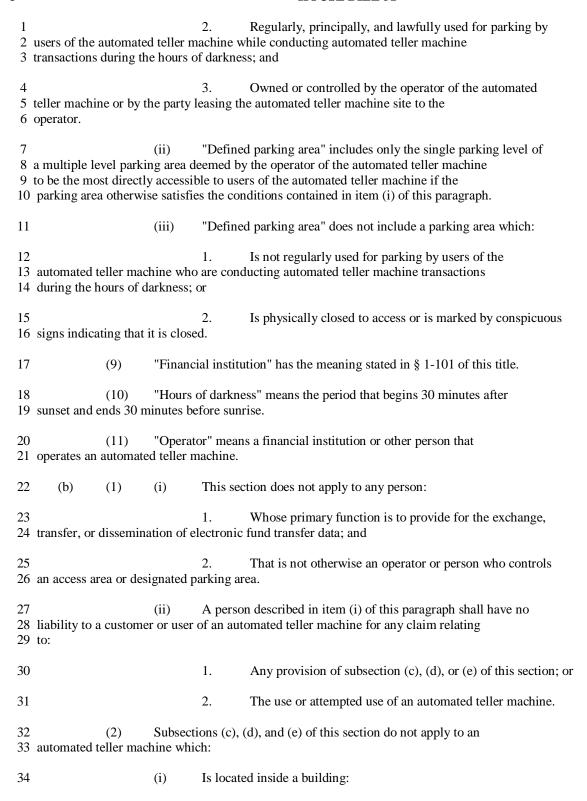
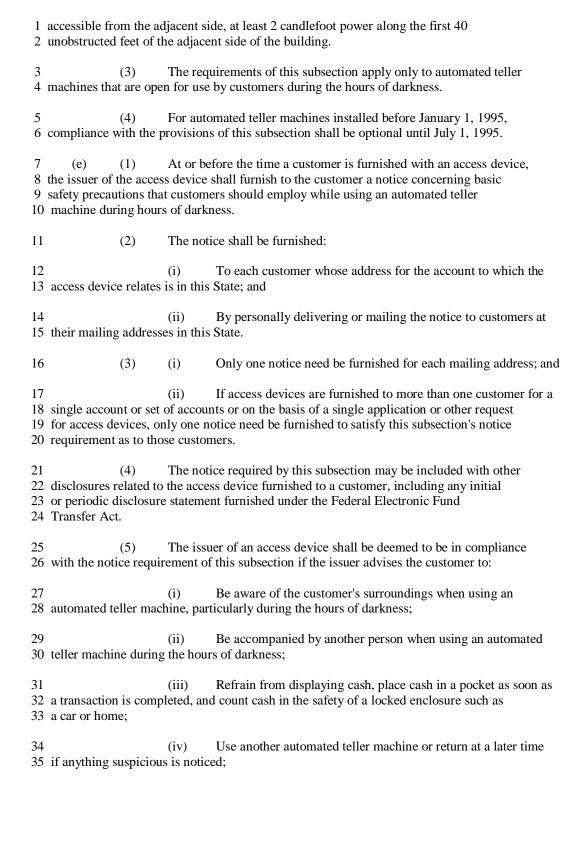
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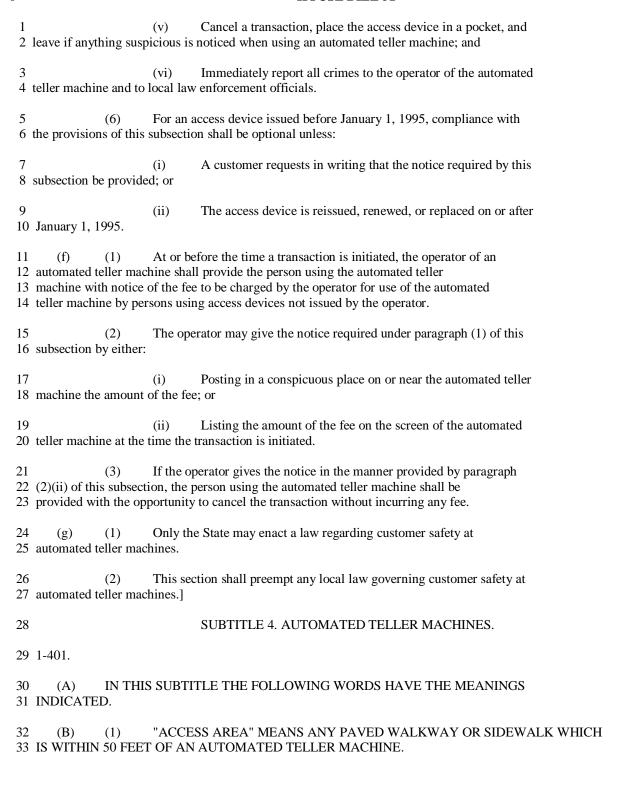
By: D	elegate Wood (Task Force to Study Bank Charter Modernization)
	luced and read first time: January 18, 1999
Assig	ned to: Commerce and Government Matters
Caman	witter Demont Formula
	nittee Report: Favorable
	e action: Adopted second time: March 22, 1999
Keau	second time. Match 22, 1999
	CHAPTER
1 Δ	N ACT concerning
1 /3	ACT concerning
2	Financial Institutions - Clarification, Reorganization, and Consolidation of
3	State Banking Laws
4 F	OR the purpose of clarifying, reorganizing, and consolidating certain laws relating
5	to automated teller machines; and generally relating to the clarification,
6	reorganization, and consolidation of State banking laws relating to automated
7	teller machines.
8 B	SY repealing
9	Article - Financial Institutions
10	Section 1-207 and 5-502
11	Annotated Code of Maryland
12	(1998 Replacement Volume and 1998 Supplement)
13 E	BY adding to
14	Article - Financial Institutions
15	Section 1-401 through 1-405, inclusive, to be under the new subtitle "Subtitle 4.
16	Automated Teller Machines"
17	Annotated Code of Maryland
18	(1998 Replacement Volume and 1998 Supplement)
19 E	BY repealing and reenacting, with amendments,
20	Article - Financial Institutions
21	Section 12-201 and 12-207 through 12-209
22	Annotated Code of Maryland
23	(1998 Replacement Volume and 1998 Supplement)

