

HOUSE BILL 96

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II

1999 Regular Session
9lr0802
CF 9lr0862

By: **Delegate Wood**
Introduced and read first time: January 22, 1999
Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 2, 1999

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

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

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

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

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

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

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

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

5 (1) Three members of the Senate Finance Committee, appointed by the
6 President of the Senate of Maryland;

7 (2) Three members of the House Commerce and Government Matters
8 Committee, appointed by the Speaker of the House of Delegates;

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

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

15 (4) The Commissioner of Financial Regulation;

16 (5) ~~Five~~ Four representatives from State-chartered credit unions,
17 appointed by the Governor;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (2) ~~The Task Force shall issue a final report on or before December 1,~~
20 ~~1999.~~

21 (2) The Task Force shall:

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

25 (ii) Issue a final report, including any additional recommendations
26 for legislative changes for consideration by the General Assembly, by December 1,
27 2000.

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

