

SENATE BILL 102

Unofficial Copy
II

1999 Regular Session
(91r0862)

ENROLLED BILL
-- Finance/Commerce and Government Matters --

Introduced by **Senator Astle**

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.

President.

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~~ 13 15 members:

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

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

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

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

26 (4) The Commissioner of Financial Regulation;

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

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

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

33 (8) ~~One representative~~ ~~Two representatives~~ One representative who is
 34 are is affiliated with recognized consumer groups or agencies in the State, appointed
 35 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 member~~ President of the Senate shall designate one of the members
9 appointed from the Senate Finance Committee ~~shall serve~~ as co-chairman of the Task
10 Force.

11 (2) ~~The Speaker of the House of Delegates shall designate one of the~~
12 ~~members appointed member~~ Speaker of the House of Delegates shall designate one of
13 the members appointed from the House Commerce and Government Matters
14 Committee ~~shall serve~~ as co-chairman of the Task Force.

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

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

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

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

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

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

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

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

33 ~~(2) The Task Force shall issue a final report on or before December 1,~~
34 ~~1999 January 15, 2000.~~

35 (2) The Task Force shall:

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

4 (ii) Issue a final report, including any additional recommendations
5 for legislative changes for consideration by the General Assembly, by December 1,
6 2000.

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