1 2	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:					
3	Article - Financial Institutions					
4	[1-207.					
5	(a) (1)	In this so	ection the	e following words have the meanings indicated.		
6 7	(2) within 50 feet of an a	(i) utomated		area" means any paved walkway or sidewalk which is achine.		
8 9	highway or any adjac	(ii) ent sidew		area" does not include any publicly maintained street or		
10 11	(3) Regulation E, 12 C.I			has the meaning stated in Federal Reserve Board		
	12 (4) (i) "Automated teller machine" means any electronic information 13 processing device located in this State which accepts or dispenses cash in connection 14 with a credit, deposit, or convenience account.					
15		(ii)	"Autom	ated teller machine" does not include devices used:		
16 17	authorizations;		1.	Solely to facilitate check guarantees or check		
18 19	a person-to-person b	asis, inclu	2. Iding by a	In connection with the acceptance or dispensing of cash on a store cashier; or		
20			3.	For the payment of goods or services.		
	21 (5) "Candlefoot power" means the light intensity of candles on a 22 horizontal plane at 36 inches above ground level and 5 feet in front of the area to be 23 measured.					
	(6) "Control" of an access area or defined parking area means to have the present authority to determine how, when, and by whom such area is to be used, maintained, lighted, and landscaped.					
27 28	(7) issued for personal,			ns an individual to whom an access device has been ld use.		
29 30	(8) open for customer pa	(i) arking wh		d parking area" means that portion of a parking area		
31 32	teller machine;		1.	Contiguous to an access area with respect to an automated		

