

**MINUTES OF THE SENATE BUSINESS & LABOR
STANDING COMMITTEE
TUESDAY, FEBRUARY 25, 2003, 4:00 P.M.
ROOM 403, STATE CAPITOL BUILDING**

Members Present: Sen. Parley G. Hellewell, Chair
 Sen. Curtis Bramble
 Sen. Gene Davis
 Sen. Dan Eastman
 Sen. Thomas V. Hatch
 Sen. Ed Mayne
 Sen. Carlene M. Walker
 Sen. Michael Waddoups

Staff Present: Mary Catherine Perry, Policy Analyst
 Karen Allred, Committee Secretary

Visitors list on file

Committee Chair Hellewell called the meeting to order at 4:30 p.m.

MOTION: Sen. Walker moved to approve the minutes of February 24, 2003.

The motion passed unanimously with Sens. Bramble, Hatch, Waddoups, and Davis absent for the vote.

1. S.B. 220 Funds Related to Workplace Safety and Workers' Compensation (S.Jenkins)

The bill was not considered.

2. S.B. 39 Amendments to the Utah Antidiscrimination Act (E. Mayne)

MOTION: Sen. Mayne moved to adopt 1st Sub. S.B. 39.

The motion passed unanimously with Sens. Bramble, Hatch and Waddoups absent for the vote.

Michael Siler and Phil Reisen, AARP, spoke in support of the bill and distributed a handout.

MOTION: Sen. Mayne moved to pass the bill out favorably.

The motion failed with Sens. Bramble, Davis and Mayne voting in favor of the bill, Sens. Hellewell, Eastman, and Walker voting in opposition, and Sens. Hatch and Waddoups absent for the vote.

3. S.B. 145 Application of Utah Public Officers' and Employees' Ethics Act (E. Mayne)

Sen. Mayne explained the bill and a handout was distributed.

MOTION: Sen. Walker moved to pass the bill out favorably.

The motion passed unanimously with Sens. Bramble, Hatch and Waddoups absent for the vote.

4. H.B. 146 Nontraditional Insurers (J. Ferrin)

Rep. Ferrin explained the bill.

MOTION: Sen. Bramble moved to pass the bill out favorably.

The motion passed unanimously with Sen. Hatch absent for the vote.

5. 10th Sub. H.B. 162 Amendments Related to Financial Institutions (J. Alexander)

Rep. Alexander presented the bill.

MOTION: Sen. Eastman moved to amend the bill as follows:

1. Page 6, Lines 175-178 Delete lines 175-178
Passed - House Floor Amendments
2-14-2003:
2. Page 6, Lines 178a Delete "**(3)(a) TO BE A CREDIT UNION EXEMPT FROM**
Passed - House **TAXATION UNDER SECTION 7-9-34 A**" and insert "**(2)(a) A**"
Floor Amendments
2-14-2003:
3. Page 6, Lines 178b Delete "**AND CONTINUALLY ADHERE TO**"
Passed - House Floor Amendments
2-14-2003:

4. Page 6, Lines 178c
Passed - House Floor Amendments
2-14-2003: Delete "**SUBSECTIONS (1) AND (2)**" and insert "Subsection (1)"
5. Page 6, Lines 178e
Passed - House Floor Amendments
2-14-2003: "**SUBSECTIONS (1) AND (2)**" and insert "Subsection (1)"
6. Page 6a, Line 178f
House Floor Amendments
2-18-2003: Delete "**CASH RETAINED EARNINGS**" and insert "net income"
7. Page 6a, Line 178h
House Floor Amendments
2-18-2003: Delete "**CASH RETAINED EARNINGS**" and insert "net income"
8. Page 6a, Line 178j
House Floor Amendments
2-18-2003: Delete "**RETAINED EARNINGS**" and insert "net income" and delete "**CONSTRUCTION**" and insert "improvements"
9. Page 6a, Line 178k
House Floor Amendments
2-18-2003: Delete "**CONTINUING**"
10. Page 7, Lines 186-186a
Passed - House Floor Amendments
2-14-2003: Delete "**AS DETERMINED BY THE COMMISSIONER**"
11. Page 7, Lines 187-187a
Passed - House Floor Amendments
2-14-2003: Delete "**AS DETERMINED BY THE COMMISSIONER**"
12. Page 25, Line 757: Delete "Subsection 7-9-52(5)" and insert "Subsection 7-9-52(6)"
13. Page 26, Line 781: Delete "(5)" and insert "(6)"

14. Page 34, Lines 1036a-1036h
Passed - House Floor Amendments
2-14-2003: Delete lines 1036a-1036h and insert:
"(1)(a) A credit union organized under this chapter is a nonexempt credit union under this section on the day on which: (i) on or after May 5, 2003 the credit union has a field of membership as evidenced by the bylaws of the credit union that includes all residents of two or more counties; and (ii) at least two of the counties described in Subsection (1)(a)(i) are counties of the first or second class as classified by Section -50-501."

