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same branching privileges as state thrifts under a federal precedent. A House bill giving state-chartered banks the same rights will be heard soon by the Senate Finance Committee.

Banks are allowed two branches unless they buy other banks and convert them to branches or use legal maneuvers to circumvent the limits.

Branching has been a perennial hot-button issue among bankers. Some want more branching rights to grow. Others want the limits in place to protect their businesses. Consumers have shown little interest in the issue.

Barring some unforeseen developments, "branch banking is dead for the session," said Roger Beverage, president of the Oklahoma Bankers Association.

"We fought the good fight, but we lost," he said. Banking associations decided against asking Price to seek a motion for rehearing to keep from alienating senators and wasting their time since support was lacking, Beverage said.

No existing legislative avenue appears possible to reinstate branching restrictions for state-chartered thrifts, he said. No pending legislation deals with the same section of law.

Legislators are barred from amending a bill with provisions unrelated to the section of law the original bill addresses, Beverage said.

Despite the fate of SB 374, the Community Bankers Association, which has opposed easing branching limits until recently, hopes another bill, SB 518, can be amended to gradually phase in unlimited branching rights over several years.

The Senate unanimously passed SB 518 Wednesday. "It would be a stretch to get it done, but we believe it would be possible," said Jim McKeown, executive manager of the community bankers group.

Bankers would have to express enormous support to influence legislators to find a way to ease off branching limits since SB 374 is no longer valid, he said.

The association is considering calling a meeting of bankers to gauge support, McKeown said. However, at least 100 or so would have to be willing to attend a meeting and lobby for more branching legislation.

The Community Bankers group has only 85 members, compared with about 300 for the Oklahoma Bankers Association.

"It's almost totally unbelievable that two banking associations couldn't pass a bill in the state Senate," McKeown said. "It's not a Senate problem; it's an industry problem."

Community Bankers recently proposed allowing banks to get one additional branch a year until 2005, when all restrictions would be removed. In the past, the group opposed bills that would have removed barriers to branching.

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Branch Bank Limits Fall Short in Senate

By Danny M. Boyd
Staff Writer

A bill that would have protected Oklahoma's branch banking limits is dead, its author declared Wednesday.

The demise of Senate Bill 374 appears to confirm that the state's longtime branching restrictions will be lifted on July 1. However, at least one banking association continues to hope that restrictions can be gradually removed instead of abruptly eliminated.

After a day of lobbying, banking associations failed to get enough state senators to change their minds and support a rehearing for SB 374, which the Senate killed on a 29-19 vote Tuesday.

The bill's author, Sen. Bruce Price, D-Hinton, said some senators who favored the bill Tuesday indicated they would vote against a motion to reconsider it.

"We're not going to recall it," said Price, who carried the bill on behalf of the Oklahoma Bankers Association. The smaller Community Bankers Association

Senate Bill Capping ATM Fees Shelved

By Danny M. Boyd
Staff Writer

A Senate bill that initially called for a \$1 cap on ATM surcharges has been shelved for the legislative session.

State Sen. Angela Monson, D-Oklahoma City, said Wednesday she is calling for an interim study on automated teller machine fees instead of seeking a full Senate vote on Senate Bill 317.

The Senate Finance Committee, which Monson chairs, passed the measure by one vote last month, but bankers and other ATM owners have lobbied against it.

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Workers Compensation Measure Passes Senate 18

also supported SB 374.

Banks wanting more branching rights successfully lobbied against the measure. The bill would

have reauthorized branching restrictions for state-chartered thrifts and, effectively, for national banks.

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Monson circulated a revised bill earlier this week without the cap. The updated bill required the banking department to collect data on ATM charges and transactions.

However, the provision failed to win over opponents who questioned how much reporting requirements would cost the industry as well as the department.

Banking industry officials have said Monson lacked the votes to get the bill passed in either form.

"The primary reason is we're still getting conflicting information," Monson said of her decision to withhold the bill.

An interim study will allow her to "sit down with the players" and gather additional, accurate information to determine if the Legislature should reconsider a cap in the future, she said.

Banks typically levy surcharges against non-customers. Most nonbank ATM owners charge all users. Many Oklahoma ATMs have a \$1.50 surcharge, although Monson said she's paid as much as \$2.

Monson's original bill would have limited surcharges to \$1 unless the user's institution had to pay an interchange fee charged by a network for the transaction.

ATM owners said the provision effectively eliminated surcharges because they have no control over networks' interchange fees.

One ATM company executive welcomed the news about Monson's decision.

"I'm elated," said John Higgins, president Oklahoma City-based ATM Outsources. "Any kind of government intervention into what we've designated as a free market zone is inappropriate."

ATM Outsources helps numerous banks and credit unions install and maintain their ATMs.

Many ATMs are teetering between losing money and turning a small profit, Higgins said. Without a surcharge, the machines would be unprofitable and some probably would have to be removed, he said.

"I think a majority of our banks aren't looking at this as a cash flow-profit thing but based on how we can keep our market share and serve our customers," Higgins said.

Monson said her interim study will include information gathered by federal lawmakers examining the surcharge issue. Also, the study will examine disclosure issues that could help determine what kind of fees are appropriate, she said.

Roger Beverage, president of the Oklahoma Bankers Association, said his group submitted information on the number of ATMs.