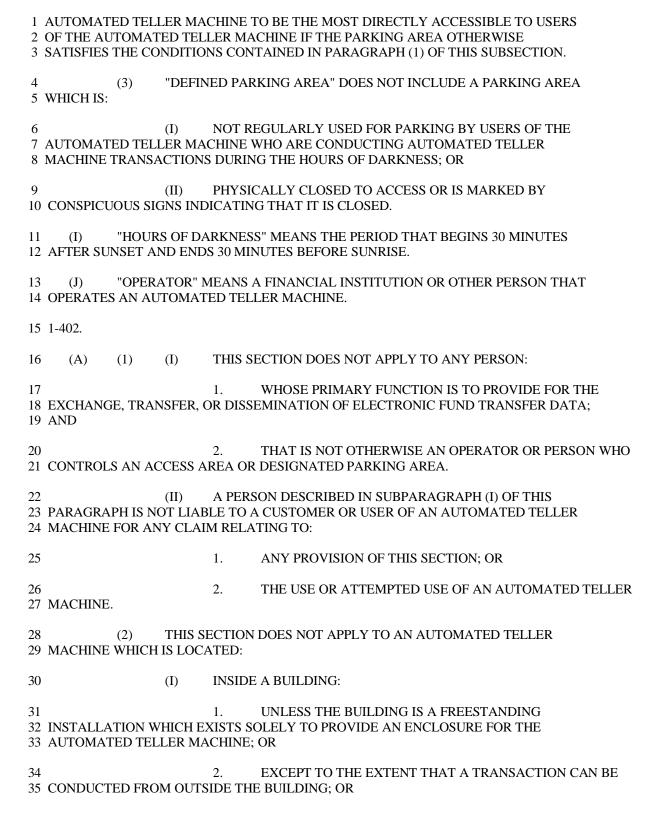


1 2	1. Unless the building is a freestanding installation which exists solely to provide an enclosure for the automated teller machine; or
3	2. Except to the extent that a transaction can be conducted from outside the building; or
5 6	(ii) Is located in any area, including any access area, building, enclosed space, or parking area, which is not controlled by the operator.
	(c) (1) An operator of an automated teller machine shall adopt procedures for evaluating the safety of the location of the automated teller machine before it is installed.
10	(2) The procedures shall include a consideration of:
11 12	(i) The extent to which the lighting for the automated teller machine complies or will comply with the standards described in this section; and
	(ii) The presence of landscaping, vegetation, or other obstructions in the area of the automated teller machine, the access area, and the defined parking area.
	(3) (i) The operator of an automated teller machine installed prior to January 1, 1995 shall adopt procedures for evaluating the safety of the location of the existing automated teller machine.
	(ii) The procedures adopted under subparagraph (i) of this paragraph shall include a consideration of the facts identified in paragraph (2) of this subsection to the extent appropriate to existing locations.
24	(iii) This subsection does not impose a duty to relocate an automated teller machine or modify the landscaping, vegetation, or other obstructions in the area of an automated teller machine, access area, or defined parking area for an automated teller machine installed prior to January 1, 1995.
	(d) (1) An operator of an automated teller machine shall provide during the hours of darkness lighting of at least 10 candlefoot power at the face of the automated teller machine and extending in an unobstructed direction outward 5 feet.
29 30	(2) An operator or, if different, the person who controls the access area or the defined parking area, shall provide during the hours of darkness lighting of:
31 32	(i) At least 2 candlefoot power within 50 feet from all unobstructed directions from the face of the automated teller machine;
33 34	(ii) At least 2 candlefoot power in that portion of the defined parking area within 60 feet of the automated teller machine; and
35 36	(iii) In the event the automated teller machine is located within 10 feet of a corner of the building and the automated teller machine is generally





