

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1028
Economic Matters

(Delegate Hixson)

Finance

Financial Institutions - Automated Teller Machines - Video Cameras

This bill requires an operator of an automated teller machine (ATM) to (1) install and maintain a video camera in specified ATMs that views and records an image of a user as the user performs a transaction at the ATM; and (2) preserve the recordings for at least 45 calendar days. An operator of an ATM with a video camera subject to the bill's provisions is not liable for a video camera malfunction that occurs due to a reason beyond the operator's control.

The bill applies prospectively to an ATM first installed on or after October 1, 2011.

Fiscal Summary

State Effect: The bill does not directly affect State finances or operations.

Local Effect: The bill does not directly affect local finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill does not apply to any ATM located inside a building. However, two exceptions exist. First, a newly installed ATM inside a freestanding installation that exists solely to provide an enclosure for the ATM must contain a video camera. In addition, an ATM located inside a building that enables a customer to conduct a transaction from outside the building must also have a video camera.

The bill does not apply to an ATM operated by a financial institution, unless the ATM is located at, within, or attached to the premises owned by or under the control of the financial institution.

Current Law: Statutory provisions currently require ATM operators to notify customers of safety precautions and regulate minimum outdoor lighting levels. Prior to the installation of an ATM, an operator must consider a variety of factors, including lighting, potential obstructions such as vegetation, the access area, and the availability of parking.

An ATM operator installing a machine that is accessible after dark must provide lighting of at least 10 candlefoot power at the face of the ATM that extends in an unobstructed direction outward five feet. The person controlling the access area or the parking area surrounding the ATM must provide (1) lighting after dark of at least two candlefoot power within 50 feet from all unobstructed directions from the face of the ATM; and (2) at least two candlefoot power in the defined parking area within 60 feet of the ATM. When a customer is provided with an ATM card, the card issuer must inform the customer of basic safety precautions that should be employed while using an ATM after dark. This notice may be included with other disclosures, including any initial or periodic disclosure statement required by the Federal Electronic Fund Transfer Act.

Background: The state of New York currently requires the use of video cameras at ATMs. The New York State Banking Department oversees an inspection program designed to require all ATM facilities to comply with the state's security requirements.

Small Business Effect: The bill affects State-chartered banks, some of which are small businesses. Because the bill only applies to ATMs installed on or after October 1, 2011, businesses are not required to replace existing ATMs. However, once existing ATMs are no longer operable, businesses may have to purchase ATMs which meet the bill's requirements at much higher costs.

Additional Information

Prior Introductions: A similar bill, HB 180 of 2010, passed the House and the Senate with amendments, but no further action was taken.

Cross File: None.

Information Source(s): Governors Office of Crime Control and Prevention; Judiciary (Administrative Office of the Courts); Department of Labor, Licensing, and Regulation; Department of State Police; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2011
ncs/ljm Revised - Enrolled Bill - April 22, 2011

Analysis by: Michael F. Bender

Direct Inquiries to:
(410) 946-5510
(301) 970-5510