

BILL ANALYSIS

Senate Research Center
77R2548 CLG-D

S.B. 991
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DIGEST AND PURPOSE

Currently, Texas state law dictates that the operator of an automated teller machine (ATM) is authorized to charge a fee if there is disclosure that a fee is charged and the disclosure is made in a manner that allows the customer to cancel the transaction with no fee. The federal ATM Fee Reform Act of 1999 is more specific concerning the notification of the existence of the fee and the amount of the fee, and requires the disclosure to appear on both the machine itself and on the screen or in a paper document printed out by the ATM at a point that allows the customer to cancel the transaction without a fee. As proposed, S.B. 991 amends existing state law to conform with the federal requirements.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 59.202, Finance Code, as follows:

Sec. 59.202. USER FEE FOR SHARED ELECTRONIC TERMINAL. Authorizes the owner of an electronic terminal that is located in this state and that is connected to a shared network, subject to Subsection (b), to impose a fee for the use of that terminal if imposition of the fee is disclosed at a time and in a manner that allows a user to avoid the transaction without incurring the transaction fee. Prohibits an automatic teller machine operator who is required to provide notice under the Electronic Fund Transfer Act (15 U.S.C. Section 1693 et seq.), as amended, for providing services in connection with an electronic fund transfer initiated by a certain user at the machine, from imposing a fee for the use of that machine unless the operator complies with the disclosure and other requirements of that Act and regulations adopted under that Act. Defines "electronic transfer of money." Makes a conforming change.

SECTION 2. Effective date: September 1, 2001.

Makes application of this Act prospective.