- 1 (2) "ACCESS AREA" DOES NOT INCLUDE ANY PUBLICLY MAINTAINED 2 STREET OR HIGHWAY OR ANY ADJACENT SIDEWALK.
- 3 (C) "ACCESS DEVICE" HAS THE MEANING STATED IN FEDERAL RESERVE 4 BOARD REGULATION E, 12 C.F.R., PART 205.
- 5 (D) (1) "AUTOMATED TELLER MACHINE" MEANS ANY ELECTRONIC
- 6 INFORMATION PROCESSING DEVICE LOCATED IN THIS STATE WHICH ACCEPTS OR
- 7 DISPENSES CASH IN CONNECTION WITH A CREDIT, DEPOSIT, OR CONVENIENCE
- 8 ACCOUNT.
- 9 (2) "AUTOMATED TELLER MACHINE" DOES NOT INCLUDE DEVICES 10 USED:
- 11 (I) SOLELY TO FACILITATE CHECK GUARANTEES OR CHECK 12 AUTHORIZATIONS:
- 13 (II) IN CONNECTION WITH THE ACCEPTANCE OR DISPENSING OF 14 CASH ON A PERSON-TO-PERSON BASIS, INCLUDING BY A STORE CASHIER; OR
- 15 (III) FOR THE PAYMENT OF GOODS OR SERVICES.
- 16 (E) "CANDLEFOOT POWER" MEANS THE LIGHT INTENSITY OF CANDLES ON A 17 HORIZONTAL PLANE AT 36 INCHES ABOVE GROUND LEVEL AND 5 FEET IN FRONT OF 18 THE AREA TO BE MEASURED.
- 19 (F) "CONTROL" OF AN ACCESS AREA OR DEFINED PARKING AREA MEANS TO 20 HAVE THE PRESENT AUTHORITY TO DETERMINE HOW, WHEN, AND BY WHOM SUCH 21 AREA IS TO BE USED, MAINTAINED, LIGHTED, AND LANDSCAPED.
- 22 (G) "CUSTOMER" MEANS AN INDIVIDUAL TO WHOM AN ACCESS DEVICE HAS 23 BEEN ISSUED FOR PERSONAL. FAMILY, OR HOUSEHOLD USE.
- 24 (H) (1) "DEFINED PARKING AREA" MEANS THAT PORTION OF A PARKING 25 AREA OPEN FOR CUSTOMER PARKING WHICH IS:
- 26 (I) CONTIGUOUS TO AN ACCESS AREA WITH RESPECT TO AN 27 AUTOMATED TELLER MACHINE;
- 28 (II) REGULARLY, PRINCIPALLY, AND LAWFULLY USED FOR
- 29 PARKING BY USERS OF THE AUTOMATED TELLER MACHINE WHILE CONDUCTING
- 30 AUTOMATED TELLER MACHINE TRANSACTIONS DURING THE HOURS OF DARKNESS;
- 31 AND
- 32 (III) OWNED OR CONTROLLED BY THE OPERATOR OF THE
- 33 AUTOMATED TELLER MACHINE OR BY THE PARTY LEASING THE AUTOMATED
- 34 TELLER MACHINE SITE TO THE OPERATOR.
- 35 (2) "DEFINED PARKING AREA" INCLUDES ONLY THE SINGLE PARKING
- 36 LEVEL OF A MULTIPLE LEVEL PARKING AREA DEEMED BY THE OPERATOR OF THE



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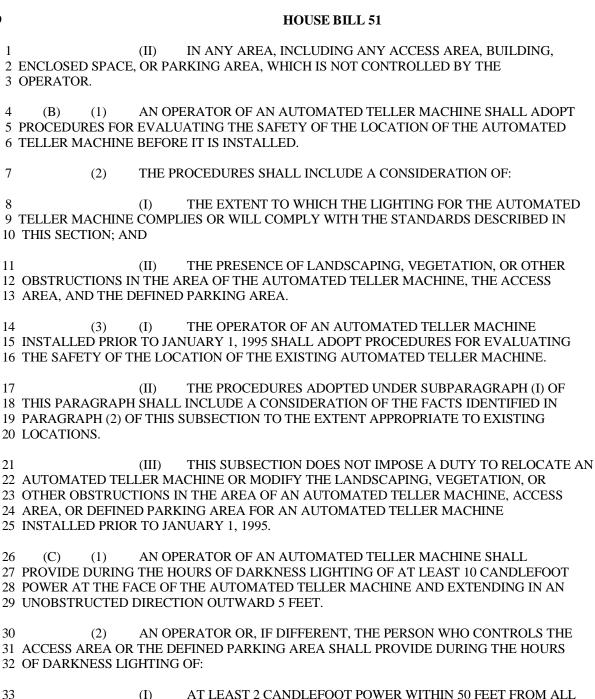
36

38 AND

35 MACHINE:

(I)

(II)



