

CF 7r2357

By: Delegate Minnick

Introduced and read first time: January 23, 1997

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 Financial Institutions - Electronic Terminals - Application for Approval

3 FOR the purpose of altering the process for the approval of an application by a banking
4 institution for a proposed electronic terminal; and generally relating to the
5 application process for the approval of an application for an electronic terminal by
6 a banking institution.

7 BY repealing and reenacting, with amendments,
8 Article - Financial Institutions
9 Section 5-502
10 Annotated Code of Maryland
11 (1992 Replacement Volume and 1996 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 Article - Financial Institutions

15 5-502.

16 (a) In this section:

17 (1) "Electronic terminal" means any manned or unmanned electronic
18 machine that:

19 (i) Enables a customer of a banking institution to:

20 1. Withdraw money from an account or under an authorized
21 line of credit of the customer with the banking institution;

22 2. Transfer money from any account of the customer with the
23 banking institution to any other account with the banking institution; or

24 3. Deposit money into an account of the customer with the
25 banking institution;

26 (ii) Is not located at the principal banking office or any branch of the
27 banking institution; and

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1 (iii) If manned, is manned by a person who is under contract with but is
2 not an employee or officer of the banking institution; and

3 (2) "Electronic terminal" does not include a telephone that the customer
4 operates.

5 (b) A banking institution may have an electronic terminal, if the Commissioner[,
6 after receiving the advice of the Banking Board,] approves.

7 (c) (1) The Commissioner may approve a proposed electronic terminal only
8 if[the]:

9 (I) THE BANKING INSTITUTION FILES WITH THE COMMISSIONER
10 AN APPLICATION IN THE FORM THAT THE COMMISSIONER REQUIRES; AND

11 (II) THE Commissioner determines that it will be an effective and
12 efficient service, consistent with sound banking practice, and the security of the
13 transactions.

14 (2) (I) THE COMMISSIONER SHALL DETERMINE WHETHER TO
15 APPROVE AN APPLICATION FOR AN ELECTRONIC TERMINAL WITHIN 30 DAYS AFTER
16 THE RECEIPT OF A COMPLETED APPLICATION.

17 (II) AN APPLICATION FOR AN ELECTRONIC TERMINAL SHALL BE
18 DEEMED APPROVED IF THE COMMISSIONER TAKES NO ACTION WITHIN THE 30-DAY
19 PERIOD SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH.

20 (d) (1) An electronic terminal may receive and dispense money as instructed by
21 a customer.

22 (2) A banking institution may verify by direct wire transmission or otherwise
23 any transaction that is made by means of an electronic terminal.

24 (3) The Commissioner may adopt rules and regulations that are
25 substantially similar to those rules and regulations of the Comptroller of the Currency for
26 the operation and shared use of electronic terminals by national banking associations.

27 (e) (1) If, after an electronic terminal is approved, any requirement of the
28 section is not being met, the Commissioner shall give the banking institution notice of the
29 deficiency.

30 (2) On notice of deficiency, a banking institution shall stop using the
31 electronic terminal.

32 (3) If the Commissioner determines that the deficiency has been corrected,
33 the banking institution may resume use of the electronic terminal.

34 (f) For purposes of this article, an electronic terminal is not a branch of a banking
35 institution.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 October 1, 1997.