

SS SCS SB 591 -- CREDIT UNIONS

SPONSOR: Scott (Cunningham, 145)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Financial Institutions by a vote of 12 to 0.

This substitute changes the laws regarding credit unions. In its main provisions, the substitute:

(1) Defines the geographic area in which a credit union can operate. Credit unions can be formed in a county or within a city not within a county and can expand into counties contiguous to the areas;

(2) Prohibits employer groups with 3,000 or more employees from joining an existing credit union unless it is not feasible or reasonable for the group to establish its own single, common-bond credit union;

(3) Requires the Director of the Division of Credit Unions within the Department of Insurance, Financial Institutions, and Professional Registration, upon authorization of the expansion of a credit union's membership, to publish the expansion in the division's electronic bulletin; and

(4) Allows any person or entity, with an interest different from that of a member of the general public, who may have been aggrieved by an authorized expansion to contest the decision to the Credit Union Commission.

FISCAL NOTE: No impact on state funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that the bill will help Missouri's credit unions. If the bill is not passed, credit unions may abandon their state charter and switch to a federal charter. One credit union in St. Louis has already switched to a federal charter and that will result in the state losing \$146,000 annually in taxes and fees. Credit unions need the legislation to prevent banks from filing lawsuits that prohibit credit unions from expanding.

Testifying for the bill were Senator Scott; Rosie Holub, Missouri Credit Union Association; Missouri Bankers Association; and Missouri Independent Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.