



January 25, 2000

HOUSE BILL No. 1418

DIGEST OF HB 1418 (Updated January 20, 2000 5:09 PM - DI 94)

Citations Affected: IC 28-1; IC 28-7; IC 28-15.

Synopsis: Depository financial institution. Provides for electronic withdrawals of deposits for depositors of all ages at banks, trust companies, credit unions, savings associations, and depository financial institutions.

Effective: July 1, 2000.

Grubb, Burton, Bodiker, Ruppel

January 11, 2000, read first time and referred to Committee on Financial Institutions.
January 24, 2000, reported — Do Pass.

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HB 1418—LS 7254/DI 94+



January 25, 2000

Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

HOUSE BILL No. 1418

A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 28-1-1-6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2000]: **Sec. 6. For purposes of IC 28-1-23-16, "depository
4 financial institution" means a financial institution that is:**
5 (1) a commercial bank, organized or reorganized under the
6 law of another state (as defined in IC 28-2-17-19) or United
7 States law;
8 (2) a trust company, organized or reorganized under the law
9 of another state (as defined in IC 28-2-17-19) or United States
10 law;
11 (3) a credit union, organized or reorganized under the law of
12 another state (as defined in IC 28-2-17-19) or United States
13 law;
14 (4) a savings bank, organized or reorganized under the law of
15 another state (as defined in IC 28-2-17-19) or United States
16 law;
17 (5) a savings association, organized or reorganized under

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1 **Indiana law, the law of another state (as defined in**
 2 **IC 28-2-17-19), or United States law;**

3 **(6) a bank of discount and deposit, organized or reorganized**
 4 **under the law of another state (as defined in IC 28-2-17-19) or**
 5 **United States law;**

6 **(7) an industrial loan and investment company, organized or**
 7 **reorganized under Indiana law, the law of another state (as**
 8 **defined in IC 28-2-17-19), or United States law; or**

9 **(8) a financial institution similar to those listed in subdivisions**
 10 **(1) through (7), organized or reorganized under Indiana law,**
 11 **the law of another state (as defined in IC 28-2-17-19), or**
 12 **United States law.**

13 SECTION 2. IC 28-1-20-5, AS AMENDED BY P.L.19-1999,
 14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2000]: Sec. 5. All persons, regardless of age, may become
 16 depositors in any bank or trust company and shall be subject to the
 17 same duties and liabilities respecting their deposits. ~~When any~~
 18 **Whenever a deposit shall have been is** accepted by any bank or trust
 19 company in the name of any person, regardless of age, ~~it~~ **the deposit**
 20 ~~may be withdrawn by such person by:~~ **the depositor by either of the**
 21 **following methods:**

22 (1) Check or other instrument in writing. ~~which~~ **The** check or
 23 other instrument in writing ~~shall constitute~~ **constitutes** a receipt
 24 or acquittance, if the ~~same check or other instrument in writing~~
 25 is signed by ~~such person; the depositor,~~ and ~~shall be constitutes~~
 26 a valid release and discharge to the bank or trust company for all
 27 payments so made. ~~or~~

28 (2) Electronic means through:

29 (A) preauthorized direct withdrawal;

30 (B) an automated teller machine;

31 (C) a debit card; ~~or~~

32 (D) a transfer by telephone;

33 **(E) a network, including the Internet; or**

34 **(F) any:**

35 **(i) electronic terminal;**

36 **(ii) computer;**

37 **(iii) magnetic tape; or**

38 **(iv) other electronic means.**

39 subject to the terms and conditions of the

40 **However, this section may not be construed to affect the rights,**
 41 **liabilities, or responsibilities of participants in an electronic fund**
 42 **transfer under the federal Electronic Fund Transfer Act (15 U.S.C.**



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1 1693 et. seq.).

