

SUBSTITUTE FOR
HOUSE BILL NO. 4893

A bill to require certain persons that provide automatic teller machine services to disclose information regarding fees and charges.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:
2 (a) "ATM" means an electronic device situated in Michigan,
3 other than a telephone, facsimile machine, or personal computer
4 operated by a consumer, through which a consumer initiates an
5 electronic fund transfer. The term does not include a
6 point-of-sale terminal used exclusively to pay for a purchase of
7 goods or services by transferring funds electronically from a
8 consumer's credit card arrangement or deposit account at a finan-
9 cial institution to the terminal provider's account at a
10 financial institution, or a device located on the premises of a
11 customer of a financial institution which is used to execute

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1 transactions only between that customer and the financial
2 institution.

3 (b) "Consumer" means an individual.

4 (c) "Credit card" means a card or device issued under a
5 credit card arrangement which gives the card holder the privilege
6 of obtaining loans from the card issuer.

7 (d) "Credit card arrangement" means a line of credit issued
8 by a financial institution to a consumer, which line of credit
9 may be accessed for the purpose of obtaining a loan by means of a
10 credit card.

11 (e) "Electronic fund transfer" means any transaction con-
12 ducted by a consumer using an ATM that instructs or authorizes a
13 financial institution to debit or credit the consumer's deposit
14 account or credit card arrangement.

15 (f) "Financial institution" means a state or national
16 chartered bank or a state or federal chartered savings and loan
17 association, savings bank, or credit union or an affiliate or
18 subsidiary thereof.

19 (g) "Person" means an individual, corporation, association,
20 partnership, governmental entity, or any other legal entity.

21 (h) "Provider" means a person that owns, operates, or leases
22 an ATM.

23 Sec. 2. (1) If a provider assesses or imposes a fee or
24 charge for an electronic fund transfer, prior to completion of
25 the transfer, the provider shall notify the consumer attempting
26 the transfer of the fee or charge and its amount, and shall

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Sub. H.B. 4893 (H-5) as amended October 22, 1997

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1 provide the consumer an opportunity to cancel the incomplete
2 transaction without incurring the fee or charge.

3 (2) The notice required by subsection (1) shall be displayed
4 on the ATM screen until 1 of the following occurs:

5 (a) The consumer cancels the transaction.

6 (b) The consumer proceeds with the transaction.

7 (c) Thirty seconds have elapsed, at which time the transac-
8 tion shall be canceled automatically, without charge to the con-
9 sumer, and the screen cleared.

10 (3) A provider required to disclose fees or charges under
11 subsection (1) shall also notify the consumer attempting an elec-
12 tronic fund transfer that his or her financial institution or
13 credit card issuer may assess an additional fee for the elec-
14 tronic fund transfer.

[Sec. 2a. For each transaction involving an ATM, the person using the ATM shall be provided the option of a printed statement or an on-screen display or both indicating the nature and amounts involved in the transaction and the resulting balances of the accounts affected by the transaction.]

15 Sec. 3. The provision of a notice in compliance with sec-
16 tion 205.9(a)(1) of regulation E, 12 C.F.R. 205.9, to a consumer
17 attempting an electronic fund transfer shall be considered com-
18 pliance with this act, except that the disclosures required under
19 that section shall be displayed on the ATM screen.

20 Sec. 4. (1) A person who violates this act is guilty of a
21 misdemeanor punishable by a fine of not more than \$1,000.00 or by
22 imprisonment for not more than 90 days, or both.

23 (2) Each transaction completed in violation of this act
24 shall be a separate offense under this section.