34 UNOBSTRUCTED DIRECTIONS FROM THE FACE OF THE AUTOMATED TELLER

37 DEFINED PARKING AREA WITHIN 60 FEET OF THE AUTOMATED TELLER MACHINE;

AT LEAST 2 CANDLEFOOT POWER IN THAT PORTION OF THE

- 1 (III) IN THE EVENT THE AUTOMATED TELLER MACHINE IS LOCATED
- 2 WITHIN 10 FEET OF A CORNER OF THE BUILDING AND THE AUTOMATED TELLER
- 3 MACHINE IS GENERALLY ACCESSIBLE FROM THE ADJACENT SIDE, AT LEAST 2
- 4 CANDLEFOOT POWER ALONG THE FIRST 40 UNOBSTRUCTED FEET OF THE ADJACENT
- 5 SIDE OF THE BUILDING.
- 6 (3) THE REQUIREMENTS OF THIS SUBSECTION APPLY ONLY TO
- 7 AUTOMATED TELLER MACHINES THAT ARE OPEN FOR USE BY CUSTOMERS DURING
- 8 THE HOURS OF DARKNESS.
- 9 (D) (1) AT OR BEFORE THE TIME A CUSTOMER IS FURNISHED WITH AN
- 10 ACCESS DEVICE, THE ISSUER OF THE ACCESS DEVICE SHALL FURNISH TO THE
- 11 CUSTOMER A NOTICE CONCERNING BASIC SAFETY PRECAUTIONS THAT CUSTOMERS
- 12 SHOULD EMPLOY WHILE USING AN AUTOMATED TELLER MACHINE DURING HOURS
- 13 OF DARKNESS.
- 14 (2) THE NOTICE SHALL BE FURNISHED:
- 15 (I) TO EACH CUSTOMER WHOSE ADDRESS FOR THE ACCOUNT TO
- 16 WHICH THE ACCESS DEVICE RELATES IS IN THIS STATE; AND
- 17 (II) BY PERSONALLY DELIVERING OR MAILING THE NOTICE TO
- 18 CUSTOMERS AT THEIR MAILING ADDRESSES IN THIS STATE.
- 19 (3) (I) ONLY ONE NOTICE NEED BE FURNISHED FOR EACH MAILING
- 20 ADDRESS.
- 21 (II) IF ACCESS DEVICES ARE FURNISHED TO MORE THAN ONE
- 22 CUSTOMER FOR A SINGLE ACCOUNT OR SET OF ACCOUNTS OR ON THE BASIS OF A
- 23 SINGLE APPLICATION OR OTHER REQUEST FOR ACCESS DEVICES, ONLY ONE NOTICE
- 24 NEED BE FURNISHED TO SATISFY THIS SUBSECTION'S NOTICE REQUIREMENT AS TO
- 25 THOSE CUSTOMERS.
- 26 (4) THE NOTICE REQUIRED BY THIS SUBSECTION MAY BE INCLUDED
- 27 WITH OTHER DISCLOSURES RELATED TO THE ACCESS DEVICE FURNISHED TO A
- 28 CUSTOMER, INCLUDING ANY INITIAL OR PERIODIC DISCLOSURE STATEMENT
- 29 FURNISHED UNDER THE FEDERAL ELECTRONIC FUND TRANSFER ACT.
- 30 (5) THE ISSUER OF AN ACCESS DEVICE SHALL BE DEEMED TO BE IN
- 31 COMPLIANCE WITH THE NOTICE REQUIREMENT OF THIS SUBSECTION IF THE ISSUER
- 32 ADVISES THE CUSTOMER TO:
- 33 (I) BE AWARE OF THE CUSTOMER'S SURROUNDINGS WHEN USING
- 34 AN AUTOMATED TELLER MACHINE. PARTICULARLY DURING THE HOURS OF
- 35 DARKNESS:
- 36 (II) BE ACCOMPANIED BY ANOTHER PERSON WHEN USING AN
- 37 AUTOMATED TELLER MACHINE DURING THE HOURS OF DARKNESS;

11

(II)

(2)

