

A-Engrossed
House Bill 3200

Ordered by the House March 21
Including House Amendments dated March 21

Sponsored by Representative NOSSE; Representatives GRAYBER, MORGAN, OWENS

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.

Repeals provision specifying fiscal year end date for credit unions.

Removes provision specifying deadline for election of executive officers of credit unions.

Authorizes credit union to pay compensation to members of committees established by board or pursuant to bylaws.

Authorizes credit union to invest in or lend moneys to entities that provide goods or services associated with routine operations of credit union, if investment or loan is reasonably related to credit union's use of such goods or services, **is made in accordance with rules and is approved by Director of Department of Consumer and Business Services.**

A BILL FOR AN ACT

1
2 Relating to credit unions; amending ORS 723.266, 723.276 and 723.602; and repealing ORS 723.036.

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

4 **SECTION 1. ORS 723.036 is repealed.**

5 **SECTION 2.** ORS 723.276 is amended to read:

6 723.276. (1) [*At the organizational meeting of the board of directors and within 60 days after each*
7 *annual meeting of the members,*] The **board of** directors shall elect an executive officer, whom the
8 directors may designate as chairperson of the board or president, a vice chairperson of the board
9 or one or more vice presidents, a treasurer and a secretary. The treasurer and the secretary may
10 be the same individual. The persons that the board of directors elects are the executive officers of
11 the corporation.

12 (2) The terms of the officers are one year, unless the bylaws prescribe a different term. Officers
13 may continue to serve until the successors of the officers are chosen and have duly qualified.

14 (3) The bylaws must prescribe the duties of the officers.

15 **SECTION 3.** ORS 723.266 is amended to read:

16 723.266. A credit union may pay to the credit union's directors, [*and*] supervisory committee
17 members **or members of other committees established by the board of directors or pursuant**
18 **to bylaws** reasonable compensation for service as directors [*and supervisory*] **or** committee members
19 [*and*]. **A credit union** may reimburse directors[, *supervisory committee members and other*] **or** com-
20 mittee members while the directors or committee members are on official business for necessary
21 expenses incidental to performing the official business.

22 **SECTION 4.** ORS 723.602 is amended to read:

23 723.602. A credit union may invest funds not used in loans to members in:

24 (1) Securities, obligations or other instruments of or issued by or fully guaranteed as to principal
25 and interest by the United States or an agency of the United States or in a trust or trusts estab-

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 lished directly or collectively in the securities, obligations or instruments described in this sub-
2 section.

3 (2) Obligations of a state of the United States, the agencies or instrumentalities of the federal
4 government, the District of Columbia, the Commonwealth of Puerto Rico and the several territories
5 organized by Congress, or a political subdivision of a state, district, commonwealth or territory
6 identified in this subsection.

7 (3) Certificates of deposit or passbook type accounts issued by a state or national bank, mutual
8 savings bank or savings and loan association.

9 (4) Loans to or in shares or deposits of other credit unions.

10 (5) Stocks, membership units or other ownership interests in, or loans to, a corporation, limited
11 liability company or mutual association in an **aggregate** amount not to exceed five percent of
12 assets, if:

13 (a) The purposes for which the corporation, limited liability company or mutual association is
14 organized are primarily to service or otherwise assist credit union operations[.]; **or**

15 (b) **The corporation, limited liability company or mutual association provides goods or**
16 **services associated with the routine operations of the credit union, the investment or loan**
17 **is reasonably related to the credit union's use or potential use of the goods or services pro-**
18 **vided, the investment or loan is made in accordance with any rules governing such invest-**
19 **ments or loans as may be adopted by the Director of the Department of Consumer and**
20 **Business Services and the credit union receives prior approval for the investment or loan**
21 **from the director.**

22 (6) Shares of a credit union cooperative society organized under the laws of this state or of the
23 laws of the United States in a total amount not exceeding one percent of the shares, deposits and
24 surplus of the credit union.

25 (7) Loans to a national or state credit union association or corporation of which the credit union
26 is a member, except that the loans must be limited to not more than five percent of the assets of
27 the credit union.

28 (8) Other investments the Director of the Department of Consumer and Business Services ap-
29 proves by rule or order.

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