7 of this act.

- 345 "Note account". Sections 36a-301 and 36a-445.
- 346 "Office ". Section 36a-316.
- 347 "Open-end credit plan". Section 36a-676.
- 348 "Open-end loan". Section 36a-565.
- 349 "Organization". Section 36a-800.
- 350 "Out-of-state holding company". Section 36a-410.
- 351 "Outstanding". Section 36a-596.
- 352 "Passbook savings account". Section 36a-316.
- 353 "Periodic statement". Section 36a-316.
- 354 "Permissible investment". Section 36a-596.
- 355 "Person". Section 36a-184.
- 356 "Post". Section 36a-316.
- 357 "Prime quality". Section 36a-596.
- 358 "Principal amount of the loan". Section. 36a-510.
- 359 "Principal officer". Section 36a-485.
- 360 "Processor". Section 36a-155, as amended by section 3 of this act.
- 361 "Public deposit". Section 36a-330.
- 362 "Purchaser". Section 36a-596.
- 363 "Qualified financial contract". Section 36a-428n.
- 364 "Qualified public depository" and "depository". Section 36a-330.
- 365 "Records". Section 36a-17.

- 366 "Relocate". Section 36a-145.
- 367 "Residential property". Section 36a-485.
- 368 "Retail buyer". Sections 36a-535 and 36a-770.
- 369 "Retail credit transaction". Section 42-100b.
- 370 "Retail deposits". Section 36a-70.
- 371 "Retail instalment contract". Sections 36a-535 and 36a-770.
- 372 "Retail instalment sale". Sections 36a-535 and 36a-770.
- 373 "Retail seller". Sections 36a-535 and 36a-770.
- 374 "Reverse annuity mortgage loan". Section 36a-265.
- 375 "Sales finance company". Sections 36a-535 and 36a-770.
- 376 "Savings department". Section 36a-285.
- 377 "Savings deposit". Section 36a-316.
- 378 "Secondary mortgage loan". Section 36a-510.
- 379 "Security convertible into a voting security". Section 36a-184.
- 380 "Share". Section 36a-435.
- 381 "Simulated check". Sections 36a-485 and 36a-510.
- 382 "Single common bond membership". Section 36a-435.
- 383 "Social purpose investment". Section 36a-277.
- 384 "Standard mortgage loan". Section 36a-265.
- 385 "Tax and loan account". Sections 36a-301 and 36a-445.
- 386 "The Savings Bank Life Insurance Company". Section 36a-285.

387 "Time account". Section 36a-316.

388 "Transaction". Section 36a-215.

389 "Travelers check". Section 36a-596.

390 "Troubled financial institution". Section 36a-215.

391 "Uninsured bank". Section 36a-70.

392 "Unsecured loan". Section 36a-615.

393 Sec. 3. Section 36a-155 of the general statutes is repealed and the  
394 following is substituted in lieu thereof:

395 (a) (1) [One or more banks, Connecticut credit unions or federal  
396 credit unions] Any bank, Connecticut credit union or federal credit  
397 union may establish, and use on a transaction fee basis, automated  
398 teller machines that are not satellite devices located within this state. ],  
399 and use on a transaction fee basis automated teller machines that are  
400 not satellite devices located within this state or established outside this  
401 state. One or more banks, Connecticut credit unions or federal credit  
402 unions may establish satellite devices within this state and one or more  
403 banks, Connecticut credit unions or federal credit unions may use on a  
404 transaction fee basis satellite devices located within this state or  
405 established outside this state.] Any Connecticut bank that maintains a  
406 branch outside this state or Connecticut credit union that maintains a  
407 subsidiary office outside this state, may establish and use automated  
408 teller machines that are not satellite devices outside this state. Any  
409 bank, Connecticut credit union or federal credit union may establish,  
410 and use on a transaction fee basis, satellite devices located in this state.  
411 Any Connecticut bank or Connecticut credit union may establish and  
412 use satellite devices located outside this state.

413 (2) Any out-of-state bank that maintains a branch in this state or  
414 out-of-state credit union that maintains a subsidiary office in this state  
415 may establish, and use on a transaction fee basis, automated teller

416 machines that are not satellite devices located within this state. Any  
417 out-of-state bank or out-of-state credit union may establish, and use on  
418 a transaction fee basis, satellite devices located within this state.

419 (3) Any bank, Connecticut credit union, [or] federal credit union,  
420 out-of-state bank or out-of-state credit union may establish and use  
421 point of sale terminals. Nothing in this chapter shall prohibit the  
422 establishment or use of a point of sale terminal located within this state  
423 by a commercial establishment located within this state.

