
SENATE BILL 6298

State of Washington

61st Legislature

2010 Regular Session

By Senators Berkey, Rockefeller, and Kline

Read first time 01/11/10. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to the deposit of public funds with credit unions;
2 and amending RCW 31.12.382 and 31.12.402.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 31.12.382 and 1994 c 92 s 178 are each amended to read
5 as follows:

6 (1) Membership in a credit union shall be limited to groups having
7 a common bond of occupation or association, or to groups within a well-
8 defined neighborhood, community, or rural district. The director may
9 adopt rules: (a) Reasonably defining "common bond"; and (b) setting
10 forth standards for the approval of charters.

11 (2) The director may approve the inclusion within the field of
12 membership of a credit union a group having a separate common bond if
13 the director determines that the group is not of sufficient size or
14 resources to support a viable credit union of its own.

15 (3) A public entity is a member of a credit union when that entity
16 deposits into that credit union a total of not more than one hundred
17 thousand dollars of public funds, as defined in RCW 39.58.010.

1 **Sec. 2.** RCW 31.12.402 and 2001 c 83 s 14 are each amended to read
2 as follows:

3 A credit union may:

4 (1) Issue shares to and receive deposits from its members in
5 accordance with RCW 31.12.416;

6 (2) Make loans to its members in accordance with RCW 31.12.426 and
7 31.12.428;

8 (3) Pay dividends and interest to its members in accordance with
9 RCW 31.12.418;

10 (4) Impose reasonable charges for the services it provides to its
11 members;

12 (5) Impose financing charges and reasonable late charges in the
13 event of default on loans, subject to applicable law, and recover
14 reasonable costs and expenses, including, but not limited to,
15 collection costs, and reasonable attorneys' fees incurred both before
16 and after judgment, incurred in the collection of sums due, if provided
17 for in the note or agreement signed by the borrower;

18 (6) Acquire, lease, hold, assign, pledge, sell, or otherwise
19 dispose of interests in personal property and in real property in
20 accordance with RCW 31.12.438;

21 (7) Deposit and invest funds in accordance with RCW 31.12.436;

22 (8) Borrow money, up to a maximum of fifty percent of its total
23 shares, deposits, and net worth;

24 (9) Discount or sell any of its assets, or purchase any or all of
25 the assets of another credit union, out-of-state credit union, or
26 federal credit union. However, a credit union may not discount or sell
27 all, or substantially all, of its assets without the approval of the
28 director;

29 (10) Accept deposits of deferred compensation of its members;

30 (11) Act as fiscal agent for and receive payments on shares and
31 deposits from the federal government or this state, and any agency or
32 political subdivision thereof;

33 (12) Engage in activities and programs as requested by the federal
34 government, this state, and any agency or political subdivision
35 thereof, when the activities or programs are not inconsistent with this
36 chapter;

37 (13) Hold membership in credit unions, out-of-state credit unions,

1 or federal credit unions and in organizations controlled by or
2 fostering the interests of credit unions, including, but not limited
3 to, a central liquidity facility organized under state or federal law;

4 (14) Pay additional dividends and interest to members, or an
5 interest rate refund to borrowers;

6 (15) Enter into lease agreements, lease contracts, and
7 lease-purchase agreements with members;

8 (16) Act as insurance agent or broker for the sale to members of:

9 (a) Group life, accident, health, and credit life and disability
10 insurance; and

11 (b) Other insurance that other types of Washington state-chartered
12 financial institutions are permitted to sell, on the same terms and
13 conditions that these institutions are permitted to sell such
14 insurance;

15 (17) Impose a reasonable service charge for the administration and
16 processing of accounts that remain dormant for a period of time
17 specified by the credit union;

18 (18) Establish and operate on-premises or off-premises electronic
19 facilities;

20 (19) Enter into formal or informal agreements with another credit
21 union for the purpose of fostering the development of the other credit
22 union;

23 (20) Work with community leaders to develop and prioritize efforts
24 to improve the areas where their members reside by making investments
25 in the community through contributions to organizations that primarily
26 serve either a charitable, social, welfare, or educational purpose, or
27 are exempt from taxation pursuant to section 501(c)(3) of the internal
28 revenue code;

29 (21) Limit the personal liability of its directors in accordance
30 with provisions of its articles of incorporation that conform with RCW
31 23B.08.320;

32 (22) Indemnify its directors, supervisory committee members,
33 officers, employees, and others in accordance with provisions of its
34 articles of incorporation or bylaws that conform with RCW 23B.08.500
35 through 23B.08.600; (~~and~~)

36 (23) Accept deposits from a public entity that total not more than
37 one hundred thousand dollars of public funds, as defined in RCW
38 39.58.010; and

1 (24) Exercise such incidental powers as are necessary or convenient
2 to enable it to conduct the business of a credit union.

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