



House of Representatives

General Assembly

File No. 139

February Session, 2010

House Bill No. 5047

House of Representatives, March 25, 2010

The Committee on Banks reported through REP. BARRY of the 12th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING NEGATIVE ACCOUNT BALANCES.

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

1 Section 1. Section 36a-303 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 (a) No bank, Connecticut credit union or federal credit union may
4 charge a fee or a penalty for an overdraft if such overdraft is due to an
5 error on a direct deposit tape of the Social Security Administration or
6 an accidental omission from such tape.

7 (b) No Connecticut bank may charge a customer a fee or penalty for
8 an overdraft provided such customer cures a negative account balance
9 on the business day following an insufficient funds alert issued to the
10 customer by the bank.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2010	36a-303
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BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill places a restriction on certain fees charged to customers by Connecticut banks and has no fiscal impact upon the Department of Banking.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis

HB 5047

AN ACT CONCERNING NEGATIVE ACCOUNT BALANCES.

SUMMARY:

This bill prohibits Connecticut banks from charging an overdraft fee unless they first notify customers of insufficient funds.

It also prohibits them from charging the fee to customers who cure the negative balance on the first business day after the bank issues the notice.

EFFECTIVE DATE: October 1, 2010

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 12 Nay 6 (03/16/2010)