

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	8 - 2 - 0
<b>Yeas:</b>	Edwards, Garrard, Garrett, Gelser, Jenson, Nolan, Read, Roblan
<b>Nays:</b>	Berger, Hanna
<b>Exc.:</b>	0
<b>Prepared By:</b>	Cheyenne Ross, Administrator
<b>Meeting Dates:</b>	2/8, 2/10

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**WHAT THE MEASURE DOES:** Permits credit unions to receive deposits of public funds on basis similar to that of banks. Allows State Treasurer to accept moneys. Continuously appropriates moneys to State Treasurer for initial expenses. Declares emergency; effective on passage.

**ISSUES DISCUSSED:**

- Pros and cons of allowing increased competition among financial institutions for receipt of public funds
- Difference in taxation between banks and credit unions based on for-profit and nonprofit structures, respectively

**EFFECT OF COMMITTEE AMENDMENT:** Technical changes for consistency.

**BACKGROUND:** Current law allows both banks and credit unions to receive public funds deposits up to the amount that is insured, respectively, by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Insurance Fund (NCUIF). Banks may receive in excess of the FDIC-insured amount if they have sufficient collateral, as overseen by the state Treasurer. House Bill 3700A would allow the same kind of collateral arrangements and oversight for credit unions, enabling them to receive public funds deposits in excess of NCUIF-insured amounts, and like banks, participating credit unions would also cover the costs of administration.