

## CHAPTER 81

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**FINANCIAL INSTITUTIONS**

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**HOUSE BILL 01-1228**

BY REPRESENTATIVE(S) Kester, Dean, Jahn, Mace, Marshall, Paschall, Plant, Smith, Spradley, Vigil, and Webster;  
also SENATOR(S) Fitz-Gerald, Nichol, and Tupa.

**AN ACT**

CONCERNING THE EXPULSION OF CREDIT UNION MEMBERS FOR CAUSE.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 11-30-119, Colorado Revised Statutes, is amended to read:

**11-30-119. Expulsion or withdrawal of members - deceased members.** (1) ~~A member may be expelled by majority vote of the board of directors if said board determines that the member has not, for a period of six years or more, either increased or decreased the amount of his shares in or deposit with the credit union, exclusive of dividend or interest credits thereon; or that for such time has failed to respond to the supervisory committee's efforts to verify his account; or that for such time has failed to attend an annual membership meeting or cast a ballot in any annual election; or that for such time has failed to correspond or otherwise indicate any interest in or knowledge of his shares or deposit.~~ Any member may withdraw from the credit union at any time, but notice of withdrawal may be required in the bylaws. THE BOARD OF DIRECTORS MAY EXPEL ANY MEMBER FROM MEMBERSHIP IN THE CREDIT UNION IF SUCH MEMBER FAILS TO COMPLY WITH THE WRITTEN RULES AND POLICIES OF THE CREDIT UNION AS ADOPTED AND MADE AVAILABLE TO THE MEMBERSHIP.

(2) A MEMBER SHALL NOT BE EXPELLED UNTIL THE MEMBER HAS BEEN INFORMED IN WRITING OF THE REASONS FOR THE EXPULSION AND HAS HAD REASONABLE OPPORTUNITY TO BE HEARD.

(3) All amounts paid on shares or as deposits of an expelled member or withdrawing member, together with any dividends or interest accredited thereto, to the date thereof, as funds become available and after deducting all amounts due from the member to the credit union, shall be paid to such member. The credit union may require sixty days' written notice of intention to withdraw shares and thirty days'

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

written notice of intention to withdraw deposits. Withdrawing or expelled members shall have no further rights in the credit union but shall not, by such expulsion or withdrawal, be released from any remaining liability to the credit union. If any expelled member cannot be located at his OR HER last known address, his OR HER shares and deposit accounts may be closed and the funds therefrom transferred to an account payable, whereupon no dividends or interest shall further accrue. Shares or deposit accounts remaining in the name of a deceased member more than two years after the date of death may be closed and the funds therefrom transferred to an account payable, whereupon no dividends or interest shall further accrue. The credit union must make a reasonable effort to contact the heirs or assigns of the deceased member before such transfer is made.

~~(2)~~ (4) Funds held in an account payable pursuant to this section may be reclaimed within five years after the transfer to an account payable. Funds not claimed within said five-year period shall be transferred from accounts payable to regular reserve.

**SECTION 2. Effective date.** This act shall take effect September 1, 2001, unless a referendum petition is filed during the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution. If such a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: March 28, 2001