

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs & Labor.

HB22-1277 be amended as follows:

1 Amend printed bill, page 2, strike lines 2 through 9 and substitute:

2 "SECTION 1. Legislative declaration. (1) The general assembly
3 finds and declares that:

4 (a) Credit unions are member-owned, cooperative, not-for-profit
5 financial institutions serving more than 2.1 million members in Colorado
6 in 2021, contributing to local communities and the local tax base;

7 (b) Credit unions are insured by the National Credit Union
8 Administration (NCUA) through the national credit union share insurance
9 fund, which is backed by the full faith and credit of the United States
10 government;

11 (c) The NCUA insures each credit union share account for up to
12 \$250,000, the same amount the Federal Deposit Insurance Corporation
13 provides for bank and savings and loan association deposit accounts;

14 (d) A financial institution designated as a public depository
15 pursuant to section 24-75-603, Colorado Revised Statutes (public
16 depository), must also hold collateral in escrow to insure its deposits and
17 is subject to state examination, supervision, and monitoring;

18 (e) Under Colorado law, banks and savings and loan associations
19 are eligible for designation as public depositories;

20 (f) However, while Colorado credit unions are authorized to
21 accept public deposits, state law does not allow governmental units to use
22 credit unions as public depositories, unlike 27 other states.

23 (2) The general assembly further finds and declares that
24 designating credit unions as public depositories would serve and achieve
25 important public purposes that outweigh any other interests. The public
26 purposes include:

27 (a) Providing favorable earnings on public deposits, which
28 earnings, in turn, aid and assist governmental units in providing services
29 to their constituents at the lowest possible cost, thereby facilitating the
30 best allocation and use of public money;

31 (b) Removing impediments to competition for public deposits,
32 allowing the competitive forces of the free market system to lower costs
33 and increase earnings on public deposits to the ultimate benefit of
34 Coloradans, who are the governmental units' constituents; and

35 (c) Allowing governmental units to build relationships with credit
36 unions within their communities, which may result in more effective and
37 convenient financial services for the governmental unit."

38 Renumber succeeding sections accordingly.

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