32

31 PRACTICE, AND THE SECURITY OF THE TRANSACTIONS.

34 AFTER THE RECEIPT OF A COMPLETED APPLICATION.

30 EFFECTIVE AND EFFICIENT SERVICE. CONSISTENT WITH SOUND BANKING

33 APPROVE AN APPLICATION FOR AN AUTOMATED TELLER MACHINE WITHIN 30 DAYS

HOUSE BILL 51 REFRAIN FROM DISPLAYING CASH, PLACE CASH IN A POCKET (III)1 2 AS SOON AS A TRANSACTION IS COMPLETED, AND COUNT CASH IN THE SAFETY OF A 3 LOCKED ENCLOSURE SUCH AS A CAR OR HOME: (IV) USE ANOTHER AUTOMATED TELLER MACHINE OR RETURN AT A 5 LATER TIME IF ANYTHING SUSPICIOUS IS NOTICED; CANCEL A TRANSACTION, PLACE THE ACCESS DEVICE IN A 6 (V) 7 POCKET, AND LEAVE IF ANYTHING SUSPICIOUS IS NOTICED WHEN USING AN 8 AUTOMATED TELLER MACHINE: AND 9 IMMEDIATELY REPORT ALL CRIMES TO THE OPERATOR OF THE (VI) 10 AUTOMATED TELLER MACHINE AND TO LOCAL LAW ENFORCEMENT OFFICIALS. FOR AN ACCESS DEVICE ISSUED BEFORE JANUARY 1, 1995, 12 COMPLIANCE WITH THE PROVISIONS OF THIS SUBSECTION SHALL BE OPTIONAL 13 UNLESS: A CUSTOMER REQUESTS IN WRITING THAT THE NOTICE 14 (I)15 REQUIRED BY THIS SUBSECTION BE PROVIDED; OR THE ACCESS DEVICE IS REISSUED, RENEWED, OR REPLACED (II)17 ON OR AFTER JANUARY 1, 1995. 18 (E) (1) ONLY THE STATE MAY ENACT A LAW REGARDING CUSTOMER SAFETY 19 AT AUTOMATED TELLER MACHINES. THIS SECTION SHALL PREEMPT ANY LOCAL LAW GOVERNING 20 (2) 21 CUSTOMER SAFETY AT AUTOMATED TELLER MACHINES. 22 1-403. 23 A BANKING INSTITUTION MAY HAVE AN AUTOMATED TELLER MACHINE IF (A) 24 THE COMMISSIONER APPROVES. THE COMMISSIONER MAY APPROVE A PROPOSED AUTOMATED 25 (B) (1) **26 TELLER MACHINE ONLY IF:** 27 THE BANKING INSTITUTION FILES WITH THE COMMISSIONER (I) 28 AN APPLICATION IN THE FORM THAT THE COMMISSIONER REQUIRES; AND

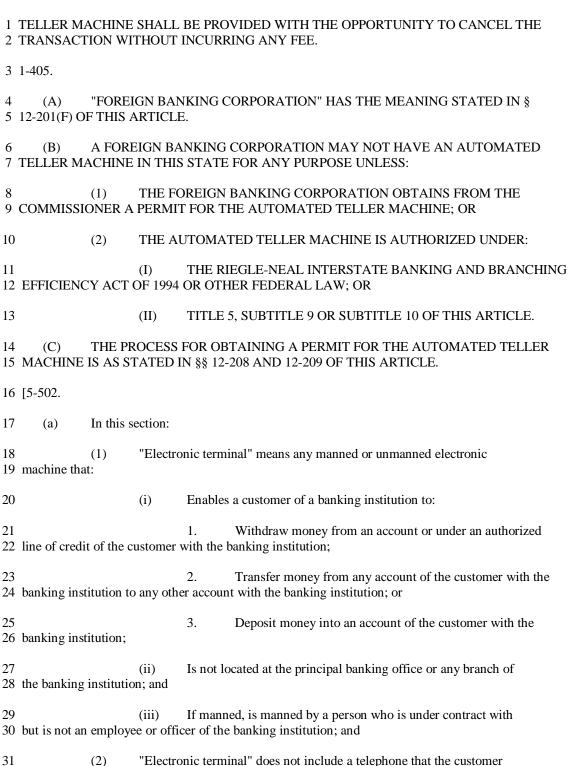
THE COMMISSIONER DETERMINES THAT IT WILL BE AN

