

2024 -- S 2279

LC004472

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- CONSUMER CHECKING ACCOUNTS

Introduced By: Senators Zurier, Acosta, Britto, and Murray

Date Introduced: February 12, 2024

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 19 of the General Laws entitled "FINANCIAL INSTITUTIONS" is
2 hereby amended by adding thereto the following chapter:

3 CHAPTER 27.2

4 CONSUMER CHECKING ACCOUNTS

5 **19-27.2-1. Purpose.**

6 The purpose of this chapter is to insure the availability of low-cost, low-volume basic
7 checking services for citizens of the state.

8 **19-27.2-2. Rhode Island consumer checking accounts.**

9 (a) Every regulated institution that maintains regular checking accounts in this state shall
10 make available to consumers a Rhode Island consumer checking account at all offices of that
11 institution where regular checking accounts are offered or available. A Rhode Island consumer
12 checking account shall be used primarily for personal, family, or household purposes. No regulated
13 institution shall be required to offer a Rhode Island consumer checking account at a cost which is
14 below its actual cost to provide such an account. The calculation made by a regulated institution of
15 the actual cost of providing a Rhode Island consumer checking account shall be determinative in
16 the absence of mathematical error or a request from the director for other data and information
17 deemed relevant or appropriate for evaluating the actual cost of providing a Rhode Island consumer
18 checking account. Rhode Island consumer checking accounts shall contain the features specified in
19 subsection (c) of this section or be an account the features and terms of which have been approved

1 by the director pursuant to subsection (d) of this section.

2 (b) An applicant for a Rhode Island consumer checking account shall provide the regulated
3 institution with the same information an applicant for a regular checking account is required to
4 provide at that regulated institution.

5 (c) The director shall establish by regulation pursuant to chapter 35 of title 42,
6 ("administrative procedures"), all of the following features of a Rhode Island consumer checking
7 account which may be stated in terms of a range of options rather than a specific number:

8 (1) The initial deposit amount, if any, necessary to open a Rhode Island consumer checking
9 account;

10 (2) The maximum amount, if any, permitted to be required by a regulated institution as a
11 minimum balance necessary to maintain the account;

12 (3) The number of checks, if any, that may be used within a periodic cycle without charge
13 to withdraw funds from the account;

14 (4) The number of other withdrawals, if any, that may be made by a method other than
15 check within a periodic cycle without charge;

16 (5) A maximum amount, if any, that may be charged per periodic cycle for maintaining the
17 account;

18 (6) The maximum number of deposits, if any, that may be made in a periodic cycle without
19 charge; and

20 (7) A maximum amount that may be charged per transaction in excess of the number
21 permitted under subsections (c)(3), (c)(4) and (c)(6) of this subsection.

22 (d)(1) Notwithstanding the provisions of subsection (c) of this section, a regulated
23 institution may establish a Rhode Island consumer checking account by submitting an account to
24 the director for approval as a Rhode Island consumer checking account by providing the director
25 information which details the features and terms of the account.

26 (2) The director shall approve or reject the account as a Rhode Island consumer checking
27 account within thirty (30) business days of receipt of the information from a regulated institution.

28 (3) If the director does not approve an account as a Rhode Island consumer checking
29 account, the director shall provide to the regulated institution, in writing, the reasons for the
30 director's decision.

31 (e) The director shall, prior to promulgating regulations pursuant to subsection (c) of this
32 section or accepting any account for approval pursuant to subsection (d) of this section, review the
33 terms and conditions of the low-cost personal checking accounts currently available to consumers
34 in this state and shall consider those terms and conditions in complying with the provisions of

1 subsections (c) and (d) of this section.

2 (f) The holder of a Rhode Island consumer checking account shall:

3 (1) Have no less access to mail or electronic banking services, including direct deposits to
4 the account by payors, than that offered to holders of regular checking accounts at that regulated
5 institution; and

6 (2) Not be assessed any fee in excess of the usual fee or charge made by the regulated
7 institution to its regular checking account holders.

8 (g) A regulated institution shall provide a periodic account statement to every holder of a
9 Rhode Island consumer checking account.

10 (h) A regulated institution may close a Rhode Island consumer checking account under the
11 same standards for fraudulent activity and overdrafts as it applies to holders of regular checking
12 accounts at the regulated institution or close or refuse to open a Rhode Island consumer checking
13 account if the consumer:

14 (1) Has a regular checking account or another Rhode Island consumer checking account in
15 that regulated institution or in any other regulated institution; or

16 (2) Makes an intentional material misrepresentation in the information provided to the
17 regulated institution to open the account.

18 (i) A regulated institution shall not require any holder of a Rhode Island consumer checking
19 account to have any other account at that or any other regulated institution or have a credit card
20 issued by it or any other regulated institution as a condition to opening or maintaining a Rhode
21 Island consumer checking account.

22 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO FINANCIAL INSTITUTIONS -- CONSUMER CHECKING ACCOUNTS

1 This act would establish Rhode Island consumer checking accounts to insure the
2 availability of low-cost, low-volume basic checking services for citizens of the state.

3 This act would take effect upon passage.

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