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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 159 Session of  
2001

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INTRODUCED BY CURRY, COLAFELLA, CORRIGAN, HARHAI, MICHLOVIC,  
MUNDY, SHANER, SOLOBAY AND STABACK, JANUARY 23, 2001

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REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,  
JANUARY 23, 2001

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AN ACT

1 Providing for certain regulations of private safe deposit box  
2 facilities, for additional powers and duties of the  
3 Department of Banking, for enforcement and for penalties.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Private Safe  
8 Deposit Box Law.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Department." The Department of Banking of the Commonwealth.

14 "Owner." The owner or operator of a private safe deposit box  
15 facility.

16 "Private safe deposit box facility" or "facility." A  
17 facility offering safe deposit box services to the general  
18 public. The term excludes safe deposit box facilities and

1 services offered by institutions operating under the banking  
2 laws of this Commonwealth.

3 "Security agency." A private security agency or detective  
4 agency which stores or transports cash or other valuables in the  
5 ordinary course of its business.

6 "Unwilling or unable." The term includes, but is not limited  
7 to, an inability by reason of insolvency or bankruptcy.

8 Section 3. Contract required.

9 As a condition of doing business in this Commonwealth, the  
10 owner of a private safe deposit box facility must maintain a  
11 contract with a security agency which provides for the operation  
12 of the facility for the benefit of its customers by the security  
13 agency in the event that the owner is unwilling or unable to  
14 operate the facility.

15 Section 4. Terms of contract.

16 The contract described in section 3 shall contain the  
17 following:

18 (1) An agreement by the security agency to operate the  
19 facility in a manner convenient for its customers for a  
20 period of up to one year.

21 (2) A procedure for the notification of the security  
22 agency of the unwillingness or inability of the owner to  
23 operate the facility. The notification may be given by the  
24 owner or a customer of the facility.

25 (3) A procedure for the notification of all customers of  
26 facilities of the provisions of this act and of their right  
27 to give the notice described in paragraph (2). The  
28 notification of facility customers shall include the identity  
29 and telephone number of the respective security agency under  
30 contract with the owner of the particular facility.

1 Section 5. Authority of department.

2 (a) Application.--An application for permission to operate a  
3 facility in this Commonwealth shall be submitted by the facility  
4 owner to the department. This application shall include evidence  
5 satisfactory to the department that the contract required by  
6 this act is or will be maintained by the owner at the  
7 commencement of facility operation.

8 (b) Power to inspect, etc.--The department shall have the  
9 power to demand at any time evidence that the contract required  
10 to be maintained under this act is being maintained by a  
11 facility operator. The department may at any time enter and  
12 inspect the premises of any facility and inspect and copy all of  
13 the books, papers and records of the owner relating to the  
14 facility.

15 (c) Approval of security agencies.--The department shall  
16 have the power to approve or disapprove a security agency, based  
17 on the agency's work force or asset level in relation to the  
18 facility for which it proposes to contract.

19 Section 6. Enforcement.

20 (a) Failure to maintain contract.--Failure to maintain the  
21 contract required under this act shall subject a facility  
22 operator to a civil penalty of up to \$1,000 for each day of  
23 violation.

24 (b) Fraudulent application.--A fraudulent application  
25 submitted under section 5(a) or interference with agents of the  
26 department carrying out duties under section 5(b) constitutes a  
27 misdemeanor of the third degree.

28 (c) Other violation.--Except as provided in subsection (b),  
29 any other violation of this act constitutes a summary offense  
30 punishable by a fine of \$100 for each violation.

1 Section 7. Seizure of facility.

2 The department may, for good cause, seize and operate any  
3 facility for the benefit of the customers of that facility at  
4 any time.

5 Section 8. Rights preserved.

6 Nothing in this act shall be deemed to affect or impair the  
7 right of any customer of a facility to pursue any lawful cause  
8 of action against a facility owner for any damages sustained due  
9 to a failure of the owner to operate the facility.

10 Section 9. Rules and regulations.

11 The department shall promulgate the rules and regulations  
12 necessary to carry out this act.

13 Section 10. Effective date.

14 This act shall take effect in 60 days.