

HOUSE BILL 96

Unofficial Copy
II

1999 Regular Session
(91r0802)

ENROLLED BILL

-- Commerce and Government Matters/Finance --

Introduced by **Delegate Wood**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Financial Institutions - Task Force to Study Modernization of Credit Union**
3 **Law**

4 FOR the purpose of establishing a Task Force to Study the Modernization of Credit
5 Union Law; specifying the composition, duties, and membership of the Task
6 Force; providing for staff support for the Task Force; requiring the Task Force to
7 make ~~a report~~ certain reports to the General Assembly by ~~a certain date~~ certain
8 dates; providing for the termination of this Act; and generally relating to the
9 Task Force to Study the Modernization of Credit Union Law.

10 Preamble

11 WHEREAS, Residents of the State depend on both State-chartered and
12 federally chartered credit unions and other financial institutions for necessary
13 financial services; and

1 WHEREAS, The federal government currently is engaged in evaluating and
2 modernizing the laws that apply to federal credit unions and federally insured
3 State-chartered credit unions; and

4 WHEREAS, The State is committed to the dual credit union system and to
5 offering State charters for credit unions; and

6 WHEREAS, The State has not comprehensively reviewed or modernized its
7 laws relating to credit unions since 1929; and

8 WHEREAS, The citizens of the State will benefit from State-chartered credit
9 unions that are competitive with federally chartered credit unions by having greater
10 access to financial services; now, therefore,

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (a) There is a Task Force to Study the Modernization of Credit Union Law.

14 (b) The Task Force shall consist of the following ~~19~~20 ~~15~~ members:

15 (1) ~~Three~~ Two members of the Senate Finance Committee, appointed by
16 the President of the Senate of Maryland;

17 (2) ~~Three~~ Two members of the House Commerce and Government
18 Matters Committee, appointed by the Speaker of the House of Delegates;

19 (3) ~~The Assistant Secretary for Regulatory Policy and Affairs of the~~
20 ~~Department of Labor, Licensing, and Regulation, or the Assistant Secretary's~~
21 ~~designee;~~

22 (3) A representative of the Department of Labor, Licensing, and
23 Regulation who has responsibilities involving the regulation of financial institutions
24 in the State, appointed by the Secretary of the Department;

25 (4) The Commissioner of Financial Regulation;

26 (5) ~~Five~~Four ~~Three~~ representatives from State-chartered credit unions,
27 appointed by the Governor;

28 (6) One representative from a federal credit union, appointed by the
29 Governor;

30 (7) One representative from a State-chartered commercial bank,
31 appointed by the Governor;

32 (8) ~~One representative~~ ~~Three representatives~~ One representative who is
33 are is affiliated with recognized consumer groups or agencies in the State, appointed
34 by the Governor;

1 (9) ~~One member~~ Two members of the general public, appointed by the
2 Governor; and

3 (10) ~~One representative from the Maryland Credit Union League,~~
4 ~~Incorporated, appointed by the Governor; and~~

5 ~~(11)~~ One representative from the Credit Union Insurance Corporation,
6 appointed by the Governor.

7 (c) (1) The President of the Senate shall designate one of the members
8 appointed from the Senate Finance Committee as co-chairman of the Task Force.

9 (2) The Speaker of the House of Delegates shall designate one of the
10 members appointed from the House Commerce and Government Matters Committee
11 as co-chairman of the Task Force.

12 (d) The Task Force shall be staffed by personnel from the Office of the
13 Commissioner of Financial Regulation.

14 (e) The Task Force shall complete a comprehensive study of all existing State
15 laws that affect the operation and powers of State-chartered credit unions in order to
16 modernize the State's credit union laws.

17 (f) In carrying out its duties, the Task Force shall identify, document, and
18 study:

19 (1) Federal law changes since 1934 that affect credit unions;

20 (2) The response to these federal law changes by other states; and

21 (3) Current State laws for chartering credit unions.

22 (g) In carrying out its duties, the Task Force may draw on any available
23 source of data that the Task Force considers useful, including federal, State, or local
24 governments, organizations that represent the financial services industry, or
25 financial institutions.

26 (h) (1) The Task Force shall issue a report to the General Assembly of its
27 findings and recommendations, including a draft revision of Title 6 of the Financial
28 Institutions Article of the Annotated Code of Maryland, to modernize the State credit
29 union law.

30 ~~(2) The Task Force shall issue a final report on or before December 1,~~
31 ~~1999.~~

32 (2) The Task Force shall:

33 (i) Issue an interim report, including any recommendations for
34 legislative changes for consideration by the General Assembly in the 2000 Session, by
35 December 1, 1999; and

1 (ii) Issue a final report, including any additional recommendations
2 for legislative changes for consideration by the General Assembly, by December 1,
3 2000.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
5 effect ~~October~~ July 1, 1999. It shall remain effective for a period of ~~1-year~~ 2 years and,
6 at the end of June 30, ~~2000~~ 2001, with no further action required by the General
7 Assembly, this Act shall be abrogated and of no further force and effect.