

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY ARKANSAS STATE BANK DEPARTMENT
DIVISION LEGAL
DIVISION DIRECTOR JOHN AHLEN, CHIEF COUNSEL
CONTACT PERSON BARBARA MAHONEY, RESEARCH PROJECT ANALYST
ADDRESS 400 HARDIN ROAD, SUITE 100, LITTLE ROCK, AR 72211
PHONE NO. 324-9019 FAX NO. 324-9028 E-MAIL bmahoney@banking.state.ar.us
NAME OF PRESENTER AT COMMITTEE MEETING JOHN AHLEN
PRESENTER E-MAIL jahlen@banking.state.ar.us

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

1. What is the short title of this rule? MESSENGER SERVICE

2. What is the subject of the proposed rule? To reflect current bank and messenger service business practices.

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes No
If yes, please provide the federal rule, regulation, and/or statute citation.

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes No

If yes, what is the effective date of the emergency rule? NA

When does the emergency rule expire? NA

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes No

5. Is this a new rule? Yes No

If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

NA

Is this an amendment to an existing rule? Yes No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule?

If codified, please give Arkansas Code citation.

ACA § 23-46-205(b)(1) Grants power to make regulations

7. What is the purpose of this proposed rule? Why is it necessary?

To reflect current bank and messenger service business practices. The existing rule does not reflect the current practices.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

WWW.SOS.ARKANSAS.GOV - ONLINE SERVICES - ADMINISTRATIVE RULES SEARCH

9. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: 02/16/2017

Time: 10:00 AM

Place: 400 HARDIN ROAD, SUITE 100, LITTLE ROCK, AR 72211

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

February 16, 2017

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

May 1, 2017

12. Do you expect this rule to be controversial? Yes No

If yes, please explain. NA

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

ALL ARKANSAS STATE-CHARTERED BANKS

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT ARKANSAS STATE BANK DEPARTMENT

DIVISION LEGAL

PERSON COMPLETING THIS STATEMENT BARBARA MAHONEY

TELEPHONE NO. 324-9019 **FAX NO.** 324-9028 **EMAIL:** bmahoney@banking.state.ar.us

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE MESSENGER SERVICE

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No

2. Does this proposed, amended, or repealed rule affect small businesses? Yes No
If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

NA

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue	<u>0</u>
Federal Funds	<u>0</u>
Cash Funds	<u>0</u>
Special Revenue	<u>0</u>
Other (Identify)	<u>0</u>
Total	<u>0</u>

Next Fiscal Year

General Revenue	<u>0</u>
Federal Funds	<u>0</u>
Cash Funds	<u>0</u>
Special Revenue	<u>0</u>
Other (Identify)	<u>0</u>
Total	<u>0</u>

5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

NA

6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

NA

PROPOSED RULE

47-101.7 - MESSENGER SERVICE (Reference A.C.A. § 23-47-101)

(a) To meet the requirements of its customers, a state bank may provide messenger services within the geographic limits of its operations by means of an armored car or otherwise, under which messenger service means any service, such as a courier service or armored car service, used by a state bank and its customers to pick up from, and deliver to, specific customers at locations such as their homes or offices, items relating to transactions between the bank and those customers.

(b) The messenger service shall be pursuant to a written contract between the bank and the customer wherein it is agreed that in performing the functions under (a) above, the messenger is the agent of the customer; that where funds (including currency, coin, checks or similar items) are transmitted to the bank by messenger for deposit, title to the funds shall remain with the customer until they are accepted by the bank and the depositor relationship shall not commence until such acceptance; that funds delivered by the bank to the messenger for transmission to a customer shall become the property of the customer when they are delivered to and accepted by the messenger, the customer's withdrawal to be deemed to have been affected as of that moment.

(c) Hazard insurance covering holdup, robbery, theft, messenger fidelity or misappropriation shall be carried for the protection of the customer for all funds transmitted by messenger to or from the bank. The premiums on such insurance may be paid by the bank.

47-101.8 ~~7~~- MESSENGER SERVICE (Reference A.C.A. § 23-47-101)

(a) To meet the requirements of its customers, a state bank may provide messenger services within the geographic limits of its operations by means of an armored car or otherwise, under which messenger service: means any service, such as a courier service or armored car service, used by a state bank and its customers to pick up from, and deliver to, specific customers at locations such as their homes or offices, items relating to transactions between the bank and those customers.

~~(1) funds may be picked up by the messenger and transmitted to the bank for deposit;~~

~~and~~

~~(2) funds may be transmitted by the bank to its customer by messenger;~~

(b) The messenger service shall be pursuant to a written contract between the bank and the customer wherein it is agreed that in performing the functions under ~~both (a)(1) and (a)(2)~~ above, the messenger is the agent of the customer; that where funds (including currency, coin, checks or similar items) are transmitted to the bank by messenger for deposit, title to the funds shall remain with the customer until they are accepted by ~~a teller of the bank at its banking house or any branch,~~ and the depositor relationship shall not commence until such acceptance; that funds delivered by the bank to the messenger for transmission to a customer shall become the property of the customer when they are delivered to and accepted by the messenger, the customer's withdrawal to be deemed to have been affected as of that moment.

(c) Hazard insurance covering holdup, robbery, theft, messenger fidelity or misappropriation shall be carried for the protection of the customer for all funds transmitted by messenger to or from the bank. The premiums on such insurance may be paid by the bank.



Arkansas State Bank Department

Candace A. Franks
Commissioner

Asa Hutchinson
Governor

MEMORANDUM

TO: DONNA K. DAVIS, BUREAU OF LEGISLATIVE RESEARCH
FROM: CANDACE A. FRANKS, DEPUTY BANK COMMISSIONER
SUBJECT: REGULATIONS

Please find below a brief synopsis of Arkansas State Bank Department regulations:

MESSENGER SERVICE

Amends existing rule A.C.A. § 47.101.7 to reflect current bank and messenger service business practices.

PUBLICATION REQUIREMENTS

Amends existing rule A.C.A. § 46.403.1 to clarify the publication requirements for a proposed application coming before the State Banking Board.

CORPORATE FILE

Amends existing rule A.C.A. § 46.101.3 G. to clarify what documents are contained in a bank's corporate file.