

HOUSE BILL REPORT

SSB 6746

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to the credit unions examination fund.

Brief Description: Examining credit unions.

Sponsors: Senate Committee on Financial Institutions & Housing (originally sponsored by Senator Prentice).

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/15/96 [DP].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 14 members: Representatives L. Thomas, Chairman; Beeksma, Vice Chairman; Smith, Vice Chairman; Wolfe, Ranking Minority Member; Scheuerman, Assistant Ranking Minority Member; Benton; Campbell; Dellwo; Grant; Huff; Keiser; Kessler; Pelesky and D. Sommers.

Staff: Charlie Gavigan (786-7340).

Background: State-chartered credit unions are regulated by the Department of Financial Institutions' Division of Credit Unions. The department is authorized to conduct examinations and investigations and to recover the actual costs of the examinations and investigations.

Initiative 601 requires that increases in existing discretionary fees which exceed the fiscal growth factor as defined in the initiative be specifically authorized by the Legislature.

The state constitution prohibits the Legislature from amending an existing statute by reference. This means that an existing statute should not be changed by legislation that does not include that statute.

Summary of Bill: The Department of Financial Institutions is authorized to charge additional fees to credit unions, the Washington Credit Union Share Guaranty Association, and central credit unions to cover the operating costs of the Division of

Credit Unions and to establish a reasonable reserve for the division. The department is authorized to impose a special assessment of \$184,000. The fees cannot result in more than \$1.12 million in the Credit Unions Examination Fund, plus the special assessment, in fiscal year 1997.

Appropriation: None.

Fiscal Note: Requested on February 13, 1996.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: None.