



**Colorado
Legislative
Council
Staff**

SB16-125

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0577
Prime Sponsor(s): Sen. Holbert
 Rep. Kraft-Tharp

Date: May 31, 2016
Bill Status: Signed into Law
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: CREDIT UNION GOVERNANCE

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal workload increases.		

Summary of Legislation

This bill allows the board of directors of a credit union, if authorized by the credit union's bylaws, to appoint an audit committee in lieu of a supervisory committee, provided the audit committee performs the statutory duties of a supervisory committee. A record of the names and addresses of the audit committee members is to be filed with the State Commissioner of Financial Services within 20 days of their election or appointment. The bill also allows a credit union to provide reasonable compensation to a director for his or her service.

Background

Under current law, only the treasurer of the credit union may be compensated for his or her service. Colorado law requires a credit union's supervisory committee to:

- perform or ensure the performance of a comprehensive annual audit and supplemental audits when necessary;
- prepare an annual report for the annual meeting of the credit union's members;
- suspend or remove officers or directors as necessary, following statutory procedures;
- verify the status of all member's shares, deposits, and loan accounts by examining all or a random sample of member accounts every other year; and
- by majority vote, call a special meeting to consider any violation of state law; credit union bylaws or rules; or conduct by any officer, director, committee member, or credit union member, which the committee deems is detrimental to the credit union.

State Expenditures

This bill is anticipated to increase workload by a minimal amount in FY 2016-17 and future fiscal years for the Division of Financial Services in the Department of Regulatory Agencies to update rules and to receive information from credit unions that choose to appoint an audit committee. This workload can be accomplished within existing appropriations.

Effective Date

The bill was signed into law by the Governor on April 15, 2016, and it takes effect August 10, 2016, assuming no referendum petition is filed.

State and Local Government Contacts

Higher Education
Personnel

Information Technology
Regulatory Agencies