15. Pages 34, Lines 1036r-1036s
Passed - House Floor Amendments
2-14-2003: Delete lines 1036r-1036s

16. Page 50a, Line 1538
House Floor Amendments
2-18-2003: After "(2)" insert "(a)" and after ";" insert "and (b) bracket Subsection 7-9-3(9) and renumber the remaining subsections of Section 7-9-3 accordingly;"

17. Page 51, Line 1562: Delete "and"

18. Page 51, Line 1563: After "accordingly;" insert "and (d) change all cross references to Subsection 7-9-52(6) in this bill to Subsection 7-9-52(5);"

SUBSTITUTE MOTION: Sen. Waddoups moved to adopt Sen. Eastman's amendments except on amendment #14, after "(i) on" delete "or after" and after "all residents of" delete "two" and insert "seven".

The Substitute Motion failed with Sens. Waddoups and Davis voting in favor and Sens. Hellewell, Bramble, Eastman, Hatch, Walker and Mayne voting in opposition.

The original motion to adopt Sen. Eastman's amendments passed with Sens. Waddoups and Davis voting in opposition.

MOTION: Sen. Mayne moved to adopt the following amendments:

1. Page 25, Line 751: After "(3)" insert "or (5)"

2. Page 26, Line 773: After line 773 insert:
"(5) Notwithstanding Section 7-9-53, a credit union may have a field of membership that is less restrictive than the field of membership described in Subsection (1), under the following conditions: (a) if the field of membership of a credit union includes all residents of any county, the field of membership of the credit union includes no more than all the residents of two counties; and (b) any county described in Subsection (5)(a) is a county of the third through sixth class, as classified in Section 17-50-501."
3. Page 26, Line 779: Bracket "one" and insert "a"
4. Page 27, Line 822: After "county" insert "except to the extent permitted by Subsection 7-9-51(5)"
5. Page 34a, Line 1036z
Passed - House Floor Amendments
2-14-2003: After line 1036z insert:
"(3) Regardless of whether or not a credit union has located branches in two or more counties in this state, a credit union organized under this chapter does not become a nonexempt credit union if the field of membership of the credit union does not meet the requirements of Subsection (1)."
6. Page 51, Line 1556: After "(3)" insert "or (5)"
9. Page 51, Line 1560: After "(3)" delete the remainder of line 1560 and insert ", (4), and (5):"
10. Page 51, Line 1561: Delete line 1561
11. Page 51, Line 1562: Delete "(b)" and insert "(9)(a)"
12. Page 51, Line 1563: Delete "(c)" and insert "(b)"

The motion passed unanimously.

Speaking in support of the bill were: Howard Hedlee, President, Utah Bankers Association; Alexandra Eframo, citizen; Kim Butters, Banker, Zions Bank; Terry Oliver, Banker, Cache Valley Bank; and Larry Miner, Bank of American Fork.

Speaking in opposition to the bill were: Scott Earl, President, Utah League of Credit Unions; Michelle Anderson, citizen; Everett Wunderli, credit union member; Brent Allen, America First Credit Union; Kent Greenfield, President, Ogden School District Credit Union.

Howard Hedlee, Scott Earl and Bruce Richards answered questions from the committee.

MOTION: Sen. Waddoups moved to amend the bill as follows:

Page 49, Line 1504: After "fees on" insert "banks and"

The motion passed unanimously.

MOTION: Sen. Hatch moved to pass the bill out favorably as amended.

Sens. Mayne, Davis and Bramble declared a conflict of interest.

The motion passed with Sens. Waddoups, Davis and Mayne voting in opposition.

MOTION: Sen. Davis moved to adjourn.

The motion passed unanimously.

Chair Hellewell adjourned the meeting at 7:00 p.m.

Sen. Parley G. Hellewell, Chair