

H.J.R. 1

JOINT RESOLUTION RELATED TO FINANCIAL INSTITUTIONS

HOUSE FLOOR AMENDMENTS

AMENDMENT 3

JANUARY 21, 2005 10:53 AM

Representative **James A. Ferrin** proposes the following amendments:

1. *Page 1, Lines 13 through 14:*

13 ~~{ → affirms the Legislature's decision to establish a classification of "nonexempt credit~~
14 ~~unions" and encourages Congress to adopt a similar approach; }~~

2. *Page 1, Line 26 through Page 2, Line 28:*

26 ~~{ → → requests that Congress in determining monies provided to the state by the federal~~
27 ~~government take into account revenues that may be lost to the state as a result of~~
28 ~~federal tax policy and regulations related to financial institutions; }~~

3. *Page 3, Lines 79 through 83:*

79 WHEREAS, the broad field of membership established by the National Credit Union
80 Administration allows state chartered credit unions to ~~{ easily }~~ convert to a federal charter,
81 ~~{ putting state chartered credit unions at a disadvantage because of factors such as }~~ creating
differences with state chartered credit unions, such as :
82 (1) differences in tax treatment of federally chartered credit unions; and
83 (2) differences in the regulations of member business lending;

4. *Page 4, Lines 96 through 101:*

96 ~~{ WHEREAS, if a state or Congress were to find that taxation of some credit unions is~~
97 ~~justified, the General Accounting Office has reported that as a cooperative, credit unions can~~
98 ~~avoid all such taxation by returning excess funds to its members either directly or indirectly by~~
99 ~~reducing loan rates, increasing deposit rates, or both; }~~
100 WHEREAS, the state and not the federal government generally should control and determine
101 public policy affecting the imposition of state taxes;

5. *Page 4, Lines 105 through 114:*

105 ~~WHEREAS, federal tax policies and regulations related to financial institutions can~~
106 ~~result in the erosion of state and local tax bases;~~
107 ~~WHEREAS, the possible erosion of the state tax base because of federal tax policy and~~
108 ~~regulations related to financial institutions can result in lost revenues to the state;~~
109 ~~WHEREAS, the loss of revenues to the state impacts the state's ability to meet the~~

110 essential needs of its citizens including the funding of education;
111 ~~——WHEREAS, all income tax revenues collected by the state are constitutionally~~
112 ~~dedicated in Utah to funding education;~~
113 ~~——WHEREAS, the funding of education is a top priority of the Legislature and, therefore,~~
114 ~~all exemptions from paying income tax are carefully scrutinized by the Legislature; }~~

6. Page 4, Line 120 through Page 5, Line 123:

120 ~~——WHEREAS, by creating the classification of "nonexempt" credit unions in H.B. 162,~~
121 ~~Financial Institutions Amendments (2003 Gen. Sess.), the Utah Legislature has recognized that~~
122 ~~some credit unions have grown so large that there may no longer be a meaningful affinity or~~
123 ~~common bond; }~~

7. Page 5, Lines 130 through 135:

130 { ~~NOW, THEREFORE, BE IT RESOLVED~~ that the Legislature of the state of Utah
131 affirms its decision to establish a classification of "nonexempt credit unions" because of the
132 foreseeable need to potentially differentiate between small credit unions and those that may
133 grow so large as to have lost a meaningful affinity or bond and encourages Congress to adopt a
134 similar approach. }

135 NOW, THEREFORE, BE IT { ~~FURTHER~~ } RESOLVED that the Legislature urges Congress
to examine the

8. Page 6, Lines 153 through 156:

153 ~~——BE IT FURTHER RESOLVED~~ that the Legislature requests that Congress in
154 determining monies provided to the state by the federal government for programs, including
155 education programs, take into account revenues that may be lost to the state as a result of
156 federal tax policy and regulations related to financial institutions. }

9. Page 6, Lines 157 through 159:

157 BE IT FURTHER RESOLVED that the Legislature urges Congress to fully and
158 carefully consider the principles, policies, circumstances, and conditions identified and
159 referenced in this resolution and promptly act { ~~as needed in order to remedy the same~~ } fairly and
appropriately .