

# H.J.R. 1

## JOINT RESOLUTION RELATED TO FINANCIAL INSTITUTIONS

HOUSE FLOOR AMENDMENTS

AMENDMENT 2

JANUARY 20, 2005 2:21 PM

Representative **Wayne A. Harper** proposes the following amendments:

1. *Page 1, Lines 12 through 15:*

12 This resolution:

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

15 ▶ urges Congress to examine the rulings of the National Credit Union Administration

2. *Page 3, Lines 79 through 84:*

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, allowing for:

81 { ~~putting state chartered credit unions at a disadvantage because of factors such as: }~~

82 (1) differences in tax treatment of federally chartered credit unions; and

83 (2) differences in the regulations of member business lending;

3. *Page 4, Lines 95 through 99:*

95 WHEREAS, federally chartered credit unions do not pay sales and use taxes;

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; }~~

4. *Page 4, Line 120 through Page 5, Line 125:*

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;~~

124 { ~~WHEREAS, any credit union in the state that would have been a "nonexempt" credit~~

125 ~~union as of May 2003, has since converted to a federal charter; }~~ and

5. *Page 5, Lines 130 through 140:*

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

136 rulings of the National Credit Union Administration regarding "common bond" and field of  
137 membership to determine whether those rulings are overbroad and inconsistent with the  
138 original intent of the Federal Credit Union Act {~~and take appropriate action, including~~

139 ~~examining whether there should be a restructuring of the National Credit Union~~

140 ~~Administration~~} and whether the economic circumstances have changed since the enactment of the  
Federal Credit Union Act such that credit unions should have a broader role in the current financial  
marketplace .