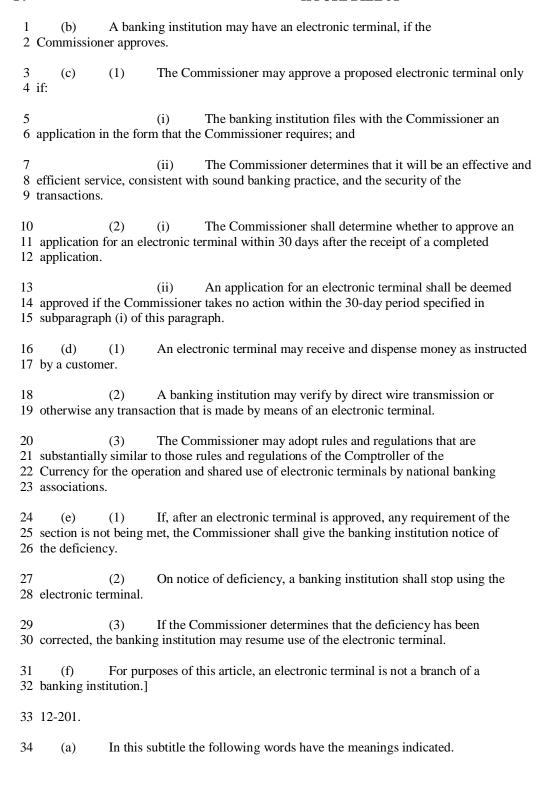
THE COMMISSIONER SHALL DETERMINE WHETHER TO

12

- **HOUSE BILL 51** 1 (II)AN APPLICATION FOR AN AUTOMATED TELLER MACHINE 2 SHALL BE DEEMED APPROVED IF THE COMMISSIONER TAKES NO ACTION WITHIN 3 THE 30-DAY PERIOD SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH. AN AUTOMATED TELLER MACHINE MAY RECEIVE AND DISPENSE 5 MONEY AS INSTRUCTED BY A CUSTOMER. A BANKING INSTITUTION MAY VERIFY BY DIRECT WIRE 6 (2) 7 TRANSMISSION OR OTHERWISE ANY TRANSACTION THAT IS MADE BY MEANS OF AN 8 AUTOMATED TELLER MACHINE. 9 THE COMMISSIONER MAY ADOPT RULES AND REGULATIONS THAT (3) 10 ARE SUBSTANTIALLY SIMILAR TO THOSE RULES AND REGULATIONS OF THE 11 COMPTROLLER OF THE CURRENCY FOR THE OPERATION AND SHARED USE OF 12 AUTOMATED TELLER MACHINES BY NATIONAL BANKING ASSOCIATIONS. 13 (D) IF, AFTER AN AUTOMATED TELLER MACHINE IS APPROVED, ANY 14 REQUIREMENT OF THIS SECTION IS NOT BEING MET, THE COMMISSIONER SHALL 15 GIVE THE BANKING INSTITUTION NOTICE OF THE DEFICIENCY. ON NOTICE OF DEFICIENCY, A BANKING INSTITUTION SHALL STOP 16 17 USING THE ELECTRONIC TERMINAL. IF THE COMMISSIONER DETERMINES THAT THE DEFICIENCY HAS 19 BEEN CORRECTED. THE BANKING INSTITUTION MAY RESUME USE OF THE 20 AUTOMATED TELLER MACHINE. FOR PURPOSES OF THIS ARTICLE, AN AUTOMATED TELLER MACHINE IS 21 (E) 22 NOT A BRANCH OF A BANKING INSTITUTION. 23 1-404. AT OR BEFORE THE TIME A TRANSACTION IS INITIATED, THE OPERATOR 24 25 OF AN AUTOMATED TELLER MACHINE SHALL PROVIDE THE PERSON USING THE 26 AUTOMATED TELLER MACHINE WITH NOTICE OF THE FEE TO BE CHARGED BY THE 27 OPERATOR FOR USE OF THE AUTOMATED TELLER MACHINE BY PERSONS USING 28 ACCESS DEVICES NOT ISSUED BY THE OPERATOR. THE OPERATOR MAY GIVE THE NOTICE REQUIRED UNDER 29 (B)
- (1) 30 SUBSECTION (A) OF THIS SECTION BY EITHER:
- POSTING IN A CONSPICUOUS PLACE ON OR NEAR THE (I) 31 32 AUTOMATED TELLER MACHINE THE AMOUNT OF THE FEE; OR
- LISTING THE AMOUNT OF THE FEE ON THE SCREEN OF THE 33 (II)
- 34 AUTOMATED TELLER MACHINE AT THE TIME THE TRANSACTION IS INITIATED.
- 35 IF THE OPERATOR GIVES THE NOTICE IN THE MANNER PROVIDED BY (2) 36 PARAGRAPH (1)(II) OF THIS SUBSECTION, THE PERSON USING THE AUTOMATED