424 (b) The commissioner may adopt such regulations in accordance  
425 with the provisions of chapter 54 as may be necessary to carry out the  
426 purpose of sections 36a-155 to 36a-159, inclusive, as amended by this  
427 act, and section 36a-170. Such regulations may include, but shall not be  
428 limited to: (1) Requirements for the filing of information with the  
429 commissioner by any financial institution, network or processor in  
430 connection with (A) the establishment or use of automated teller  
431 machines, point of sale terminals or similar retail electronic banking  
432 facilities in this state, (B) the provision of home banking services in this  
433 state, and (C) the provision of network or processing services in this  
434 state; (2) provisions concerning services that may be provided at  
435 automated teller machines, point of sale terminals or similar retail  
436 electronic banking facilities located in this state, or by means of home  
437 banking terminals located in this state, including services that may be  
438 offered on a proprietary basis; and (3) provisions concerning the safety  
439 of persons using automated teller machines or similar retail electronic  
440 banking facilities. As used in this subsection, "financial institution"  
441 means any bank, Connecticut credit union, federal credit union, out-of-  
442 state bank or out-of-state credit union authorized under Connecticut or  
443 federal law to accept deposits within this state, or any other person  
444 having a place of business in this state who holds an account belonging  
445 to a consumer and who agrees with the consumer to provide electronic  
446 fund transfer services subject to the provisions of 12 CFR Part 205, as  
447 from time to time amended, at automated teller machines, point of sale  
448 terminals or similar retail electronic banking facilities in this state;

449 "account" means a demand deposit, savings deposit, share, member or  
450 other consumer asset account, held either directly or indirectly, and  
451 established primarily for personal, family or household purposes,  
452 including a line of credit extended to a consumer, but not including an  
453 occasional or incidental credit balance in a credit plan; "consumer"  
454 means a natural person residing in this state; "network" means one or  
455 more financial institutions or other persons that own and operate one  
456 or more network systems or facilities, or provide communications or  
457 processing services to one or more automated teller machines, point of  
458 sale terminals or similar retail electronic banking facilities located in  
459 this state, or to one or more home banking terminals located in this  
460 state; and "processor" means one or more persons that provide  
461 communications, processing, clearing, settlement or related services to  
462 one or more financial institutions in connection with the operation of  
463 one or more automated teller machines, point of sale terminals or  
464 similar retail electronic banking facilities located in this state, or one or  
465 more home banking terminals located in this state.

466 Sec. 4. Section 36a-156 of the general statutes is repealed and the  
467 following is substituted in lieu thereof:

468 (a) One or more banks, Connecticut credit unions, [or] federal credit  
469 unions, out-of-state banks or out-of-state credit unions which have  
470 established a satellite device or point of sale terminal shall make the  
471 satellite device or point of sale terminal available on a  
472 nondiscriminatory basis for use by any other bank, Connecticut credit  
473 union, [or] federal credit union, out-of-state bank or out-of-state credit  
474 union upon payment by each such other bank or credit union of a  
475 reasonably proportionate share of all acquisition, installation and  
476 operating costs of the satellite device or point of sale terminal. The  
477 satellite device or point of sale terminal shall identify with equal  
478 prominence all of the banks, credit unions or network systems which  
479 use the satellite device or point of sale terminal.

480 (b) Any bank, Connecticut credit union, [or] federal credit union,

481 out-of-state bank or out-of-state credit union which has established an  
482 automated teller machine which is not a satellite device in accordance  
483 with subsection (a) of section 36a-155, as amended by section 3 of this  
484 act, may, in its discretion, permit any other bank, Connecticut credit  
485 union, [or] federal credit union, out-of-state bank or out-of-state credit  
486 union to use such automated teller machine, provided, (1) if such  
487 permission is granted to any other bank, Connecticut credit union, [or]  
488 federal credit union, out-of-state bank or out-of-state credit union, the  
489 automated teller machine is made available on a nondiscriminatory  
490 basis for use by any other bank, Connecticut credit union, [or] federal  
491 credit union, out-of-state bank or out-of-state credit union, upon  
492 payment of reasonably proportionate costs as described under  
493 subsection (a) of this section, and (2) such use is otherwise in  
494 accordance with subsection (a) of this section.

495 Sec. 5. Section 36a-158 of the general statutes is repealed.

496 Sec. 6. (NEW) A bank, Connecticut credit union, federal credit  
497 union, out-of-state bank or out-of-state credit union may not charge a  
498 fee for use of its automated teller machines by a person who is not a  
499 depository customer of the institution unless the amount of the fee is  
500 clearly and conspicuously disclosed:

501 (1) On a sign posted on the automated teller machine or in clear  
502 view of a person viewing the automated teller machine; and

503 (2) Electronically during the course of the transaction in a manner  
504 that permits the person to cancel the transaction without incurring the  
505 fee.

506 Sec. 7. (NEW) As used in sections 7 to 12, inclusive, of this act:

507 (1) "Cash dispensing machine" means an automated teller machine  
508 established by a nonbank at which withdrawals, advances, transfers  
509 and balance inquiries are the only banking transactions that may be  
510 conducted.

511 (2) "Nonbank" means any person other than a bank, Connecticut  
512 credit union, federal credit union, out-of-state bank or out-of-state  
513 credit union.

