HLS 21RS-422 ORIGINAL

2021 Regular Session

HOUSE BILL NO. 466

1

BY REPRESENTATIVE JORDAN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AN ACT

CREDIT/UNIONS: Provides relative to credit unions

2	To amend and reenact R.S. 6:649(A)(2) and 665(C)(1)(a) and to repeal R.S. 6:649(C),
3	relative to credit unions; to allow for compensation; to specify that insurance is not
4	to be considered compensation; to allow for reimbursement; to increase the
5	examination rating necessary to change bylaws by a field of membership expansion;
6	and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 6:649(A)(2) and 665(C)(1)(a) are hereby amended and reenacted to
9	read as follows:
10	§649. Directors; officers; compensation; reimbursement
11	A.
12	* * *
13	(2) At the first meeting after the annual meeting of the members, the
14	directors shall elect from their number the board officers specified in the bylaws.
15	Only one board officer shall be compensated as an officer of the board; and the
16	bylaws shall specify such positions, as well as the specific duty of each of the board
17	officers. A credit union may compensate an officer, director, or committee member
18	for the member's services to the credit union. Life, health, accident, and similar
19	insurance protection provided by the credit union to an officer, director, or
20	committee member shall not be considered compensation. A credit union may

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1 reimburse directors, officers, and committee members for necessary expenses 2 incidental to the performance of the official business of the credit union. The board shall elect from their number a financial officer who shall give bond with good and 3 4 sufficient surety in an amount and character to be determined by the board of 5 directors in compliance with the conditions of this Section. 6 7 §665. Bylaws 8 9 C.(1) Notwithstanding Subsection B of this Section, a credit union may 10 amend its bylaws through a field of membership expansion by providing written 11 notice to the commissioner in the manner and on a form prescribed by him, if the 12 credit union meets all the criteria below: 13 (a) The most recent credit union examination rating is two three or better. 14 15 Section 2. R.S. 6:649(C) is hereby repealed in its entirety.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 466 Original

2021 Regular Session

Jordan

**Abstract:** Changes regulatory measures imposed upon credit unions.

<u>Present law</u> allows a credit union to compensate only one board officer as an officer of the board and requires that the bylaws specify those positions, as well as the specific duty of each of the board officers.

<u>Proposed law</u> repeals <u>present law</u> and allows a credit union to compensate an officer, director, or committee member for the member's services to the credit union. <u>Present law</u> does not limit the number of members who may be compensated.

<u>Proposed law</u> allows a credit union to reimburse directors, officers, and committee members for necessary expenses incidental to the performance of the official business of the credit union.

<u>Present law</u> prohibits a member of the board of directors or of the credit or supervisory committees to receive any compensation for his services as a member of the board or of the committee, but allows members to receive expense reimbursement for loss of pay while away from work on credit union business, or per diem when provided for in the bylaws.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

Proposed law repeals present law.

<u>Present law</u> allows the commissioner to approve such bylaw provision when the credit union's legal reserves are in excess of six percent of risk assets.

Proposed law repeals present law.

<u>Proposed law</u> provides that the payment by the credit union of premiums for liability, travel, accident, hospitalization, or life insurance coverage on the director or committee member shall not be considered as compensation.

<u>Proposed law</u> retains <u>present law</u> in part, but applies only to life, health, accident and similar insurance.

<u>Present law</u> requires a credit union's most recent examination rating to be two or better, as a condition to amending bylaws through a field of membership expansion.

Proposed law raises the requisite examination rating from two to three.

(Amends R.S.6:649(A)(2) and 665(C)(1)(a); Repeals R.S. 6:649(C))