2 SECTION 3. IC 28-1-23-16 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2000]: **Sec. 16. All persons, regardless of age, may become
5 depositors in a depository financial institution (as defined in
6 IC 28-1-1-6) and shall be subject to the same duties and liabilities
7 respecting their deposits. Whenever a deposit is accepted by a
8 depository financial institution in the name of any person,
9 regardless of age, the deposit may be withdrawn by the depositor
10 by either of the following methods:**

11 (1) **Check or other instrument in writing. The check or other
12 instrument in writing constitutes a receipt or acquittance, if
13 the check or other instrument in writing is signed by the
14 depositor, and constitutes a valid release and discharge to the
15 depository financial institution for all payments so made.**

16 (2) **Electronic means through:**

- 17 (A) **preauthorized direct withdrawal;**
- 18 (B) **an automated teller machine;**
- 19 (C) **a debit card;**
- 20 (D) **a transfer by telephone;**
- 21 (E) **a network, including the Internet; or**
- 22 (F) **any:**
 - 23 (i) **electronic terminal;**
 - 24 (ii) **computer;**
 - 25 (iii) **magnetic tape; or**
 - 26 (iv) **other electronic means.**

27 **However, this section may not be construed to affect the rights,
28 liabilities, or responsibilities of participants in an electronic fund
29 transfer under the federal Electronic Fund Transfer Act (15 U.S.C.
30 1693 et seq.).**

31 SECTION 4. IC 28-7-1-37 IS ADDED TO THE INDIANA CODE
32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
33 1, 2000]: **Sec. 37. All members, regardless of age, may become
34 depositors in a credit union and shall be subject to the same duties
35 and liabilities respecting their deposits. Whenever a deposit is
36 accepted by a credit union in the name of any person, regardless of
37 age, the deposit may be withdrawn by the depositor by either of the
38 following methods:**

39 (1) **Check or other instrument in writing. The check or other
40 instrument in writing constitutes a receipt or acquittance, if
41 the check or other instrument in writing is signed by the
42 depositor, and constitutes a valid release and discharge to the**



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1 credit union for all payments so made.

2 (2) Electronic means through:

- 3 (A) preauthorized direct withdrawal;
 4 (B) an automated teller machine;
 5 (C) a debit card;
 6 (D) a transfer by telephone;
 7 (E) a network, including the Internet; or
 8 (F) any:
 9 (i) electronic terminal;
 10 (ii) computer;
 11 (iii) magnetic tape; or
 12 (iv) other electronic means.

13 However, this section may not be construed to affect the rights,
 14 liabilities, or responsibilities of participants in an electronic fund
 15 transfer under the federal Electronic Fund Transfer Act (15 U.S.C.
 16 1693 et seq.).

17 SECTION 5. IC 28-15-5-3 IS ADDED TO THE INDIANA CODE
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 19 1, 2000]: Sec. 3. All persons, regardless of age, may become
 20 depositors in a savings association and shall be subject to the same
 21 duties and liabilities respecting their deposits. Whenever a deposit
 22 is accepted by a savings association in the name of any person,
 23 regardless of age, the deposit may be withdrawn by the depositor
 24 by either of the following methods:

25 (1) Check or other instrument in writing. The check or other
 26 instrument in writing constitutes a receipt or acquittance, if
 27 the check or other instrument in writing is signed by the
 28 depositor, and constitutes a valid release and discharge to the
 29 savings association for all payments so made.

30 (2) Electronic means through:

- 31 (A) preauthorized direct withdrawal;
 32 (B) an automated teller machine;
 33 (C) a debit card;
 34 (D) a transfer by telephone;
 35 (E) a network, including the Internet; or
 36 (F) any:
 37 (i) electronic terminal;
 38 (ii) computer;
 39 (iii) magnetic tape; or
 40 (iv) other electronic means.

41 However, this section may not be construed to affect the rights,
 42 liabilities, or responsibilities of participants in an electronic fund



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1 **transfer under the federal Electronic Fund Transfer Act (15 U.S.C.**
2 **1693 et seq.).**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1418, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BODIKER, Chair

Committee Vote: yeas 8, nays 0.

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