514 Sec. 8. (NEW) (a) No nonbank shall establish a cash dispensing  
515 machine in this state unless such nonbank has obtained a license under  
516 this section.

517 (b) An application for a cash dispensing machine license or renewal  
518 of such license shall be in writing, under oath and on a form provided  
519 by the commissioner. The application shall set forth: (1) The name and  
520 address of the applicant; (2) if the applicant is a firm or partnership,  
521 the names and addresses of each member of the firm or partnership;  
522 (3) if the applicant is a corporation, the names and addresses of each  
523 officer, director, authorized agent and each shareholder owning ten  
524 per cent or more of the outstanding stock of such corporation; (4) each  
525 location where a cash dispensing machine is to be established; and (5)  
526 any other information the commissioner may require.

527 (c) Upon the filing of the required application and the applicable  
528 application fee, the commissioner shall investigate the facts and may  
529 issue a license if the commissioner finds that (1) the applicant is in all  
530 respects properly qualified and of good character, (2) if the applicant is  
531 a firm or partnership, each member of the firm or partnership is in all  
532 respects properly qualified and of good character, (3) if the applicant is  
533 a corporation, each officer, director, authorized agent and each  
534 shareholder owning ten per cent or more of the outstanding stock of  
535 such corporation is in all respects properly qualified and of good  
536 character, and (4) granting such license would not be against the public  
537 interest.

538 (d) No licensee may establish any additional cash dispensing  
539 machine without filing a notice for such cash dispensing machine  
540 accompanied by the applicable fee. No licensee may change the  
541 location of a cash dispensing machine without prior notification to the  
542 commissioner.

543       Sec. 9. (NEW) (a) Each applicant for a cash dispensing machine  
544 license shall pay to the commissioner, a nonrefundable application fee  
545 of five hundred dollars. Each licensee shall pay to the commissioner a  
546 fee of fifty dollars for each additional cash dispensing machine  
547 established by the licensee. Each license issued pursuant to section 8 of  
548 this act shall expire at the close of business on June thirtieth of each  
549 year unless such license is renewed. Each licensee shall, on or before  
550 June twentieth of each year, pay to the commissioner a renewal  
551 application fee of fifty dollars for each cash dispensing machine.

552       (b) Each applicant or licensee shall pay the expenses of any  
553 examination or other investigation under sections 7 to 12, inclusive, of  
554 this act.

555       (c) No abatement of any application or notice fee shall be made if  
556 the license is surrendered, cancelled, revoked or suspended prior to  
557 the expiration of the period for which it was issued.

558       Sec. 10. (NEW) (a) A cash dispensing machine licensee shall clearly  
559 and conspicuously disclose on a sign posted on the cash dispensing  
560 machine or in clear view of a consumer viewing the cash dispensing  
561 machine:

562       (1) The name of the nonbank that established the cash dispensing  
563 machine;

564       (2) A disclaimer indicating that such person is not a bank or a credit  
565 union;

566       (3) The name, address, and twenty-four hour toll-free telephone  
567 number where a consumer may direct inquires or complaints; and

568       (4) Evidence of licensure in the form prescribed by the  
569 commissioner.

570       (b) A cash dispensing machine licensee may not charge a fee for use  
571 of a cash dispensing machine unless the amount of the fee is clearly

572 and conspicuously disclosed:

573 (1) On a sign posted on the cash dispensing machine or in clear view  
574 of a person viewing the cash dispensing machine; and

575 (2) Electronically during the course of the transaction in a manner  
576 that permits the person to cancel the transaction without incurring the  
577 fee.

578 Sec. 11. (NEW) (a) Each cash dispensing machine licensee shall  
579 maintain and, upon request, make available to the commissioner, in a  
580 form satisfactory to the commissioner, such books, records and  
581 accounts as will enable the commissioner to verify the daily activity at  
582 each of its cash dispensing machines. Each licensee shall retain such  
583 books, records and accounts for not less than ninety days from the date  
584 of each transaction.

585 Sec. 12. (NEW) The commissioner may suspend, revoke or refuse to  
586 renew any license issued pursuant to section 8 of this act, in  
587 accordance with the provisions of section 36a-51 of the general  
588 statutes, for any reason that would be sufficient grounds for the  
589 commissioner to deny an application for a license under section 8 of  
590 this act, or if the commissioner finds that the licensee or any owner,  
591 director, officer, member, partner, trustee, employee or agent of such  
592 licensee has done any of the following: (1) Made any material  
593 misstatement in the application; (2) committed any fraud, engaged in  
594 dishonest activities or made any misrepresentation; (3) in connection  
595 with the operation of a cash dispensing machine business,  
596 demonstrated incompetency; or (4) violated any provision of sections 7  
597 to 12, inclusive, of this act, or any regulation promulgated thereunder.

***Statement of Purpose:***

To authorize out-of-state banks and out-of-state credit unions to establish automated teller machines within this state; to authorize nonbanks to establish cash dispensing machines within this state; and to require disclosure of automated teller machine surcharges and cash dispensing machines fees.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*