

SESSION OF 2005

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2099

As Amended by House Committee on
Financial Institutions

Brief*

HB 2099, as amended, would require that a credit union approved to do business in the state be subject to the same fees for examination as a state-chartered credit union. The fee would be paid to the Credit Union Administrator. Provisions in the bill also would allow the Administrator to authorize full parity to any federally-insured credit union.

Background

HB 2099 was requested by the Kansas Credit Union Association whose representative indicated that the bill would allow the Administrator parity provisions for foreign-based credit unions similar to those for the Office of the State Bank Commissioner and its oversight of banks and savings and loans and those of federally-chartered credit unions. The Kansas Department of Credit Unions supported the bill. The Administrator indicated that the collection of fees would allow the Department to expand the pool of its available funds and would provide the ability to lower examination fees for state-chartered credit unions.

The House Committee amendments would replace "foreign credit union" with "a credit union approved to do business in the state" and would amend language from KSA 2004 Supp 17-2223a in a new section. KSA 2004 Supp 17-2223a would be amended to authorize the Administrator to require any such credit union comply with the examination provisions of subsection (b) of KSA 17-2206 and amendments thereto.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal note from the Division of the Budget on the introduced version of the bill indicates that the receipts for examination fees collected by the Department of Credit Unions could increase. The Department indicated that expenditures also could slightly increase. According to the Division of the Budget, the fiscal effect cannot be determined until an inventory of the assets of foreign credit unions is completed and verified.