

SENATE BILL No. 275

By Committee on Financial Institutions and Insurance

Proposed amendment to SB 275
House Financial Institutions and Pensions
Committee
March 7, 2018
Inserting the contents of SB 292
Prepared by David Wiese, Office of Revisor of
Statutes

1 AN ACT concerning the credit union council; relating to terms of service;
2 two-term limit; amending K.S.A. 17-2232 and repealing the existing
3 section.

credit unions; relating to expulsion of members;

17-2219 and

sections

5 Be it enacted by the Legislature of the State of Kansas:

6 Section 1. K.S.A. 17-2232 is hereby amended to read as follows: 17-
7 2232. (a) The governor shall appoint a seven-member credit union council.
8 Each member shall be a resident of Kansas. Except as provided by
9 subsection (b), appointments to the council shall be for terms of three
10 years. Five of the persons appointed shall be members in good standing
11 and officers of Kansas state chartered credit unions. Subject to the
12 provisions of K.S.A. 1995 Supp. 75-4315c, and amendments thereto, of
13 those five members, the governor shall appoint one from each
14 congressional district and the remainder from the state at large. The
15 council shall elect annually a chairperson, a vice-chairperson and a
16 secretary for a term of one year or until their successors have been
17 appointed and qualified. All members of the council shall serve until their
18 successors have been appointed and qualified. Kansas state chartered
19 credit unions regulated under the provisions of this act may submit
20 annually to the governor, for consideration in making appointments to the
21 credit union council, a list of persons having the prescribed qualifications
22 for membership on the council. The council may adopt such rules and
23 regulations governing the compilation of such list as may be necessary.
24 Vacancies on the council shall be filled for the unexpired term by
25 appointment by the governor. In the event of a vacancy on the council, the
26 governor shall appoint a new member to fill the unexpired term. The mid-
27 term appointment of a new council member to serve an unexpired term
28 created by such a vacancy shall not be considered a full term for purposes
29 of the two-term limit. Except as otherwise provided, no person shall serve
30 more than two consecutive full three-year terms as a member of the
31 council. No more than four members of the council shall be from the same
32 political party.

33 (b) The terms of members who are serving on the council on the
34 effective date of this act shall expire on March 15, of the year in which
35 such member's term would have expired under the provisions of this
36 section prior to amendment by this act. Thereafter Members shall be

K.S.A. 17-2219 is hereby amended to read as follows: 17-2219. (a) Any member may be expelled from the
credit union;
(1) By a 2/3 vote of the members present at any regularly called meeting of the membership; or
(2) in accordance with the provisions of subsection (b), by the board of directors president, general
manager or any other credit union employee designated by the board of directors for a member's abuse of
member account privileges, a member's act or failure to act which causes financial loss to the credit union,
or a member's failure to purchase shares and utilize loan or other services of the credit union, or a member's
failure to comply with the credit union's adopted policy regarding expulsion. The board of directors
president or general manager shall report the expulsion of a member at the next regularly scheduled
members' board meeting.
(b) The board of directors of a credit union may adopt a policy with respect to expulsion from membership
for any reason set forth in paragraph (2) of subsection (a)(2). If such a policy is adopted, written notice of
the policy as adopted and effective date of such policy shall be mailed to each member of the credit union at
the member's current address appearing on the records of the credit union not less than 30 days prior to the
effective date of such policy. In addition, each new member shall be provided written notice of any such
policy prior to or upon applying for membership. The board of directors of a credit union shall provide the
member with a notice of expulsion from the membership not less than 30 days prior to the effective date of
the expulsion. Within the thirty-day period, the member, by written request, may require the board of
directors to bring the member's expulsion before the credit union membership at the next regularly
scheduled members' meeting. If the member makes such written request, the board of directors' expulsion of
such member shall be delayed until the credit union membership votes on such member's expulsion as
provided under subsection (a). An expelled member shall be informed of the reason for expulsion and may
appeal the expulsion to the board of directors by making a written request to the board of directors within
30 days of the expulsion.
(c) A member may withdraw from a credit union, as hereinafter provided, by filing a written notice of such
intention. All amounts paid on shares of an expelled or withdrawing member, with any dividends credited to
the member's shares to the date of expulsion, or withdrawal, shall be paid to the member, but only as funds
become available and after deducting any amounts due to the credit union by the member. All shares of an
expelled or withdrawing member, with any interest accrued, shall be paid to the member, subject to 60 days'
notice, and after deducting any amounts due to the credit union by the member. The member, when
withdrawing shares, shall have no further right in the credit union or to any of its benefits, but such
expulsion or withdrawal shall not operate to relieve such member from any remaining liability to the credit
union.
Sec. 2.

1 appointed for terms of three years and *serve* until their successors are
2 appointed and qualified.

3 (c) Council meetings shall be on call of a majority of the council or
4 the chairperson. The council shall hold one regular meeting during each
5 quarter of the year, upon such dates and at such places as designated by the
6 council, and may hold such other meetings as the council considers
7 necessary. The majority of the council shall constitute a quorum for doing
8 business. The council may adopt such rules as advisable for conducting
9 business and, until otherwise changed or modified, the council shall abide
10 by Robert's rules of order in conducting business.

11 (d) The council shall serve as an advisor to the administrator on
12 issues and needs of credit unions.

13 Sec. 2. K.S.A. 17-2232 is hereby repealed.

17-2219 and

14 Sec. 3. This act shall take effect and be in force from and after its
15 publication in the statute book.

are

Kansas register

And by renumbering sections accordingly