32 operates.





	(b) "Affiliated corporation" means any corporation, whether incorporated under the laws of this State or of any other jurisdiction, of which 25 percent or more of the outstanding voting shares are owned of record or beneficially by:				
4		(1)	A foreig	gn bank; or	
5 6	outstanding	(2) voting sh		who own of record or beneficially 25 percent or more of the foreign bank.	
7 8	(c) beneficially			ompany" means a corporation that owns of record or e of the outstanding voting shares of:	
9 10	this State; o	(1) r	A State	banking institution that has its principal banking office in	
11 12	this State.	(2)	A nation	nal banking association that has its principal banking office in	
13 14	13 (d) [(1) "Electronic terminal" means an electronic device through which a 14 consumer may begin a fund transfer or credit transaction.				
15		(2)	"Electro	onic terminal" includes:	
16			(i)	A point-of-sale terminal;	
17			(ii)	An automated teller machine; and	
18			(iii)	A cash dispensing machine.	
19 20	operates.	(3)	"Electro	onic terminal" does not include a telephone that the consumer	
21	(e)]	"Foreign	n bank" n	neans any bank or trust company other than:	
22 23	this State; a	(1) nd	A State	banking institution that has its principal banking office in	
24 25	this State.	(2)	A nation	nal banking association that has its principal banking office in	
26	[(f)]	(E)	"Foreig	n banking corporation" means:	
27		(1)	A foreig	gn bank; or	
28		(2)	Any cor	rporation that:	
29			(i)	Is controlled by a foreign bank;	
30			(ii)	Controls a foreign bank; or	

28 October 1, 1999.

1 2	bank holding c	compan	(iii) y.	Is controlled by persons who control a foreign bank or foreign		
3	12-207.					
4 5	A foreign in this State fo			ation may not have an office [or an electronic terminal] aless:		
6 7	permit for the	1) office [c		eign banking corporation obtains from the Commissioner a al]; or		
8	(2)	The offi	ce [or electronic terminal] is authorized under:		
9 10	Act of 1994 o	r other	(i) federal la	The Riegle-Neal Interstate Banking and Branching Efficiency aw; or		
11			(ii)	Title 5, Subtitle 9 or Subtitle 10 of this article.		
12	12-208.					
13 14	13 (a) To apply for a permit for an office [or electronic terminal], a foreign 14 banking corporation shall:					
15 16	(Commissione	1) r requir		to the Commissioner an application on the form that the		
17	(2)	Pay to th	ne Commissioner the application fee set by the Commissioner.		
18	(b) T	The app	lication s	hall state:		
19	(1)	The loca	ation of each proposed office [and electronic terminal];		
20	((2)	A specif	ic description of the proposed operations; and		
21	((3)	The serv	vices to be performed for the public.		
22	12-209.					
25	On application for a permit, the Commissioner, after receiving the advice of the Banking Board, shall issue the permit, if the Commissioner determines that the establishment and operations of the proposed office [or electronic terminal] will not violate any law of this State that applies to banks and banking.					
27	SECTION	N 2. AN	D BE IT	FURTHER ENACTED, That this Act shall take effect		