

A Bill for an Act Relating to Branch Banks.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 403-53, Hawaii Revised Statutes, is amended to read as follows:

**“§403-53 Branch banks.** No bank or any officer or director, agent, or employee thereof, shall open or maintain any branch in the State or receive deposits or pay checks other than at its principal place of business or its established branches or such subsidiary collection offices as the director of regulatory agencies may approve, except as hereinafter authorized; provided that this section shall not apply to branch banks existent on July 1, 1931, and authorized to do business in the State; and provided further that nothing in this section shall authorize any bank to change the location of any branch bank except as authorized by the procedure hereinafter outlined for opening of branch banks.

Notwithstanding any other provision to the contrary, a bank or officer, director, agent or employee thereof, shall not be considered to have opened or to be maintaining a branch by reason of documentation of a purchase, loan, payment or contribution being made or obtained with a charge card or charge card account number or by reason of disbursement of cash or other proceeds.

Except as provided in section 403-56, no bank shall be permitted to open or maintain in the district of Honolulu, in addition to the main office of the bank more than five branch banks through 1981, six branch banks through 1983, seven branch banks through 1985, and no limit on the number of branch banks effective January 1, 1986, (whether designated as branch banks or collection offices) within each of the zones described.

Zone I: extending from the western side of Nuuanu Avenue to the western limits of the district of Honolulu;

Zone II: extending from the eastern limits of Zone I to a line beginning at the sea and running along Kapahulu Avenue to the intersection of Kapahulu Avenue and Waialae Road, and thence following easterly on Waialae Road to St. Louis Drive, and thence along St. Louis Drive and Dole Street extension to the boundary

between Manoa Valley and Palolo Valley, and thence along the boundary to the Koolau range;

Zone III: extending from the eastern limits of Zone II to the eastern limits of the district of Honolulu.

The branch banking limitations of this section shall not apply to the electronic funds transfer devices.

A bank or a service corporation of a bank holding company which provides electronic funds transfer terminals and services to its customers, at premises separate from its main office or duly authorized branch or facility, shall make such equipment or services available for use by customers of any other bank authorized to do business in this State upon the request of that other bank to share its use and the agreement of that other bank to share pro rata all costs incurred in connection with the installation and operation of such electronic funds transfer equipment and terminals. Such terminals shall identify with equal prominence all of the banking institutions which use the terminals.

The bank examiner shall adopt rules pursuant to chapter 91 governing the placement of electronic funds transfer devices.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 23, 1982.)