

House Bill 2161

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Business and Labor for Northwest Credit Union Association)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that amendments to articles of incorporation or bylaws of credit union are automatically effective unless disapproved by Director of Department of Consumer and Business Services.

Provides that credit union may expel member who creates undue risk of loss.

Eliminates requirement that board of directors of credit union must meet at least 10 times each calendar year. Authorizes director to establish minimum meeting frequency by rule.

Changes date for exercise by state credit unions of powers available to federal credit unions without director approval to January 1, 2017, from January 1, 2013.

A BILL FOR AN ACT

1
2 Relating to credit unions; amending ORS 723.022, 723.156, 723.202 and 723.292.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 723.022 is amended to read:

5 723.022. (1) The articles of incorporation or the bylaws may be amended as provided in the by-
6 laws. Amendments to the articles of incorporation or bylaws shall be submitted **to the Director of**
7 **the Department of Consumer and Business Services**, together with a fee established by rule of
8 the [*Director of the Department of Consumer and Business Services, to the director, who shall approve*
9 *or disapprove the amendments within 30 days*] **director**.

10 (2) Amendments [*shall become effective upon approval in writing by the director.*] **submitted to**
11 **the director in accordance with subsection (1) of this section become effective 30 days after**
12 **submission, unless the director, within that time, notifies the submitter in writing that the**
13 **director either disapproves the amendments or requires submission of additional informa-**
14 **tion. If the director requires submission of additional information, the amendments become**
15 **effective 30 days after the date the information is submitted, unless the director disapproves**
16 **the amendments within that time.**

17 **SECTION 2.** ORS 723.202 is amended to read:

18 723.202. (1) Subject to subsection (2) of this section, a credit union may expel any member of the
19 credit union who:

20 (a) Has not carried out the member's engagements with the credit union;

21 (b) **Creates an undue risk of loss to the credit union, as determined in accordance with**
22 **the bylaws of the credit union;**

23 [*b*] (c) Has been convicted of a criminal offense;

24 [*c*] (d) Fails to comply with the provisions of this chapter or of the credit union's articles, by-
25 laws or policies;

26 [*d*] (e) Threatens, harasses or abuses any member, employee, board or committee member or
27 agent of the credit union; or

28 [*e*] (f) Habitually neglects to pay the member's debts or becomes insolvent or bankrupt.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (2) A credit union that expels a member shall inform the member in writing of the reasons for
 2 the expulsion and give the expelled member reasonable opportunity to request the credit union's
 3 board of directors to reinstate the member. Members of a credit union who withdraw or are expelled
 4 shall not be relieved of any liability to the credit union. The amounts paid in on shares or deposited
 5 by such members, together with any dividends credited to their shares and any interest which has
 6 accrued on their deposits, shall be repaid to them in the order of their withdrawal or expulsion, as
 7 funds become available therefor, but the credit union may deduct from such payments any sums due
 8 to the credit union from such members.

9 **SECTION 3.** ORS 723.292 is amended to read:

10 723.292. The board of directors of a credit union shall *[meet at least 10 times, in 10 separate*
 11 *months, during each calendar year.]* **hold regular meetings. The Director of the Department of**
 12 **Consumer and Business Services may specify by rule the minimum frequency of meetings**
 13 **of the board of directors.**

14 **SECTION 4.** ORS 723.156 is amended to read:

15 723.156. (1) Notwithstanding any other provision of law, in addition to the powers and authori-
 16 ties provided under the laws of this state, a credit union may exercise any of the powers that were
 17 available to a federal credit union as of January 1, [2013] **2017**. At least 45 days before exercising
 18 a power under this subsection, a credit union shall provide to the Director of the Department of
 19 Consumer and Business Services written notice of the credit union's intent to exercise the power.
 20 The notice must describe the power and specify the statutory or regulatory authority or other legal
 21 basis for the federal credit union power the credit union intends to exercise.

22 (2) Notwithstanding any other provision of law, in addition to the powers and authorities pro-
 23 vided under the laws of this state, a credit union may, after obtaining approval from the director
 24 and subject to any limitations the director prescribes, exercise any of the powers conferred after
 25 January 1, [2013] **2017**, upon a federal credit union that does business in this state and that is sub-
 26 ject to the regulations of the administrator of the National Credit Union Administration or the
 27 successor or successors of the administrator, or any of the powers conferred on a credit union that
 28 is chartered under the laws of another state and does business in this state, if the director finds that
 29 exercising the powers:

30 (a) Serves the public and members' convenience and advantage; and

31 (b) Equalizes and maintains the quality of competition among credit unions chartered under the
 32 laws of this state, of another state and under federal law.